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Comments on the Papers by Vicki Ruiz and Sharon Strom

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The papers under consideration discuss how previously ignored labor pools have been identified and tapped by U.S. corporations as new industrial circumstances have emerged over time. They also explore some of the consequences of these actions. Strom details how the evolution of office work -- referred to as being "light manufacturing" -- at the turn of the 20th Century in the United States shifted from being work for men (when it was mostly hand and brain work) to work for women (when it became mostly mechanized and routine work). Ruiz, on the other hand, has focussed on the post-1965 issue of the employment patterns and practices of U.S. based businesses which have shifted their assembly manufacturing to enterprises located in Mexico. Known as "maquila plants" (or "twin plants" or "in-bond plants"), these manufacturing enterprises owe their existence to special provisions written into the U.S. tariff codes.<sup>1</sup> As a response to the unilateral termination by the United States on December 31, 1964 of the infamous "bracero" program, the Mexican government elected to permit maquila plants to operate in the country. The "bracero" program was an agricultural contract labor program that had been introduced in 1942 as a "temporary" war time emergency program to supply southwestern growers with a source of unskilled workers. The growers, however, became addicted to the availability of captive cheap workers and lobbied for its continuation over the next 22 years. These Mexican workers were all men. When this exploitive program

ended (its termination had because a rallying cause for organized labor, Chicano community groups, and various liberal organizations), the Mexican government sought to find a quick way to absorb what it feared would be an added surplus of unemployed males in its border towns when the next harvest season began. Thus, in direct contraction to its extant policies of restricting the operation of foreign-owned enterprises, the Mexican government changed its laws to permit these U.S.-based firms to operate on their soil. The acceptance of the maquila program was also in direct opposition to Mexico's long term economic development strategy for the border region. In 1960 the National Frontier Programs (la Programa Nacional Fronterizo, or PRONAF) was launched. This policy sought to find ways to diversify the dependency of the Mexican border economies on economic happenings in the United States. The maquila program has greatly increased this dependency.

The point is that the maquila program was originally conceived as a means of employing men. As it turned out, most of the men (i.e., the former braceros) kept coming to the United States after 1965 albeit as illegal immigrants. Whether these firms would have actually hired men can only be conjectured. From the time they actually began to employ workers in 1966, the garment and electronics firms that have dominated the program have sought female employees. Ruiz does point-out, however, that in the 1980s, as some automobile and furniture firms have become involved, there are some examples of young men being employed. They remain, however, the exceptions.

Thus, one of the parallel issues in both papers is their concern with the gender patterns in industrial employment. Strom points out that the key to gender hiring for office jobs was not the machines that were used. Rather, she contends it was the conversion of the jobs into menial tasks

that could now be performed by these machines that caused the shift. As a consequence of this change, the tasks now were perceived as being low status work and the opportunities for worker advancement were greatly limited. As office work became more segmented in emerging large-sized enterprises (such as Sears Roebuck, AT&T, the Federal Civil Service etc.), employers - under the guise of scientific management principles -- were able to internalize the exercise of their power. In the process they sought a stable labor force to perform the increasingly routine tasks associated with processing paperwork. They sought a group that could not be easily bid away by alternative vocations. In the period that was examined (i.e., 1900 to 1930), women had few occupational alternatives in the labor market and were usually denied opportunities to be prepared for other paid work. The pervasive discriminatory conditions in the external labor market during that era enabled employers to manipulate their internal labor markets to achieve their specific hiring objectives.

It seems important to note that the jobs associated with office work were not open to all women. They were reserved largely for native-born women. In part this preference may have reflected anti-foreigner sentiments. But Strom believes that the practice actually mirrored the reality of the nature of office work then and now. Office work is service employment that requires communication skills based on the ability to read, write, and speak English. Strom notes that young girls frequently had more formal education than did young boys at that time. Accordingly, they were more literate. Foreign-born women seemed to lack these abilities and were excluded. Recent research on immigrants into New York City in the 1980s, for instance, has found very pronounced industrial and occupational employment patterns that are directly

associated with English fluency.<sup>2</sup> There does seem to be a lesson in the discussion for the study of employment patterns of low wage workers in the 1980s as the goods producing industries give way to service producing jobs and mass immigration has again become a major characteristic of labor force growth.

The Ruiz paper documents a somewhat similar phenomenon. U.S. employers needed a labor supply that had few alternatives. Women in Mexican border towns frequently were in this predicament. Mexican men in these municipalities often had the opportunities to be employed locally or, if not, to illegally immigrate to the United States. Given these options, it is doubtful that many men could have ever been attracted to assembly manufacturing at the Mexican daily minimum even if there had ever been any inclination to seek them. A captive labor force was needed. The ensuing employment practices of maquila firms has best been described in an earlier study of maquiladoras by Maria Patricia Fernandez-Kelly to be as follows:

"...Maquiladoras...do not tend to employ the members of the traditional work force, that is males of working age. Rather, they employ members of the so called inactive population, that is daughters and wives whose principal activities took place in the school or the home prior to the existence of the in-bond plant program. In other words, these were the components of a formerly unemployable sector."<sup>3</sup>

The description by Ruiz of the despicable employment practices used by the U.S. firms operating under the auspices of maquila programs reinforce the similar findings of Fernandez-Kelly. Any vestiges of the training that U.S. employees supposedly receive in human resource management (i.e., personnel policy) seems to vanish at the border. Similarly, homage to the public policy constraints imposed by U.S. laws for worker protections are also quickly abandoned. The image of the "ugly American" has been

reincarnated. These writings should suffice to strip away the glossy public relations veneer of U.S. business and chambers of commerce publications which seek to create the illusion that somehow these operations are beneficial to Mexican workers (or to other workers in Southeast Asia and the Caribbean who are employed in such similar ventures). Nothing could be further from the truth. Ruiz and Fernandez-Kelly both show that the involvement of women in paid industrial labor in such enterprises does not necessarily represent an improvement of their alternatives as individuals, workers or as members of families. Instead, their participation is a manifestation of their economic vulnerability. Just as Strom found women recruited into office work as a cost cutting move by U.S. firms in the early 20th Century, so does Ruiz find that the identical pressures are driving the contemporary international economy. The only difference is that in the earlier period in the United States, women were confined to limited segments of the labor market. Now, thanks to enlightened social policy in the United States, women have been afforded opportunities to prepare and to be employed in a wider array of jobs. But just as the recently won gains by U.S. women are, in part threatened by the new drive to open the U.S. economy to international competition, so is the situation identical for women in developing nations. The status of women in these countries, however, is imperiled not only the same global pressures of international competition but also, by the fact that these women are still largely trapped by segregated employment practices into segmented and limited enclaves of their national labor markets as were U.S. women earlier in this Century.

The villain to worker welfare in economically developing nations in the late 1980s -- as it was in the U.S. in the early 20th Century -- is

unbridled competition coupled with the absence of enforceable fair labor standards. Fair labor standards and equal employment opportunity policies in the United States were introduced at a time when the U.S. economy was sheltered from foreign competitive forces by high tariffs. Since the 1960s, the U.S. has led the way to open up both its own economy and, with the aid of other signatory nations to the General Agreement on Tariff and Trade, the evil jinni of unrestricted competition has been released upon the seemingly helpless workers of the world. This move toward greater competition, however, has not been accompanied by any parallel effort to encourage the adoption of worldwide fair labor standards and equal employment opportunity policies.<sup>4</sup> As Fernandez-Kelly has so perceptively warned "without the careful vigilance of responsible business representatives and public officials, the internationalization of production can entail the worsening of working conditions, the loosening of health and safety regulations, the exacerbation of urban problems, and in the long run, the increase of unemployment"<sup>5</sup>

Thus, under these conditions the entry of new workers into the economies of already developed or of developing nations does not bode-well for the welfare of working people. The current fad in the United States and in these other nations is "competitiveness". Reduced to its essentials, the slogan means 'cut costs to the bone.'" These pressures have led U.S. firms to participate in maquiladora type enterprises in Mexico and elsewhere. Other nations feel compelled to follow suit. Neoclassical economists may be heartened by these pressures toward greater efficiency in the use of the world's economic resources. But as Frederick Thayer has so wisely observed:

"Lets not kid ourselves: all-out competition in world markets involves both "capitalist" and "socialist" enterprises and cost cutting kills workers in all those enterprises. Less competition is the only thing that will save them".<sup>6</sup>

There is ample evidence presented in both these papers -- one describing events of the past, one describing events of the present -- to cause reasonable persons to ask if we cannot learn from history. Is it really in anyone's interest to revive Darwinistic competition for the workers of the world or should we not seek to put the brakes on these tendencies and begin the exploration of other paradigms that may offer the prospect of hope and not despair for those who toil to produce the world's output.

## Footnotes

1. For a discussion of these provisions and how Mexico became involved with them, see Vernon M. Briggs, Immigration Policy and the American Labor Force, (Baltimore: Johns Hopkins University Press, 1984), pp. 238-242.
2. Elizabeth Bogen, Immigration in New York, (New York: Praeger Publishing Company, 1987), pp. 84-5 ff.
3. Maria Patricia Fernandez-Kelly, For We are Sold, I and My People: Women and Industry in Mexico's Frontier (Albany: State University of New York Press, 1983), p. 45.
4. Howard D. Samuel, "Social Goals and International Trade: A New Dimension" in The Internationalization of the U.S. Economy: Its Labor Market Implications, edited by Vernon M. Briggs, Jr. (Salt Lake City: Olympus Publishing Company, 1986) pp. 27-37.
5. Ibid., p. 194.
6. Letters to the Editor by Professor Frederick Thayer, New York Times, (August 16, 1987) p. F-18.