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REYNOSA, MEXICO: CITY OF PROMISE AND POVERTY

Register Mail de Galesburg

September 26, 2003

The research presented in these articles is part of a long-term project, undertaken by Chad Broughton, assistant professor of sociology at Knox College, which seeks to document the social and economic impact of the Maytag plant relocation in Galesburg, Illinois and Reynosa, Mexico. These articles comprised a four-part series in the Galesburg Register-Mail that explores life in Reynosa, a city that has grown and industrialized rapidly as foreign corporations like Maytag have located manufacturing facilities there. Josh Walsman, of Chicago, and Robin Ragan, assistant professor of Spanish at Knox College, are collaborators on the project.

By Chad Broughton

Thirteen years ago Atanasio Martínez, then 25 years old, stepped onto a bus, leaving his family and home in the state of Veracruz, to come north to Reynosa.

Out of work, Martínez recalls thinking on the day-long bus trip to the border, "What will I do? What will happen to me?" Now 38, Martínez is married with four children, ages 12 to 17, and owns a 600 sq. ft. home. After thirteen years working on a wheel chair assembly line, Martínez makes \$290 per month.

"It is difficult," Martínez said. "It would be stupid to say it isn't, right? One has to adapt." To make ends meet, both he and his wife must work, he said.

When he reflects on his move, Martínez has mixed feelings. "Neither was I hurt by it or benefited. The work here is a little more stable, but to be satisfied, really OK, [I would say] no."

Martínez is one of 70,000 workers employed in over 150 assembly factories in Reynosa, known there as "maquiladoras" or "maquilas." Maytag, which already operates two subassembly factories in Reynosa, plans to open side-by-side refrigerator production there soon.

As factories have located in Reynosa, the city has grown rapidly. According to government statistics, Reynosa's population doubled in size from 1980 to 2000 along with the border industrial boom. While government statistics peg the population at 461,795 in 2002, municipal officials—using other government databases—estimate the actual population to be around 1.2 million.

Because of the arrival of companies like Maytag, Reynosa—like Tijuana, Ciudad Juárez and other border cities—has exploded in the last several decades from a modest town based largely on agriculture and petroleum into a global production center. While rapid economic growth has increased possibilities and prospects for many, Reynosa finds itself beset with major social and infrastructure problems and persistent poverty.

It is clear that the Maytag departure will be devastating to Galesburg and its residents, especially those who work at the plant. But will Maytag's arrival—and the industrialization of Reynosa more generally—benefit the people there?

A City of Contrasts

The luxuries of modern American consumer culture and dire poverty exist alongside each other in stark contrast in Reynosa. Likewise, ultramodern, clean and efficient factories are located within sight of grim shantytowns, containing homes constructed ingeniously out of cinder blocks, wood from discarded factory pallets and scrap, corrugated tin.

Like Galesburg, Reynosa has Burger King, Pizza Hut, and even an Applebee's. Around the main plaza downtown, there is a large Nike Factory Store, a Subway restaurant, an Internet café, and a movie theater showing first-run American movies. Both spotless, new American SUVs and rundown, small pick-ups, sometimes carrying ten men in the bed, circle the hectic main plaza. Outside of the central downtown area, there are large strip malls with Blockbuster Video stores, several American hotel chains, and large combined supermarkets and retail stores. The most popular is Soriana's, which sells everything from stereo systems and imported German beer to soccer balls and corn and flour tortillas. Cell phones are common and many middle-class residents have Internet access in their homes.

Many on the border feel they have to fight popular stereotypes that depict the border as backward and underdeveloped. Mike Allen, president and CEO of the McAllen Economic Development Corporation, which recruits companies to McAllen, Texas and Reynosa, said, "we're not campesinos, we don't wear sombreros, and we don't have horses tied outside the front."

"A lot of folks have that idea," Allen continued. "They think of the border and all they think [is]: there's no water, colonias [poor neighborhoods], nothing

going on here. And yet there's a lot going on here. And the quality of life has improved tremendously."

Herber Ramírez, secretary of economic development and employment in Reynosa, bragged about the quality of the factories. "They're brand new buildings," he said, "fully air conditioned, nice facilities, nice cafeteria, and they sometimes provide better benefits than they do in the States. Surprise!"

While the size, activity and modernity of the city may be surprising to someone who hasn't been there, so might the extent of the poverty and lack of basic services for many of its residents.

Reynosa has been simply growing out of control, as poor, jobless migrants from southern states like Veracruz come seeking work at the border—or across it. When one city official said Reynosa grows at a rate of "a block per week," another corrected him: "per day," he said.

The municipal government, which collects no taxes from the factories, cannot come close to meeting the water, electrical, sewage, medical, and transportation needs of its growing citizenry, especially in the colonias sprouting up on the outskirts of the city, around Reynosa's nine industrial parks.

In these improvised communities, dogs, mules and chickens roam the landscape and children play amongst the rubble and near pools of water collected in rutted dirt roads. Sometimes living in these conditions is transitory as workers find their feet in the new area and apply for federal housing assistance; other times it is not.

Making Ends Meet

While modern consumer goods and services are widely available in Reynosa, most residents have limited access to them. Less expensive used clothing and flea markets, sidewalk and bicycle vendors, and makeshift convenience shops are spread thickly across the city to provide lower price options. For someone taking home the average line worker's wage of about 70 pesos (about \$6.50) per day, these informal markets are more affordable.

The cost of living in Reynosa is only slightly lower than in urban areas in the United States, making it difficult for a line worker to support his or her family (though many line workers are young and single).

One single mother, Rosa Nuñez, said, "They pay me so little and we can't make it. One parent should be able to earn enough for his kids, education and fun. That isn't the way it is. What one parent earns isn't even enough for your basic monthly food."

Like the consumer options available, the range of sophisticated gadgetry that is produced in Reynosa's maquiladoras is remarkable. In addition to Maytag, a number of household names operate in Reynosa including Nokia, Black & Decker, Panasonic, Emerson, Kohler, LG, Bissell, GE and Whirlpool, making a wide range of products, from basic yard equipment to plasma televisions and global positioning systems for upscale cars.

In tandem with sophisticated production processes, the local workforce is accumulating technical and managerial skills in these high-tech factories and in the technical and other types of schools that are popping up. Boosters of the area maintain that there are ample opportunities for advancement, better wages and a better life for the average worker because of the cutting-edge technology of the Reynosa workplace.

In his thirteen years working in the maquilas, however, Martínez says that his wages have only improved at the rate of inflation, and offered minimal opportunities for advancement.

Though there is much uncertainty about the future of Reynosa, Martínez has dreams for his son, who, now in the 11th grade, has already exceeded his educational level and hopes to become an engineer. "It gives me great satisfaction to give him [the opportunity] to study," Martínez said. "I want for [my children] to have what I couldn't."

Sidebar: U.S. FACTORIES MOVE TO THE BORDER

Fifty years ago Galesburg and Reynosa were both small cities of between 30,000 and 35,000. While Galesburg's population has remained comparatively steady, Reynosa's has swelled to over a million as southern Mexicans have migrated to the rapidly industrializing city.

In 1965, the Mexican government established the Border Industrialization Program in an attempt to improve the depressed economies in the northern states. This program created maquiladoras, assembly plants that imported components and raw goods from the United States, finished them, and then shipped them back across the border. New communications technology and other advances made it possible for U.S. companies to operate assembly plants distant from corporate headquarters.

Maquiladoras in Reynosa employed only about 1,200 workers in 1975. In 1974, Zenith was the first big U.S. corporation with a household name to move to Reynosa, eventually employing several thousand in Reynosa and, by the early 1990s, nearly 20,000 in several cities along the border.

After the peso was devalued in 1983, it became cheaper for U.S. companies to relocate in Mexico and the maquila boom accelerated. When Mexico entered GATT, the General Agreement on Tariffs and Trade (a free trade agreement association that later transformed into the WTO, the World Trade Organization), the border region became more attractive for American corporations.

While maquila employment in Reynosa increased by a factor of five (from 5,450 to 24,801 workers) during the 1980s, Zenith alone moved 4,165 jobs out of Illinois to Reynosa and Matamoros, another border city, during that same decade, according to a report from the University of Illinois at Chicago.

On January 1, 1994, with the implementation NAFTA, the North American Free Trade Agreement, the incentives for U.S. manufacturers to invest in Mexico increased and the bargaining power of organized labor in the U.S was further undermined.

Maytag first threatened to leave Galesburg in 1994, forcing state, city and union concessions. While NAFTA is an easy target for blame, the agreement is just one step in a decades-long process of expanding free trade between the United States and Mexico. U.S. corporations like Maytag would likely have moved to border cities like Reynosa even without NAFTA.

Though still a bustling city, Reynosa faces the same challenges that Galesburg has faced in the last several decades: lower-wage competitors.

Stephen Spivey, former business editor of the McAllen Monitor, noted, "The outlook for the maquiladora industry isn't that good. Even though companies like Maytag are going down there, it seems like Mexico is losing that low-cost advantage. They're all going to China now. As cheap as Mexico is, China is much cheaper still. I think there's a lot of concern that the industry is in real trouble."

While an entry-level wage in Reynosa is typically \$6.50 per day, excluding benefits, that same job could be done in China for about \$2 per day. Indeed, Mexico has lost literally hundreds of thousands of assembly jobs since maquila employment peaked in October 2000—mainly because of slackening consumer demand in the U.S. and Chinese competition.

Given the whims and demands of global capitalism, the future of Reynosa is as difficult to predict as that of Galesburg.

One prediction seems reasonable, however: companies that produce bulky items, like refrigerators, will continue to seek out low-wage labor and will want to avoid trans-Pacific shipping costs from China to the United States. As a result, companies like Maytag may have a presence in Mexico for some time—and are likely to relocate more of their U.S. assembly plants to places like Reynosa in the near future.

September 27, 2003
The Register-Mail

BRINGING FACTORIES TO REYNOSA

By Chad Broughton

Several decades ago, Mike Allen moved out of the rectory to live in a humble trailer in order to be closer to the impoverished members of his parish in McAllen, Texas. Today, in his spacious and elegant office at the McAllen Economic Development Corporation (MEDC), he still has a weathered picture of himself with several Mexican-American parishioners in front of the trailer.

"This is where I lived." Pointing to the undeveloped landscape of the picture, he adds, "This is McAllen, Texas!"

Present-day McAllen is much different. It is now a sprawling and bustling metropolitan area—one of the fastest growing in the United States—with about 600,000 people in the county. As president and CEO of MEDC, Allen is the man most responsible for McAllen's—and Reynosa's—rapid growth.

Having left the priesthood, Allen shifted to promoting economic growth in the region. In 1988, Allen met with the mayor of Reynosa, who arrived to the meeting in a Chevrolet Suburban with an AK-47 in the back.

"We said, 'we'll do the recruiting of the companies, we'll put 'em in there; you take care of the infrastructure.'" Regarding the assault rifle, Allen quipped, "What do I do with this?"

With a handshake, Allen and the mayor agreed that MEDC would recruit factories to Mexico. Since then, the economies of Reynosa and McAllen have boomed together and have become ever more interdependent, with assembly work on the Mexican side and suppliers and distributors locating on the Texas side to support the assembly operations (called maquiladoras or maquilas in Mexico).

Economic growth in McAllen has generated a great deal of wealth, but some question how much it has done to alleviate the persistent poverty of the area. Stephen Spivey, former business editor of the McAllen Monitor, said, "It's good, but it's not channeled in a way that really lifts people up."

Like the Mexican side of the border, southern Texas has scores of poor, unincorporated communities that lack basic utilities and where families face austere living conditions. In sharp contrast to these impoverished "colonias" are the palm tree-lined, upscale homes of Sharyland Plantation, a new 6,000-acre development in McAllen.

The impact of the boom is even more apparent on the Mexican side of the border. From just a handful of factories in the 70s and 80s, Reynosa now has some 150 factories that employ approximately 70,000 workers. In addition to such names as GE, Black & Decker, Nokia and Whirlpool, Maytag is currently operating two sub-assembly plants in Reynosa, and next year, after Galesburg Refrigeration Products closes, production of side-by-side refrigerators will begin there as well.

Most of the maquilas assemble electrical or electronic products. Black and Decker produces yard equipment that one might find at Lowe's or Kmart in Galesburg. Workers at LG Electronics—which, when it was Zenith, employed thousands in Illinois—assemble tube and plasma TVs. Palm pilots, cell phones, computer memory chips, digital bar code scanners, heart catheterization kits and Brunswick boats are also made in Reynosa. Automobile global positioning systems, CD and cassette mechanisms, and even seat belts are produced there as well.

Inside the Maquilas

Having never seen the inside of a Mexican factory, one might imagine a lowly lit, dirty, hot and fast-paced assembly line where workers are forced to work long hours. While the pay is very low and work is often extraordinarily tedious, most maquilas are new, air-conditioned, and sparkling clean. Most workers in the maquilas work standard eight-hour days.

In one of the LG Electronics factories, workers wear neat, color-coded aprons, which indicate their job rank. As you enter the shop floor, hanging on the wall are elaborate and colorful charts that keep tabs on the soccer and volleyball tournaments that the factory sponsors for its workers. On other walls hang charts, graphs and statistics relating to LG's quest to become "the top manufacturer of digital TVs in the Western Hemisphere."

Further inside the factory, there are long lines of 30 to 45 workers—mostly young women—punching in tiny electronic pieces that will eventually make up a circuit board for LG's tube televisions. For eight hours, a worker will perform the same task time and time again, contributing her piece to the 6,500 televisions produced each day at the plant.

Though the scale, tidiness and quality control of the operation are impressive at LG, the pay is not. Gloria D. Altamirano, former human resources manager and now part-time consultant at LG, said, "Starting pay is 70 pesos (\$6.50) per day during the three-month probationary period." After that, she said, workers are either let go or given a permanent contract, including a pay increase of 25% and benefits.

Rosa Nuñez, a maquila worker and labor organizer, disputes the company's claims. Maquiladoras do not follow Mexican labor law or their own stated practices, she said. "In reality workers never get past three months in the plants. After three months, they call you into labor relations and tell you, 'Your

contract is up. Come back in 15 days and we'll rehire you.' You lose all your benefits. It's a trick."

Núñez also said working conditions in the maquila are often hazardous and that unions do little to advocate for workers. Though Mexican labor law has many regulations that are meant to protect workers, these laws are violated frequently and businesses are not held accountable. Maytag, she said, is no exception.

Attempts to contact Maytag officials in Reynosa to view the facility were unsuccessful.

Facing Criticism in Reynosa

Mike Allen and other promoters and members of the maquiladora industry have been denounced by people in factory-reliant cities like Galesburg for recruiting jobs from the Midwest. Allen also faces criticism in Reynosa for the social ills that have accompanied the arrival of the factories.

The question opponents often ask is, "Who benefits?"

Arturo Solis, the president of a Reynosa human rights organization, claims that growth has benefited U.S. corporations, big land-owners and developers, the Mexican federal government, and the Reynosa middle class. The poor, the municipal infrastructure and the natural environment have shouldered the costs, he said.

Solis points to one man in particular: "The maquila's main man. The man who causes

all of Reynosa's problems: Mike Allen."

Armando Zertuche, the former secretary of economic development and employment in Reynosa, said economic growth in the region is controlled by the business elite—and largely to their benefit.

"A maquila comes to Reynosa to establish itself and they decide who, when, why, with what union and so on. It's a marvelous amount of power and control they have." They pay no local taxes and threaten to leave for China if workers demand higher wages or better conditions, he added.

Because of the looming threat of China, the federal and local governments, and unions conspire to keep wages low and regulations on corporations to a minimum, several critics said.

On this point, Allen and his critics share a similar political and economic perspective, if not a similar moral one.

In defense of the maquiladora industry, Allen said, "Everything boils down to economics. And you can't fault that. You have to look at everything from the standpoint of what can I do to help a company reduce their cost or minimize their cost. The minute they can make more money somewhere else, they'll move. They're not bad people. They're not evil organizations. It's just bottom-line economics."

Sidebar: RECRUITING MAYTAG TO REYNOSA

Mike Allen is proud of what the McAllen Economic Development Corporation (MEDC) has accomplished for McAllen and Reynosa.

"The only way that our community is going to better itself is if we get better quality jobs and we begin to go after companies like Maytag or like Delco and get them to locate here," he said.

Allen has been criticized in Northeastern and Midwestern cities devastated by factory closures—including Galesburg—for targeting high-wage, blue collar work in their communities. A charismatic and proud south Texan, Allen is used to the criticism and is not shy about dishing it back.

In Chicago on a trip to recruit companies, Allen and his partner, Keith Partridge, were picketed.

"They said that we're taking jobs from Illinois," Allen said. "Yeah, we were! There was no question that we were trying to bring them down here to McAllen, Texas. But that's free enterprise. What we're trying to do here is raise the standard of living, to raise the wage level of people who live here."

Defending his recruitment efforts, Allen argues that jobs in the Midwest will leave regardless; his aim is to persuade U.S., Asian and Europe corporations to locate in Reynosa, which will provide opportunities for the unemployed in Reynosa and McAllen alike.

Allen would offer no details about MEDC's efforts to recruit Maytag from Galesburg to Reynosa, though it typically provides financial incentives that are in part provided by the city.

In April, a Copley New Service article quoted Allen as saying that Maytag has several plants planned for their 62-acre campus in Reynosa. "By the time they're finished," Allen said, "we're talking about 3,000, 4,000, maybe even 5,000 workers." His comments suggested that more U.S. Maytag factories would relocate in Reynosa in the near future.

When asked about the situation in Galesburg, Allen was resentful of the criticism that Maytag and his organization have received and the "moaning and groaning" about Maytag's departure—especially considering the fact, he said, that McAllen and Reynosa has higher unemployment and poverty than Galesburg.

"There was no outcry in Galesburg, Illinois, about how the people in our community were being treated," he said. Allen is passionate about his work and his community and makes no apologies about recruiting American companies to Mexico. "Tell Galesburg and anybody else in Illinois, we're coming back!"

WORKING AND LIVING IN REYNOSA

By Chad Broughton

Rosa Nuñez is fed up. A worker in a Reynosa factory, or maquiladora, for eight years and a struggling single mother, Nuñez has been attempting to organize workers to improve working conditions and to help workers learn their rights.

"Ever since my daughter was born, I've told myself that I wanted better living conditions for her, so we have to continue to struggle," Nuñez said. "So, here, [with other] women, we've taken measures to organize and educate ourselves because we all have kids, and we don't want our kids to work in the maquilas. It is really all about consciousness-raising."

Like other critics of the maquiladora industry, Nuñez maintains that corporations mistreat workers by exposing them to dangerous substances and repetitive stress injuries, firing them if they speak out, and by paying them low wages, which forces them to live in desperate living conditions.

She says workers, the majority of whom are women, are afraid to speak out on unsafe working conditions and labor violations.

"[The corporations] violate contracts, they violate everything," she said. "And workers don't feel they have the capability to confront such a powerful entity."

Supporters of the maquiladora industry claim such accusations are untrue.

Herber Ramírez, secretary of economic development and employment in Reynosa said, "U.S. companies come into Mexico and they're going to be watched [very closely] by the Mexican government. They won't let you get away with anything."

Supporters also point out that the wages paid at maquiladoras are higher than elsewhere and offer desperately needed work opportunities in areas of chronic unemployment.

Mike Allen, president and CEO of the McAllen Economic Development Corporation, which recruits companies to Mexico, said, "What we try to do is provide jobs for our community. In the process we've created 60,000 jobs in Mexico. We've never gone after cheap labor, we've gone after the higher tech type companies."

Advocates of the maquila industry also say that foreign factories have improved the standard of living remarkably in the last fifteen years. They contend that it is unfair to blame the maquiladora industry for Mexican poverty, which it did not create.

The Journey to the Border

In the last twenty years, border cities have swelled as the poor from Mexico's interior have migrated north looking for work at the border or in the U.S. Like African Americans migrating to Chicago and other northern cities a century ago, southern Mexicans have been migrating in hopes of a better life in the industrial north.

The results for these migrants are varied.

Even critics concede that there are more wage opportunities at the border than in rural areas of the southern states in Mexico, where economic prospects for the poor are bleak.

Free trade agreements between the U.S. and Mexico, including NAFTA, have made farming less profitable for Mexican farmers. With lower tariffs on American grains, millions of unsubsidized small and medium-sized farms in Mexico are unable to compete with federally supported U.S. agribusiness.

As farming families in rural Mexico go bankrupt in record numbers, younger members of these families seek opportunities in the north.

Carlos Peña, a journalist with ten years experience covering the maquiladora industry, sees the benefits of economic growth, but says it needs to be channeled to workers, who find difficult living conditions when they arrive in Reynosa from the rural interior.

"Yes, it's true. The maquilas provide jobs and development as agricultural development has failed," said Peña. "But [the migrants] come and live in shacks without water, electricity, doctors, nothing. It's like we're going back in time, as if it were slavery again," he said.

Poor neighborhoods, called "colonias," have sprung up around the city's nine industrial parks as migrants arrive, often to live with a relative. The municipal government cannot keep pace with the basic needs of these growing communities.

Secretary Ramírez said, "the city doesn't have the monies to equip all the new colonias with the infrastructure, electrification, water, sewer systems; that's something we have to live with and make ends meet."

"Sometimes the mayor has to weigh it and see where the money is going to be spent," Ramírez continued. "That's why you find a lot of potholes in the city, because he's spending money bringing in water and electricity to colonias that just started up."

While some colonias on the outskirts of the city have cinder block homes, access to water and passable roads, other have rutted mud roads, standing pools of water during the rainy season, outdoor toilets, limited access to electricity and water, and infrequent trash collection. Critics point to the many physical and mental health problems that such living conditions can cause.

Municipal officials and boosters claim that these conditions are transitory and that as workers find stable work, they eventually move into better housing. After six months, workers can access credit to buy a 600 sq. ft. house through a federal program known as INFONAVIT.

Jorge Cantú, a developer, estimates that 4,000 to 5,000 INFONAVIT homes are built each year in Reynosa.

Ed Kruegar, a social activist in the area, estimates, however, that only 15% to 25% of maquila workers live in INFONAVIT homes. He says that the remaining majority will come to the area and wait two to three years for water, four to six years for electricity, seven to eight years for a street with caliche (gravel), and perhaps ten to fifteen years to replace outdoor toilets with a sewer line.

How Far Does \$6.50 a Day Go?

Workers endure difficult and unhealthy living conditions to earn higher wages than they could in the south. According to several sources, including the director of industrial development in Reynosa, Maria Prieto, the average wage for low-level assembly work in Reynosa's maquiladoras is 70 pesos (about \$6.50) per day, or about 80 cents an hour.

Supporters of the maquiladoras claim that workers make between \$2 to \$3 an hour when free transportation, free lunch, medical insurance and other benefits are accounted for.

With take home pay averaging \$6.50 a day, though, it is struggle for maquila workers, especially for recent migrants who typically arrive with very little.

Rosa Nuñez said the organization she works with, the Border Workers Committee, did a report on basic food needs. The report found that food cost about 900 pesos (\$83 a week) for a family of four in Reynosa.

"I dream of having a budget like that!" Nuñez said. "They pay me 400 pesos [\$37 per week] in the maquila. That is half of what I need to give my kids a balanced diet. And from that comes the poor education of kids, because if they have a poor diet, they can't learn well. So it is difficult."

Despite the hardships, advocates for maquila development say, all things considered, poor Mexicans are better off when they come to the border.

Secretary Ramírez said, "How is this unfair? They come in, they have nothing, you know. Somebody from Veracruz [the southern state from which most migrants come], they came because they didn't have a job. You gotta realize that 40 million Mexicans live on \$1 a day. You know by the wage rate here that they make more than \$1 a day."

"They're going to live better," he continued. "It's not the perfect solution, but it's a solution for unemployment."

Others are less certain that migrants live better. Though they may earn a higher wage, they find a higher cost of living in Reynosa. And as Kruegar points out, they no longer have crops, animals and land to sustain them. "When they're back in Veracruz, living on the ranch, they have a reasonable, nice home, with shade trees around; they have chickens, maybe a goat or a cow."

Whether for good or ill, in a single bus ride from Veracruz to Reynosa, these migrants have tumbled into the industrial revolution, with all of its promise and all of its problems.

Sidebar: THE COST OF LIVING IN REYNOSA

At about 80 cents an hour, workers in Reynosa's maquiladoras make much less than their American counterparts at Galesburg Refrigeration Products, where the average wage is \$15.14. But what about the cost of living? Prices in Reynosa range from much lower than in the United States to more expensive. Below are some selected items and their typical prices when purchased new in a Reynosa store using current conversion rates:

Butter	\$1.83/lb.
Ham	\$1.96/lb.
Roasted Chicken	\$1.58/lb.
Corn Tortillas	\$.17/lb.
Cheese	\$1.50-3.00/lb.
Avocado	\$1.04/lb.
2 liter Coke	\$1.37
Mooshead Beer	\$2.66/6 pack
Compact Disk	\$10
Jeans	\$8-\$16
Kid's Books	\$5-\$13
40 Diapers	\$5-\$15
AC Unit - 13000 BTU	\$260
Enfamil	\$6.43
Taylenol	\$3.49

A 2003 study comparing prices of basic food items in Nuevo Laredo, Mexico—a border town not far from Reynosa—to Minneapolis, Minnesota found that prices were comparable. Tortillas, milk, rice, beans, chicken, cooking oil, and tomatoes were cheaper in Nuevo Laredo, while bread, eggs, potatoes, beef, toilet paper, and corn flakes were cheaper in Minneapolis.

Sidebar: WOMEN AND THE MAQUILAS

A woman growing up in Reynosa today faces much different expectations and broader opportunities than those of previous generations—a dramatic social change brought on largely by the introduction of maquila factories into Reynosa.

Erika Barbosa, 37, a maquila worker raised in Reynosa, said, "we have the capability to do things just like men do, not just stay at home taking care of kids. With my co-workers, we have this mentality. If I get married, I get married, but I want to develop myself, my profession."

Barbosa began working at age 19, placing buttons on radios, a tedious job that paid about \$150 a month. Largely because of her education and ability to speak some English, she has advanced to a quality control position that pays about \$730 per month.

Edna Avila, 26, expressed similar sentiments. Though she has encountered "machismo" and struggled with low pay, she is excited about the opportunities

that women in her generation have. "I want to study and work," Avila said. "[My husband] has a profession also and he understands my aspirations. He has his and I have mine. I'm not going to conform to just what he wants to achieve."

Edna added, "In states without maquilas, women are still very repressed. The border areas are more open to women." Both Erika and Edna said they respected marriage and childrearing, but think it is important that women have the freedom to choose their own path.

Though the proportion of men working in the maquilas has been increasing in Reynosa, women still outnumber men on the assembly lines. Factory managers in developing countries say they prefer women because they have small fingers, better manual dexterity and are more patient with monotonous work. Critics contend that employers hire young, single women because they are still culturally trained to be more submissive than men and therefore easier to control and exploit.

Employment in the maquiladoras brings many hardships for women. There have been numerous documented cases of sexual harassment and discriminatory and degrading monthly pregnancy tests in the maquiladoras, though this practice has been largely reformed.

Also, social justice advocates maintain that because of low wages many women are forced into leaving their children at home without a caretaker or are forced into second jobs or even prostitution.

One maquila worker said, "[My daughter] doesn't want me to work in the maquila because I leave her alone too long." She added that she does not want her daughter to work in the maquila because of the low wages and difficult working conditions. With an education and more regulation of the maquila sector, she thinks that her daughter will have a better chance than she did to lead a comfortable life.

Despite enduring sexism and injustices, one vocal critic of the maquiladoras, Arturo Solis, acknowledges many encouraging changes. "Women have the opportunity to support themselves," Solis said. "She has ceased being dependent on a man. It has allowed her to be in charge of the family and to decide about her life, her family, her partner, and kids. And all this in the past didn't exist because here in Mexico, women were confined to housework and to conform to what her husband said. This has changed. That's very good."

September 29, 2003
The Register-Mail

WHAT WILL HAPPEN TO THE BORDER?

By Chad Broughton

On weekend nights, the young and hip in Reynosa's middle-class might drop by one of the city's discobars. At these lavish, low-lit nightclubs, there are waiters in tuxedos, mirrored tables and green lasers that flutter around the room. On a white wall adjacent to the premium bar, hip-hop and other popular American music videos play out of a digital projector, loud and large.

On the outskirts of the central city—when the workweek resumes—tens of thousands of workers—with dreams of one day entering the middle class—take buses to hundreds of massive factories. In these "maquiladoras" they create an astonishing array of high-tech products that are purchased in places like Galesburg every day. These workers—most of whom are migrants from Mexico's interior—live near the factories in "colonias," impoverished, makeshift neighborhoods that have sprung up in the last couple of decades to encircle the city like shantytown suburbs.

Both scenes were unthinkable for Reynosa twenty years ago. The once relatively small city has been thrust into its new role as a production site for global corporations, including Maytag. While people in Reynosa hold opposing viewpoints on the changes that the factories have brought, many now wonder—and worry—about the future of the border.

Galesburg and Reynosa Face a Similar Fate

Like Galesburg, Reynosa faces stiff competition from lower-wage countries, principally China. While an entry-level wage in Reynosa is typically \$6.50 per day, excluding benefits, that same job could be done in China for about \$2 per day. In part because of competition from China, the maquiladora industry in Mexico has lost hundreds of thousands of assembly jobs since maquila employment peaked in October 2000.

Reynosa is considered a model of economic development because it has weathered the economic recession better than any other border city—perhaps better than any city in all of Mexico. Nevertheless, Reynosa is feeling the pressure of global competition.

Mike Allen, who recruits companies to Reynosa, is constantly worrying about losing jobs to China, a country that not only features lower wages, but also subsidizes materials. "We're fighting China," Allen said. "They may be singing the communist song, but they've been kicking our butts."

Free trade agreements, including NAFTA, have made Reynosa a rendezvous point for American companies seeking low-wage labor and poor migrants from Mexico's interior, who are leaving unprofitable farms and seeking work. But as lower-wage countries begin to attract more factories from both the U.S and Mexico, free trade may take away from Reynosa what it has given.

Stephen Spivey, former business editor of the McAllen Monitor, warns, "As cheap as Mexico is, China is much cheaper still. I think there's a lot of concern that the industry is in real trouble."

While Reynosa struggles to retain jobs against lower-wage, low-regulation countries, blue-collar areas in the United States see work disappear month after month, often forcing workers to face a lower standard of living, job insecurity, and dramatic life changes.

Keith Partridge, Allen's partner at the McAllen Economic Development Corporation, notes that areas that pay higher wages are quickly becoming uncompetitive in attracting manufacturing jobs.

"Unfortunately, from a manufacturing standpoint, what Galesburg's experiencing now is what every community in the industrial areas of the United States is going to experience in the next five to ten years."

Noting the unforgiving nature of global capitalism, Partridge said that blue-collar workers have to pull themselves up by their bootstraps.

"If a person thinks that they're owed a job for \$20 or \$30 an hour to put something together with screws when someone else is willing to do it for 50 cents an hour, guess where it's going to go? I mean, that's economics," Partridge said.

In this sense, workers in Reynosa and Galesburg face a similar fate in the global economy: they must compete against workers willing—or forced by political and economic circumstances—to work for lower wages.

Working for Change

Despite the gloomy outlook, there are many working for change in the United States, Mexico and China.

Rosa Nuñez, a worker-activist, often feels overwhelmed in her attempts to organize workers to fight for their rights. She knocks on door after door, finding much discontent with working and living conditions, but also a strong reluctance to confront the unions and corporate management.

"If the unions did a good job of teaching workers their rights, then they would have better working conditions, better salaries, better benefits and a better quality of life. Here the unions are rich and the workers have nothing," Nuñez said.

"The unions can't work for workers rights because the government doesn't allow them to. The government says that if a union offers better benefits to the workers, the companies wouldn't come here."

Nonetheless, Nuñez says, there have been small victories in their struggle. By putting pressure on unions to act, many illegal practices have been righted.

A 1996 Human Rights Watch report documented illegal pregnancy tests that were performed in Reynosa maquiladoras when women applied for work and then each month thereafter—oftentimes in a degrading manner.

"Now they don't make them take a medical exam in order to be a worker," Nuñez said. "They now hire pregnant women and pay their maternity leave and insurance."

Supporters of the maquila industry say that the problems of the maquiladoras are exaggerated and not enough attention is given to the opportunities they offer the poor.

Herber Ramirez, secretary of economic development and employment in Reynosa, worked in the area for almost three decades—mostly for Zenith—after attending the University of Houston.

"I saw Reynosa grow from three to four plants when I arrived here in 1974 to the 150 that we got now," Ramirez said.

Ramirez says that the conventional wisdom about the factories is inaccurate. "Everybody thinks that they exploit people. Those of us that have worked in maquilas, we know that it is not true."

Referring to the downward pull of global competition, however, Ramirez concedes, "If China hadn't opened up, wages in Mexico would be a lot better now."

It is for this reason that—despite some improvements achieved in living and working conditions—poor and working-class Mexicans at the border still face many challenges and an uncertain future. Indeed, in an ever-shifting global economy, uncertainty has become the norm.

Advocates for global fair trade and workers' rights like Nuñez say that by improving conditions in China, conditions in Mexico will improve. Likewise, by working for better conditions in Mexico—though it will not save jobs lost at Galesburg Refrigeration Products—American workers will benefit.

By holding U.S. corporations accountable for their practices and raising working standards worldwide, these advocates claim that economic development can benefit all—rather than simply enriching corporate coffers and local elites.

Atanasio Martinez, who migrated thirteen years ago in search of work, still wonders whether or not it was the right decision to leave his home in Veracruz to look for work in the maquiladoras. Making only \$290 a month in the wheelchair factory, his family struggles from day to day.

When asked about Maytag's impending relocation, Martinez had much to say about how corporate decisions impact the lives of workers in Reynosa—and in Galesburg.

"This company, Maytag, that closes down completely; it has such a devastating effect for those who were working there [in Galesburg]," he said.

"Right now," Martinez continued, "we are living in a period in which globalization is too difficult and it's really hitting us hard. We as human beings, as workers, should do something to organize ourselves, because what rules is money. I think that organizing ourselves, being united, as workers, will do a lot. There must be unity. Isolated, we can't achieve anything."

Sidebar: THE ROLE OF UNIONS IN REYNOSA

Herber Ramirez, the secretary of economic development and employment in Reynosa, says that companies locate in Reynosa in part, "because the labor climate is good." Since labor protests in 1983, organized labor has been relatively peaceful, Ramirez said. Maria Prieto, the director of industrial development for the municipality, said that unions "don't want trouble" and "are not a problem for companies."

Likewise, the McAllen Economic Development Corporation, which recruits corporations to Reynosa, writes on their website that, "the labor union climate in Reynosa is very favorable to industry."

Reynosa's 70,000 maquiladora workers are represented by the Confederación de Trabajadores de Mexico (CTM) or by in-house unions established by each company. The vast majority is represented by the CTM, which has three leaders in Reynosa.

The CTM has been criticized in Mexico and by U.S. unions for protecting the status quo and the interests of corporations rather than advancing worker's rights.

Armando Zertuche, the former secretary of economic development and employment, contends that because the CTM has long been part of the established political structure, they do not advocate for workers. "The worker doesn't feel represented by the unions," he said. "There is a corporate

mentality and many people get benefits from it, live off of it. They help the businesses; they don't look for improvements [even though] they say they do."

While there are many smaller, more progressive and independent unions in Mexico, they have not made much headway in Reynosa.

Labor advocates argue that many forces conspire against independent unions forming. Arturo Solis, president of a human rights organization in Reynosa, said, "The employee has no right to unionize freely here. There have been attempts to unionize freely and, right away, they are smashed; [organizers are] fired, let go. They are put on a blacklist and can't get work in a maquila ever again. It's very difficult to find work after that and that's why the level of protest by workers is so low."

Ed Kruegar, a social activist in Reynosa and neighboring Matamoras for decades, says that in years past, "almost all of the workers, if you asked them who was it that was oppressing their lives, instead of naming the company, they would name the union leader." Kruegar adds, however, that union leaders have started to support workers in some ways.

Angel Rodriguez, the secretary general of one of the three CTM unions in Reynosa, represents about 10,000 workers, including Maytag workers. Rodriguez said, "we have just one purpose: to represent the workers in a dignified way and with respect for human rights." His union, he said, provides assistance with personal and family emergencies, housing problems, and workplace conflicts with supervisors. Rodriguez added that his union is constructing a large hall for social events for maquila workers and athletic fields for soccer and volleyball next to the Maytag campus.

A critic of the CTM, who asked to be anonymous, said that Rodriguez—who goes by "Tito"—works in the interest of the maquiladora owners, not the workers. "Tito basically does labor relations for management," the critic said.

Whether or not unions in Reynosa work in the interests of their workers, there is no denying that Rodriguez has a clear understanding of the situation of Reynosa's labor force in the context of global capitalism.

"The Mexican border is attractive because the cost of the workforce is cheaper here [than in the U.S.]," the union leader said. "If you get a company here, you try to protect it. How can you protect it? With a workforce that is more accessible, not as expensive."

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www.cfomaquiladoras.org is produced in cooperation with the
Mexico-U.S Border Program
of the American Friends Service Committee (AFSC)



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