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Maquiladora Slavery

Abstract

This article is part of the collection of writings of Mike (Marshall) Westfall, retired autoworker from General Motors in Flint, Michigan (1964-1994) and activist critic of the auto industry restructuring that led to devastating job losses. It originally appeared online in *The Westfall Papers*. [<http://michaelwestfall.tripod.com/id128.html>, accessed 12/14/2011]

MAQUILADORA SLAVERY

BY Mike Westfall
6-2009

American manufacturing industries do not belong to corporate leaders alone and are prized national assets. They have given us our high standard of living, our power and respect in the world, been a model for the rest of the world to imitate and allowed us to out-produce armaments over our enemies during wartimes. Without these industries America loses.

From our nation's first colonies, there have been opportunists who have exhibited a penchant for using racism, elitism and the rules of the market place jungle to exploit fellow human beings to enrich themselves. Wealthy southern plantation owners and other prosperous business leaders of their day introduced African slaves to the Colonies in the 1600's. By 1860 the South had over 4 million slaves who were bought and sold at auctions like livestock. They labored in the fields and elsewhere-producing products for the benefit of their masters. They received no wages, were denied civil rights and they and their families were at the absolute mercy of those masters who owned them.

While African slavery is illegal in the United States today, American slavery does however exist in other forms. That same old U.S. entrepreneurial insatiability for financial gain, regardless of the human cost, is now being exported together with middle class American jobs to other less fortunate nations.

Industrial globalization has contributed to the initiation of shockingly cheap offshore product production in places like China, which surpasses Mexico's deplorable low cost labor status. That said, Mexico, because of its close geographic proximity to the United States, has been particularly targeted by U.S. industry for wage-slavery and consequential human rights violations.

The term for this Mexican neo-slavery is maquiladora.

A Mexican maquiladora factory allows duty free temporary importation of machinery, parts and materials to Mexico as long as the produced goods do not remain in Mexico. About 90% of what is produced in maquiladora factories returns to the United States. Companies such as auto, clothing, toy, electronics and others transport their raw materials and/or disassembled parts to these factories, and the Mexican workers labor to complete the manufacturing processes. The products are then returned with very little duties, tariffs, taxes and labor costs to places like Ford, GM and IBM or to the shelves of mega-stores like Kmart and Wal-Mart.

The full impact of the maquiladora concept kicked in with the North American Free Trade Agreement, NAFTA. NAFTA was politically designed to bring special protections to financial interests at the expense of labor in the three nations of Canada, Mexico and the U.S.

Both the Republicans and Democrats jointly supported NAFTA, and it was signed into law under President Clinton. It began in January of 1994 and triggered an immediate flooding of U.S. investment into Mexico to build more maquiladora factories. Ross Perot, who opposed NAFTA and ran against Bill Clinton for President, said that the "Giant Sucking Sound, would be the jobs heading south to Mexico."

American business leaders have been quick to seize upon the opportunity to take advantage of these desperate workers. NAFTA has been a disaster for working people and the communities in which they live in all three nations. Today we clearly see that the results of NAFTA have led to a weaker America with devastated and shuttered manufacturing communities. Mexican wages have dropped, and almost 20 million more Mexicans now live in poverty.

It is common knowledge that many U.S. politicians get hefty campaign contributions from industry. The only NAFTA winners have been the companies and politicians.

There are about 3,000 high profit maquiladora factories along the 2000-mile U.S.-Mexican border with over 1 million Mexican workers. As of 2006, maquiladoras accounted for 45% of Mexico's total exports.

The impoverished maquiladora workers really have few choices and are forced to choose between working for starvation wages or not having employment at all. A husband and a wife working full time jobs in these factories still cannot earn enough money to decently support a family of four. It is economic subjugation. In too many instances, workers put in grueling 10 hour shifts 6 days a week doing difficult unhealthy jobs at an unreasonable work pace often around hazardous and toxic elements.

As a Flint based labor activist / leader in the 1980's, I observed the auto industry beginning to shift large numbers of America's premier jobs to oppressed foreign workers. I began speaking out and taking groups of autoworkers to Detroit to stage protests and demonstrations. We did TV and radio shows and confronted G.M.'s CEO Roger Smith at GM's stockholder meetings. We raised issues like corporate restructuring without regards for the social consequences, the practice of apartheid in G.M.'s plants in South Africa and the exploitation of their foreign workers.

On the stockholder floor, I would challenge and debate Roger Smith and tell him his Mexican workers were falling over on the assembly lines from hunger. He once shot back that wasn't true because GM was furnishing one meal per day to these workers. That statement was immediately picked up and then quickly forgotten by the national press. The truth was that GM was having a yearly labor turnover rate of almost 90%, because workers couldn't afford the meager costs necessary for work including food, clothing and transportation expenses.

Maquiladora plants in general have an especially dismal record of exploitation relative to women and children. It has not been uncommon to find young children as young as 12 years old working in these factories under forged documents.

In 1999 the net wage for the average maquiladora worker was \$55.77 per week, after slicing the 4% union dues of \$2.32. The weekly minimum living expense for one worker was \$54. In addition to the pathetic wages and disregarded labor standards, the living and health conditions around these maquiladora factories are beyond belief.

A recent New York Times article said that because these workers have no financial resources, a nutritious meal for their family is an unattainable luxury. Many live in a squalid grid of dirt streets, rotting garbage, swamps of open sewers with unsafe water, overburdened or none existent schools and violence against the women.

A December, 2007 Global Exchange article, discussing maquiladoras since NAFTA, discussed how worker settlements were sprouting up around these factories with housing made from cardboard, sticks and sheet metal. These shanties had neither sufficient clean water nor adequate sewage systems. The article talked of sweatshop blue jean maquiladoras making millions of dollars off their workers, including children under the age of 11 and of young women workers suffering sexual harassment. It told of laborers putting in 12-hour workdays producing thousands of pairs of Polo Ralph Lauren, Tommy Hilfiger and Wrangler jeans per week for weekly wages of 700 pesos (\$53 U.S.). These jeans were being sold in Los Angeles stores for 1000 pesos (\$75 U.S.) per pair.

These jean factories pollute the local water. The stone washing and bleaching leaves highly toxic wastewater with heavy metals in the effluent. The article stated that the runoff makes the nearby farm fields become iridescent and radiates a metallic blue because of this chemical run off.

An article titled Maquila Neoslavery by National Catholic Reporter, Gary MacEoin, who was a human rights activist specializing in poverty in Latin America, stated a typical maquila 9-hour day quota for a woman is to iron 1,200 shirts. MacEoin said "few survive the unhealthy working conditions, poor ventilation, verbal abuse, strip searches, and sexual harassment for more than six or seven years.

Dr. Ruth Rosenbaum, executive director CREA, said the wages do not enable them to meet basic human needs of their family for nutrition, housing, clothing, and non-consumables and that one maquiladora worker provides only 19.8% of what a family of four needs to live.

Author Rachel Stohr talked of the brutal treatment, the wage slavery, of how the Mexican government gains economically from these factories and how the enforcement of Mexican labor laws is just not happening in a 2004 University of New Mexico story.

To the U.S. companies who run maquiladora factories, the workers are expendable and only the financial investment is important. According to Rev. David Schilling, director of ICCR's Global Corporate Accountability Program, for years religious institutional investors have been pressing corporations to pay their Mexican employees a sustainable living wage.

Martha Ojeda, director of Coalition for Justice in the Maquiladoras, said " they work long productive hours for the worlds biggest corporations and still cannot provide the most basic needs for their families, they cannot afford to consume the items they produce".

Brian Chasnoff wrote in the COMITE FRONTERIZO DE OBRER S that the Immigration Clinic of San Jose says that it hears of so much rape in the maquiladoras that it is disgusting.

Some of the companies who participate in this elitism and human deprivation are historically not strangers to oppression, and exploitation. Award winning author Edwin Black, in his new book Nazi Nexus, discusses the complicity of American companies like Ford, General Motors, and IBM with their connections to Hitler's regime against the Jews beginning in the 1930's. Interestingly these same three companies have continued to find themselves on the wrong side of the moral table throughout their histories, as evidenced with the current accusations being directed against them for practicing apartheid in South Africa and also with the maquiladora factories they each run in Mexico.

At the writing of a December 1998 Business Week article called Mexican Makeover, IBM had boosted exports from \$350 million to \$2 billion.

Ford has maintained a presence in Mexico since 1925. In David C. Kortens book, When Corporations Rule the World, he told of how in 1987 Ford Motor Company tore up its Mexican union contract, fired 3,400 workers, and cut the already low wages by 45 percent. When Ford workers rallied around dissident labor leaders, gunmen hired by the official government-dominated union, shot workers at random.

General Motors is another key industry named in Edwin Black's Nazi Nexus. A July 9, 1997 Campaign for Labor Rights newsletter in Washington, DC stated the Coalition for Justice in the Maquiladoras were protesting the firing of 33 GM maquila workers for a work stoppage due to wage issues. These desperately poor workers agreed to a settlement with a mere \$32 in food coupons redeemable in local stores. GM had six plants at this location. This letter stated that GM's maquila workers are faced with a brutal economic crisis and the less than \$40 per week wage that they took home didn't cover the basic nutritional requirements of their families. The newsletter stated that these workers were some of the most productive industrial workers in the world, and General Motors employed 70,000 of them in maquiladoras around Mexico."

There is a long list of U.S. based multi-nationals including Fortune 500 companies who run Mexico's maquiladora factories. Mexico's Maquila Portal, stated how many factories and how many workers were involved in 2006. Some examples were...

- . Delphi, which split off from General Motors and remains a major auto supplier, has 66,000 workers and 51 maquiladora factories
- . Lear corporation 34,000 workers and 8 factories
- . General Electric 20,700 workers and 30 factories
- . Jabil Circuit 10,000 workers and 3 factories

- . Visteon 10,000 workers and 16 factories
- . Whirlpool 7,500 workers and 5 factories
- . Emerson Electric 5,678 workers and 7 factories
- . Motorola 5,290 workers and 2 factories
- . Honeywell 4,900 workers and 3 factories
- . Plantronics 3,600 workers and 5 factories
- . Bose 2,900 workers and 2 factories
- . Mattell 2,578 workers and 1 factory

An Environmental Justice case study: Maquiladora Workers and Border Issues, by Elyse Bolterstein, stated that the 2000 mile border between the United States and Mexico had become what the American Medical Association called, "a virtual cesspool and breeding ground for infectious disease". The article says workers had to endure terrible working conditions that included exposure to potentially hazardous materials and that one-fifth of a surveyed group of workers suffered from work related illnesses. The article stated that loosely enforced Mexican environmental laws and a lack of suitable waste storage caused the border to be among the most polluted areas in Mexico. Border residents are exposed to high air pollution levels, and there are considerable toxic materials dumped into the Rio Grande poisoning the communities along the river and causing illnesses like hepatitis.

Consider the hopeless plight of these hurting Mexican families for a moment. As U.S. industry has exported jobs to Mexican workers, who they expect to work for starvation wages, these same workers have been exporting themselves to the United States. Jeffrey Passe, a demographer at the PEW Hispanic Institute, says they want to come here legally to make a decent living, but their circumstances are so harsh that these people are jumping the fence to come here illegally.

The corporations' public relations departments counter the reality of their behavior by arguing that maquiladora workers are not the least paid workers in Mexico, and therefore the companies have every right to demand low wages and extract what they can from these vulnerable people. They say their own government condones the maquiladora system.

Thinking compassionate consumers who buy these companies' products don't want to support this exploitation and the despicable human rights violations. The next time they put on their Wrangler jeans, consumers should consider the grueling hours, the hunger, the sexual harassment of the women, the stolen lives of the children and the destitution of the workers in the various maquiladora garment factories. When they buckle up their children in their automotive seat belts, they need to think of the Mexican worker who made that seat belt and cannot afford an education or decent home or future for their children. The next time they buy their grandchild a Mattel toy or sweatshop Barbie from the world's largest toy maker, they need to consider not only the companies oppressed workers in Mexico and China, but also the recent recalls over safety concerns over their foreign produced toys.

Yes, we all need to think about this because when we purchase the products produced by demoralized workers, we are not only losing American middle class jobs but also directly supporting this neo-slavery.

In civilized nations there are minimum wage laws, child labor laws, health and safety laws, environmental laws and laws against sexual abuse and exploitation. Politicians actually have a desire to protect their workers. U.S. politicians should be ashamed of themselves for allowing products to come into this country that were made by exploited workers. Instead they, with their corporate colleagues, have enabled it, while slicing U.S. manufacturing capacity and painfully eliminating good paying middle-income jobs. These politicians have substantially weakened America.

The irony is that while we wish to buy products made by workers who are not exploited, the day is fast approaching when the only products you can find made in the U.S.A. will be in the antique malls.

The companies professed that these factories would benefit everyone connected to them. They lied.

Raising wages, which improves living standards in poor countries, is in direct opposition to their best interests, and social responsibility just isn't a consideration. Sooner or later, as the rest of the world becomes more powerful and the U.S. becomes less dominant, the world will remember the abuse that U.S. corporations and political leaders visited upon them. There could be retribution to pay.

The successful double talk of Wall Street and powerful industries arguing that blind open free trade, at the expense of powerless workers and their families, would promote democracy and improve the living conditions has been proven false. The exploitative maquiladora system is the kiss of death to all of the workers of the world.

Mike Westfall