

feature

Maquiladoras grist for the U.S. mill

by Adam Newman

The maquiladora industry is Mexico's second-largest source of income, after oil exports. But it is notorious for its consistent disregard for human rights and the environment.

Across the Rio Grande, some 500,000 Mexican workers assemble products for American, and Canadian consumption. Living in shantytowns, many are poor, and victims of exploitation.

The 28 km. maquiladora zone was established by the Mexican government in 1965 to attract foreign investment. Transnational corporations import technology duty-free into Mexico, and pay only a small value-added tax on goods leaving the country. "Maquilar" is a Spanish verb meaning to take corn or grain as pay for grinding at a mill.

The program did not achieve significant growth until 1982 when, as a result of a 40% devaluation of the peso, Mexico's wage rates could compete with those of other developing countries. Today there are some 2,000 maquiladoras along Mexico's northern border—90% of which are US-owned.

Maquiladoras generate US \$18 billion in products, and US \$4 billion in annual value-added income for Mexico.

WOMEN AT WORK

Wages in the maquiladoras are about half of those in the rest of Mexico's manufacturing sector. Average hourly wage in the

"...cross-border clean-up is long on press releases and short on money."

maquiladoras was US \$1.04 in 1990.

Two-thirds of the workers in the maquiladoras are young women between the ages of 17 and 24. Employers say they prefer to hire women for a number of reasons: they have "more nimble fingers" and are "more adaptable to repetitive jobs." (*Women in the Maquiladoras*, Vicki J. Northcott, Briarpatch, Sept. 1991)

However, *Latin American Connections* newsletter reports that the real reason is that most workers are young single mothers with no trade union experience, who can't afford to organize for better conditions for fear of losing their jobs. There are no promotions or raises, pension plans, seniority rights, or overtime pay. There are frequent pregnancy tests, which the women must "pass" in order to keep their jobs. Sexual harassment is common. (Northcott)

A TOXIC WASTE DUMP

Transnational corporations often disregard Mexico's environmental protection standards. According to the Mexican Ambassador to the US, "in 1989, only 6% of the northern border area assembly facilities complied with their environmental operating licenses." The Ambassador also says that the maquiladoras achieved 55% compliance by 1991 and that Mexico is recertifying all such plants to assure that they comply. (*Economic Justice Report*, October 1992, p. 2)

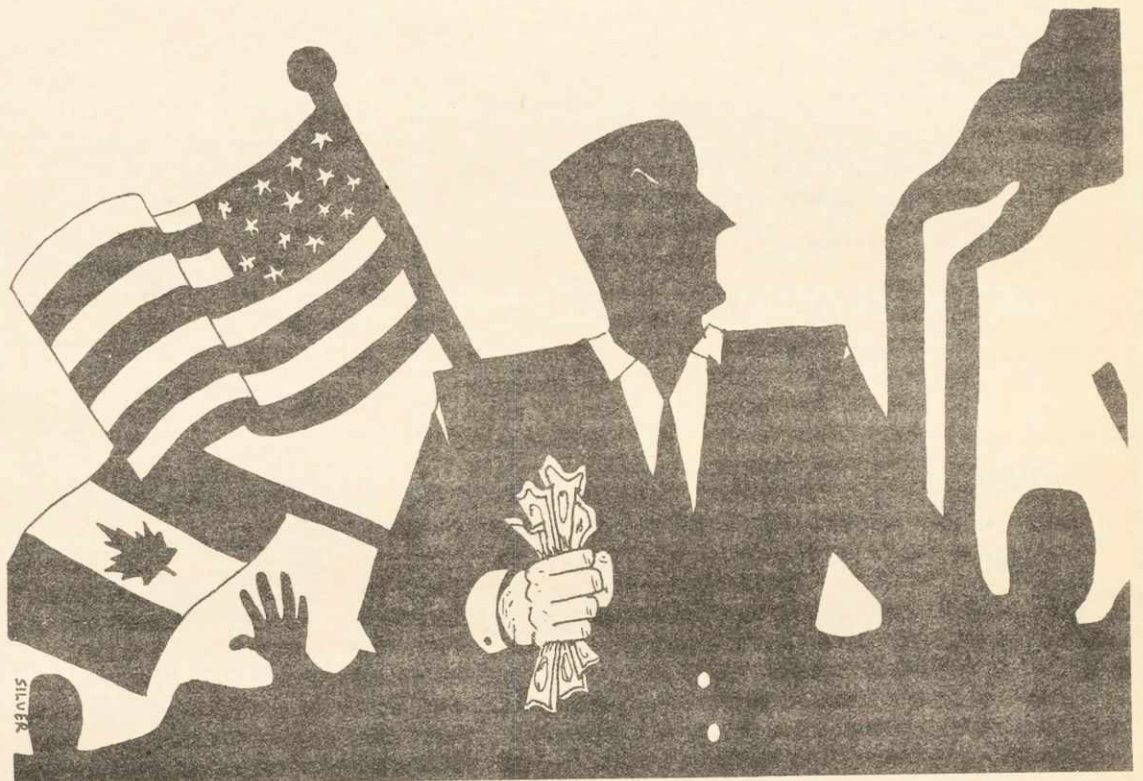
Environmental pollution continues, and local people are feeling its effects. Babies whose mothers have worked in maquiladoras are three times more likely to be underweight than are those born to women working in other sectors, according to a study of female maquiladora workers in Nogales, Sonora.

Some are born without brainstems. Forty-two such cases were reported in the border town of Matamoros, Mexico between January 1989 and May 1992. (*American Federation of Labour-Congress of Industrial Organizations Task Force on Trade*)

Healthy babies face serious obstacles. Thousands of infants die each year because of the dehydration that accompanies diarrhea caused by drinking contaminated water. (*Business Week*, July 6, 1992)

NO CLEAN-UP

Faced with an alarming increase in pollution, the Environmental Protection Agency met with the Mexican government to develop an 'Integrated Environmental Plan', released June 25, 1992. On July 6 *Business Week* reported: "Even free-trade boosters admit that the cross-border clean-up is long on press releases and short on money. The Border Trade



Alliance, a business group that supports NAFTA, estimates that some \$5.5 billion is needed to prepare the border's environment for free trade. But the EPA has asked Congress for just \$240 million in 1993 funding for the problem. And Mexico says it can spend just \$460 million on the effort during the next three years."

In March 1992, Canada announced a \$1 million package to assist environmental enforcement and monitoring in Mexico. That amount will have little impact on a system in need of over \$5 billion in capital.

LOOKING FOR WORK

As Mexico's population grows, more people are moving to the polluted cities of the north in hopes of finding work. For example, Ciudad Juarez, the Mexican city bordering west Texas, has tripled its population since investment there began in 1970, and is now home to over 1.2 million.

On July 2, *The Financial Times of London* reported:

"Some 400,000 people live in neighbourhoods without sufficient housing, running water, sewage facilities, pavement, or electricity." (*The Financial Times of London*, July 2, 1992)

But the effects of free trade are not confined to the Mexican side of the border. The sister city of El Paso, Texas "has suffered from its neighbour's explosive and unregulated growth. It is the fifth poorest city in the US, with rates of hepatitis, dysentery and tuberculosis five, four and two times the national average."

Foreign industries demand a work force, yet are not required to invest in community development. NAFTA furthers this trend. According to the AFL-CIO *Task Force on Trade*, "this agreement has no funding for desperately needed infrastructure along the border— not one water treatment

plant will be built, not one sewage facility, not one electrification program."

Because the tax burden is shifted off the backs of transnational corporations, local people are taxed to pay for things like Mexico's environmental enforcement fund. While the cost may be slight in American dollars, it is painfully expensive for Mexicans who earn about ten times less than their northern neighbours. TNCs are free of responsibility, and poor people are taxed in an attempt to clean up pollution.

WORKING CONDITIONS

An increase in skin diseases, gastrointestinal problems, nervous disorders, eyesight deterioration, cancers and miscarriages have all been linked to factory work in the maquiladoras. Stressful production quotas, along with inadequate pro-

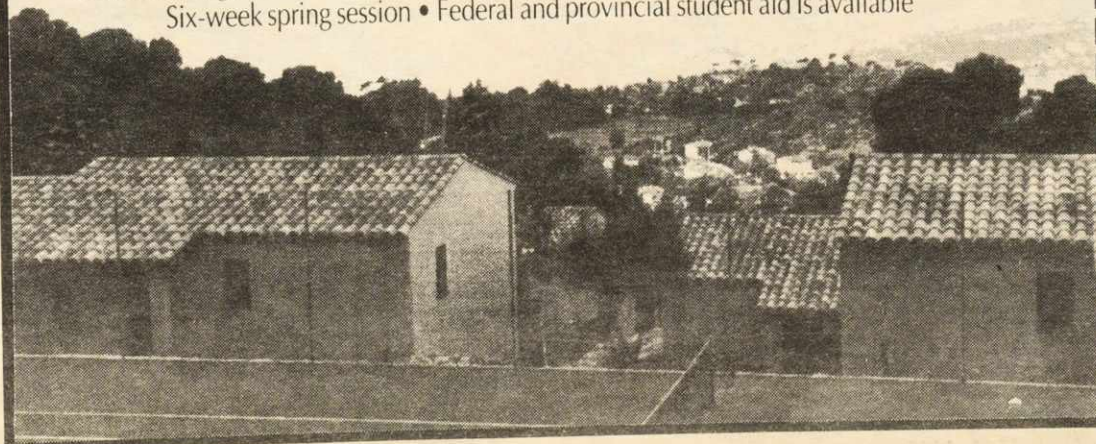
CONT'D ON PAGE 16

Study on the French Riviera

Earn up to one full year of transferable Canadian University credits while studying on the French Riviera, near Nice.

Université canadienne en France offers:

Courses in English or French • One and two-semester programs, Sept.-Dec. and Jan.-Apr.
Six-week spring session • Federal and provincial student aid is available



Oui!

Please send me more information on UCF.

NAME _____

ADDRESS _____

CITY _____

PROVINCE _____

POSTAL CODE _____

TELEPHONE _____

FOR MORE INFORMATION contact:
Université canadienne en France
Laurentian University, Sudbury Ontario
P3E 2C6 1-800-461-4030 Ontario
(705) 673-6513 collect outside Ontario