Comité Fronterizo de Obrer@s CFO

For the labor rights and all human rights of the maquiladora workers

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Profit & Poverty: Mexico's Maquiladoras

The Daily Texan
February 11, 2004

By Brian Chasnoff

Editor's Note: All workers' names have been changed due to threats and harassment received from superiors, including the use of employer blacklists and threats aimed at the workers' families. This is part one of a three-part series.

In the Streets

Media Credit: Erin McCartey
The living conditions of the maquiladoras are poverty-stricken - homes made from cinder blocks and scraps of metal. Until recently, there was no running water or electricity. This home in the Nuevo Laredo neighborhood of Voluntad Uno is typical of the border-town factory workers.

They are unpaved and littered with waste, with sanctified names such as Rio Ganges and Rio Jordan. Beyond a drop-off, jutting from the main boulevard, a murky brown stream that should be a street flows between two rows of ramshackle houses.

"There are colonias where the streets turn to rivers," said resident Juan Flores.

Flores was a resident of this Nuevo Laredo colonia back when it lacked basic services such as water and electricity. Ten years ago, a group of Mexicans - many who migrated to Nuevo Laredo from the interior to find work in the maquiladora plants of Mexico's burgeoning export production industry - gathered on the unclaimed territory and appointed a leader,
who then met with the municipal president to request a grant of terrains. The land was parceled out; homes were built with concrete blocks, scraps of metal, wooden planks, anything the migrants could get their hands on.

Everyone became their own contractor and architect.

Almost two years after claiming the land, water and electricity became available to its inhabitants. The utilities arrived relatively quickly; some neighborhoods wait seven years for such basic services. Today, this colonia is considered one of the nicer ones. Its residents named it Voluntad Uno: Willpower One.

Flores operates a hair salon here. He used to sew clothes in a maquiladora, one of the mostly foreign-owned assembly plants that populate the industrial parks of Mexico's border towns and beyond, but he was fired, he said, for participating in a strike. So he bought the hair salon with his severance pay. Now he is a member of a grassroots organization called Comite Fronterizo de Obreros, or the Border Committee of Women Workers.

Whenever Flores is not cutting hair, he seeks out maquiladora workers in their homes to educate them about their labor rights under the Mexican Constitution.

The CFO consists of workers and ex-workers from towns all along the border. As a whole, they are angry, calm and persistent, criticizing what they see as the lies of those who negotiated the North American Free Trade Agreement and condemning the favored positions and exploitative practices of the U.S. corporations that have moved to Mexico to take advantage of NAFTA's neoliberal allowances.

"NAFTA," said a report by the CFO, "was designed to promote the interests of large corporations and the small circles of financiers and government officials who make the decisions about the economies of [Canada, the U.S. and Mexico]."

They talk of the steady decline of real wages in the maquiladoras, the flouting of labor laws, the suppression of unions.

Flores has been in the CFO for eight years. He travels to dilapidated homes, often under the cover of night, to inform workers of their labor rights as guaranteed under Article 123 of the Constitution of Mexico.

He tells them that during the three months prior to childbirth, women "shall not perform physical labor that requires excessive material effort" and that for one month thereafter, they "shall necessarily enjoy the benefit of rest and receive their full wages and retain their employment."

He recites the requirement that "the general minimum wage must be sufficient to satisfy the normal material, social and cultural needs of the head of a family and to provide for the compulsory education of his children."

He describes the employer's obligation to observe "the legal regulations on hygiene and health and to adopt adequate measures for the prevention of accidents."

And he asks the workers to recognize their legal right to "organize for the defense of their interests by forming unions, professional associations, etc."

According to Gabriela Flora, project voice regional operator of the American Friends Service Committee, the Mexican labor law is actually more progressive than the labor law in the U.S. The problem, she said, lies in its enforcement.

The aim of the CFO is to spread knowledge of this law and to galvanize workers to organize against its repression. It is a nonprofit venture.

"We don't want compensation for this," said Flores. "Our compensation is seeing workers fight for their rights."

Aiding the CFO in its venture is an Austin organization called Austin Tan Cerca de la Frontera, or Austin So Close to the Border. The stated purpose of ATCF is to "establish and maintain relationships of mutual solidarity, guided by a conscious and growing understanding of the conditions of each other's lives, between the people of Central Texas and the border region." The group organizes continual delegations to various border towns, where participants can meet maquiladora workers, visit colonias and learn how to help the CFO.

Some CFO members attack the system from the inside out. Jose Reyes leads an independent union of about 90 workers at an Alcoa plant in Piedras Negras. With the help of a grant from a Mexican nonprofit organization, he is preparing to attend law school in Mexico City. Then, Reyes said, he will wield the law "on paper and in practice." He also plans to meet with lawyers in the U.S. and Canada to create a transnational union.

"It's best to dream very big," he said.

The streets of Voluntad Uno appear ripe for dreams, as do the roads of other colonias where development seems petrified in a morass of corrugated sheet metal and cinder blocks, where many full-time maquila workers dwell in one-room shacks that lack potable water, electricity or sewage treatment, and stray emaciated dogs roam the streets that sometimes turn to rivers.

Juan Flores explains what it takes to turn dreams into reality.

"Fighting injustice requires time and dedication," he said. "There is no greater power than the multiplication of knowledge."

In the factories

They sit massive and nondescript among palm trees and flowerbeds. The streets that surround them, with names like World Trade Center Boulevard and New York Avenue, reveal the factories' origin of control and the destination of their finished products.

U.S. corporations, drawn south by the privatized and deregulated economy that the Mexican government has actively cultivated since the 1980s, own the majority. Inside, products are assembled out of raw materials - 97 percent of which are imported from sources outside Mexico - and then exported to the U.S.

The attraction is clear: Companies pay wages here that are 10-to-20 times lower than in the U.S., are not taxed on their working capital and, thanks to the passage of NAFTA, enjoy minimal to zero tariffs on many imported raw materials and exported goods.

After NAFTA went into effect in 1994, tens of billions of dollars of foreign capital poured into the manufacturing sector. Employ-ment in the assembly plants grew steadily at 11 percent a year. At their peak in 2000, maquiladoras employed 1.3 million workers in more than 2,000 factories.

The industrial parks of Nuevo Laredo are crowded with factories. Sony makes DVDs and VHS videotapes here, Caterpillar produces injectors and batteries, and Maquiluno assembles plastic cosmetic packaging. Foreign companies thrive in most of Mexico's border towns. To name only a few: Delphi Delco Electronics makes auto parts in Reynosa, Alcoa Fujikura Ltd. produces wire harnessing in both Ciudad Acuña and Piedras Negras, and General Electric repairs aircraft parts in Reynosa. In Piedras Negras, body bags are produced for the U.S. Army.

Media Credit: Brandi Perkins
In Nuevo Laredo, the Mexican border town opposite Laredo, Texas, a cluster of American companies sit at the intersection of New York Avenue and World Trade Center Boulevard. Mexican factory workers are paid 10 to 20 times less than American factory workers, and most tariffs are waived due to NAFTA agreements.

Increasingly, corporations are moving farther south into the small towns and rural villages of Mexico's interior, where labor can be found at half the price as in their northern counterparts. Another recent phenomenon is a corporate exodus into countries such as China, where substantially cheaper labor can be found - often for as low as $2 a day. A major stimulus to this trend was China's acceptance into the World Trade Organization in 2001. A number of plants have since closed down in Mexico and shifted operations across the ocean. Accordingly, maquiladora employment has dropped over the last few years; more than 240,000 jobs have been lost since 2001.

In December 2001, 22 women were fired from a Delphi plant in Reynosa. All were new mothers at the time. These women believe that Delphi fired them to avoid paying maternity leave. In response, they filed a lawsuit against the company demanding fair severance pay. Ines Garcia, one of the fired mothers, said it is often hard to find a lawyer who is willing to challenge the corporations.

"If everyone involved were honest and honorable, we would have already won the lawsuit," she said.

Since then, the women have won the lawsuit, each receiving their full dues plus the amount accumulated during the two-year struggle - around $8,000 each.

For workers still employed in the maquiladoras - more than 1 million - life in the factories varies depending upon the employer. Alma Salvador, a member of the CFO who used to work at Maquiluno, said Sony has a good reputation in Nuevo Laredo for respecting its employees. The workers there are given decent benefits, she said, and were allowed to establish their own union independent from the Confederacion de Trabajores Mexicanos. The Confederation of Mexican Workers represents the institutionalized labor unions present in every city.

Many CFO members refer to these unions as the "bad unions" and call them syndicatos charros, or cowboy unions. Each city has a separate CTM. Jose

Reyes calls them "organs of the corporations" and claims they rarely operate in the workers' interests. He said the CTM grew from the grassroots of the ousted authoritarian government: the Partido Revolucionario Institucional, or Institutional Revolutionary Party. Many CTM members now hold jobs with the Mexican government, an entity that benefits directly from foreign investment drawn to the maquiladoras. In negotiating wages for the workers, Reyes said, the CTM often violates the law requiring that wages satisfy the basic subsistence needs of the workers and their families.

Alma Salvador said maquila-dora workers, in general, are paid between $37 and $60 for every 48-hour work week.

A worker's salary often depends on the particular machine he or she operates and its relative importance to overall production. A worker's seniority also affects his or her salary. The CFO, however, claims that some corporations offer only temporary contracts that they continually renew in order to undermine workers' seniority rights. A number of expenses can be deducted from a worker's weekly paycheck, including deductions for health insurance, which are required by law, government housing, union dues, transportation to and from work and savings accounts that accumulate interest. Some corporations deduct what they call strike insurance, which is an annual lump sum returned to the worker only if the employee population had no strikes that year.

Over the last 20 years, Mexican wages have lost more than 80 percent of their buying power due to inflation.

In a cramped Nuevo Laredo hotel room, Juan Flores displays a large poster.

It outlines a basic basket - an estimate of the amount of groceries necessary for three Mexicans to subsist in any given week. Items such as beans, salt, soap, toilet paper, sugar and water are included. The basket costs 551.50 pesos or about $55.15, $7 more than a worker's average weekly paycheck. Excluded from the basic basket are other expenses, such as rent, utilities, transportation, school supplies, clothing, chicken, milk, fruit and veggies. Flores said one family must keep at least three people working overtime to generate enough income to spend only half of it on adequate amounts of food. Often parents split day and night shifts so someone can stay at home with the children.

Some workers must sell their own plasma to make ends meet. A number of plasma banks - private businesses that sell their supply to American hospitals - are located just across the border, within walking distance of the maquiladoras. Donors such as Alma Salvador receive $30 on first extraction and $10 every time after that.

"I'm already dying," Salvador said, smiling wryly, "without giving my plasma away."

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Mexico-U.S Border Program
of the American Friends Service Committee (AFSC)

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