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## Las Maquiladoras Y Su Gente: A Look at the United States-Mexico's Industrial Past, Present, and Future

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**Las Maquiladoras Y Su Gente:  
A Look at the United States-Mexico's Industrial Past, Present, and Future**

**A SENIOR HONORS THESIS**

**The Honors Program**

**College of St. Benedict/St. John's University**

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**May 22, 1997**

**written by**

**Stamate P. Skliris**

Stamate P. Skliris  
Thesis  
April 28, 1997

## **A Look at the United States and Mexico's Past, Present, and Future: The *Bracero Program*, The *Border Industrialization Program*, and *NAFTA*.**

The Maquiladora Industry contrived a new Mexican proverb: "Pobre Mexico! Tan lejos de Dios, y tan cerca a los Estados Unidos" or in English, "Poor Mexico! So far from God, and so close to the United States." However accurate this statement may be, its validity needs to be called into question. Unequivocally the purpose of this essay is to inform an otherwise uneducated public about the detrimental effects of the Maquiladora Industry, NAFTA, their history, and their future.

Entrepreneurial Mexican and U.S. informed citizens support the booming Maquiladora Industry and the signing of NAFTA. Arguing that Mexico's proximity to the United States blesses rather than curses, they stress that the transformation of Mexico's economy from protectionism to mercantilism, through the two aforementioned programs, will only produce mutual benefits. Opposing human rights activists dispute that in reality, the Maquiladora Industry revolutionized the economic status of countless United States companies while leaving Mexican companies and agricultural sectors in the mire.

In order to expound on this investigation, the following four questions must be addressed and answered:

From where did the *maquiladoras* originate, what are the repercussions of their existence, and how long will they exist? Furthermore, did the North American Free Trade

Agreement, with attempts to modify the Maquiladora Industry fulfill its intended objectives?

This thesis will show that the Maquiladora Industry's revolution transpired at the expense of Mexican migrant workers. Spurred onward by the *Border Industrialization Program* (BIP) in 1964, the *maquiladoras* originated in the Hispanic country of Mexico to promote the manipulation of unskilled workers resulting in hazardous conditions, low wages, unorganized labor unions, overcrowding, and the destruction of the environment. The characteristics of the first *maquiladoras*, which have existed up through the implementation of the North American Free Trade Agreement, will remain constant. This thesis also seeks to demonstrate that some of the *maquiladoras*, and NAFTA's intended expectations feel short. For example, the *maquiladoras* have been unable to lower Mexico's national deficit, and NAFTA has yet to fulfill its promise to modify the Maquiladora Industry. Through the co-analysis of the BIP's Maquiladora Industry, and NAFTA, the author will attempt to prognosticate the path of Mexico's industrial future. With the exception of moderate changes, the author believes that Mexico's industrial future will remain predominately unaltered from its present course; NAFTA will continue to exist into the foreseeable future. However, though attempts will be made to hasten the expansion of the Maquiladora Industry, their current continual growth rate will be impeded by poor infrastructure, the controversy over low minimum workers wages, labor rights abuses, and hazardous environmental problems.

## **Scope of the Paper**

To answer the four questions that have been posed, it is first necessary to understand Mexico's protectionist stance towards the United States, and the *Bracero Program*. An understanding of these areas are necessary to grasp the *Border Industrialization Program*, a resulting product of Mexican impetus for political and economic mobilization. Through the explanation of the *Border Industrialization Program*, the author will illustrate the birth of the *Maquiladora Industry* and the repercussions to their existence. The next portion of the paper will discuss the expectations, results, and drawbacks that Mexico and the United States felt from the *Border Industrialization Program* and the Maquiladora Industry. The next section will introduce and explain the *North American Free Trade Agreement*, its declared promises, and the ones it failed to keep. Lastly, from the presented analysis of the Maquiladora Industry and NAFTA, the author will attempt to forecast Mexico's industrial future.

## **Mexico's Anti-American Protectionist Sentiment**

The debilitation of Mexico's anti-American sentiment gradually occurred with the integration of such industrial programs as the: *Bracero Program*, the *Border Industrialization Program* and the construction of the *maquiladoras*. Prior to these labor programs, the region of the U.S.-Mexican borderlands is where the United States and Latin America have interacted with the greatest intensity.<sup>1</sup> Since the beginning of the nineteenth century, enmity existed between the U.S. and Mexico. It all began with the United States' accelerated expansion of acquiring new territories, by annexing the

Republic of Texas in 1845, a move that caused the Mexican government to break off diplomatic relations:

Taking advantage of internal struggles in Mexico and its inability to effectively police the northern frontier, American traders had penetrated into what is now New Mexico, lured by the prospect of new markets and the demand for furs and precious metals. The Mexican government's generous offers of land had also attracted American settlers into Texas. The vulnerable northern frontier of Mexico had become a magnet for Anglo-Americans in search of economic opportunity and convinced of their "manifest destiny" to control the land west of the Mississippi to the Pacific Ocean. (Buffington 37)<sup>1</sup>

Consequently, the United State's newly acquired state of "independent" Texas sparked the 1846-1847 U.S.-Mexican War, a perilous confrontation that forced Mexico from half of its territory, including the current border states of Texas, New Mexico, Arizona, and California.<sup>2</sup> The hostility between these two nations continued as American military adventurers engaged in fomenting raids within Mexican territory. The 1877, El Paso "Salt War," conveys another episode of violence between U.S.-Mexican relations. The conflict, which involved over 400 persons, was a fight over who would control local salt deposits. The argument resulted in six deaths.<sup>3</sup>

In 1911, straining relations between the U.S. and Mexican governments continued. The two countries' tension was exacerbated when President William Howard Taft and U.S. troops overthrew Porfirio Díaz in the Mexican Revolution. The United States' continual and visible violation of Mexican sovereignty instilled an anti-American

sentiment in the Mexican peoples. The Mexican government was optimistic that a disinclination of Mexico sentiment towards the U.S. would serve as a protectionist mechanism against future U.S. aggression and involvement in Mexico.

During the early part of the twentieth century, the Mexican government became concerned with the working class struggles within its country and the government passed laws to restrict foreign investment in specific areas of important 'national interest.' Vital resources such as nuclear power, electric power, petroleum, and the inner railroads of the country were protected. The 1917 Constitution of Mexico prohibited ownership of real property by foreigners within 30 miles of the seacoast and 60 miles within the international borders of the United States and Guatemala.<sup>2</sup> Further, the Mexican government attempted to limit foreign participation of important industries within the country to 49 percent ownership.

Mexico's commitment, however, during the beginning the 1940's to supply Mexican workers to the United States through the *Bracero Program*, marked the beginning of Mexico's decision to integrate and gradually loosen its reigns of strong anti-American sentiment.

A historical understanding of the U.S.-Mexican *Bracero Program* is an essential component for comprehending Mexico's strategy to reorient its economy from an inward-looking position to an outward-looking focus. Additionally, an understanding of Mexico's political and economic mobilization will help to explain the development of the *Border Industrialization Program*, the birth of the *maquiladoras*, and NAFTA.

## The Bracero Program

During the early years of the 1940's, the United States government became active, deeply committed, and drawn into foreign affairs abroad. Sending thousands of troops to fight in the Second World War, they needed workers to recover for the loss of laborers sent abroad. In June of 1942, the U.S. War Manpower Commission issued a directive to the Secretary of Agriculture "to take such action...as may be necessary...to assure sufficient manpower on farms."<sup>1</sup> Farmers and land owners throughout the United States worried that the war's demand for workers would lead to a severe reduction in the labor surpluses they grew accustomed to during the depression. As a result, in 1941, the U.S. government authorized its growers to actively recruit foreign workers from Mexico and allow them to cross the border into the United States to work on farms and other agricultural jobs. Ernesto Galarza, author of Merchants of Labor: The Mexican Bracero Story wrote:

The war, moreover, disrupted one important sector of agricultural production...New sources of manpower had to be found. This was not only because of the real drains on the farm labor supply by military service and the attractions of industry; the pool had to be resupplied if the anticipated tensions were to be avoided...It required the participation of the Federal Government...Planned migration could provide orderly recruitment. It would guarantee a supply of men selected according to the requirements of the employers.<sup>2</sup>



The U.S.-Mexican government-sponsored program that supplemented continued flow of Mexican workers into U.S. agriculture became known as the *Bracero Program*.

Specifically, the Bracero Program allowed U.S. growers and land owners to legally import Mexican foreign nationals and put them to work for as long as they were needed. However part of the agreement stipulated that U.S. growers provide decent payment and fair treatment to their employees, and that the workers return to Mexico after the agricultural off-season. "The principal provision of the agreement were the following: Wages were to be equal to those prevailing in the area of employment, but in any case not less than 30 cents per hour...discrimination against Mexican workers was not to be permitted...[and] the round trip transportation expenses of the worker were guaranteed."<sup>3</sup> At its peak, the Bracero Program admitted over four hundred thousand workers in a single year:

California farmers, estimating their needs at 30,000 men for 1942, had asked the state government for approval of certifications. The California Field Crops Corporation had been organized to negotiate the recruitment of 3,000 Mexicans, all of them for employment in the beet fields. The orange and lemon industry growers were asking for 50,000 Mexicans to be delivered at the rate of 10,000 a month, an influx that would have overshadowed that of the gold rush...On the same note of urgency, the Southern Pacific Railroad petitioned for 5,000 recruits for maintenance-of-way operations.<sup>4</sup>

By years the number were as follows:

<b>1942</b>	<b>4,203</b>
<b>1943</b>	<b>53,098</b>

<b>1944</b>	<b>62,170</b>
<b>1945</b>	<b>49,494</b>
<b>1946</b>	<b>32,043</b>
<b>1947</b>	<b>19,632</b>
<b>1948</b>	<b>35,345</b>
<b>1949</b>	<b>107,000</b>
<b>1950</b>	<b>67,500</b>

By the mid-1950's the Bracero Program rose to record levels of nearly half a million workers. Nonetheless, with a high influx of American women incorporated into the U.S. work force, in addition to the return of many American soldiers from the overseas war in Europe and Japan, the U.S. government no longer had a need for Mexican workers in the United States. "The Department of State notified Mexico on November 15, 1946, of its desire to end the current agreement. Mexican war workers were no longer thought necessary and termination was proposed within 90 days."<sup>6</sup> Nevertheless, the Migrant Labor Agreement of 1951, as amended at various stages, remained in effect until the end of 1964. In 1951, the insistence of western growers, led by influential groups such as the Central Valley Empire Association, convinced the United States Government to open negotiations with Mexico to continue *bracero* hiring. Originally scheduled to expire on December 3, 1953, the law was successively extended to December 31, 1955; June 30, 1959; and then to December 31, 1963, after U.S. employers continued to plea to the State Department that their was a dire need for the *bracero* workers. (Merchants of Labor 72)

Finally, in 1964, after intense political mobilization of labor and Chicano activists, including the newly formed national Farm Workers Association (NFWA) headed by Cesar Chavez, the vitality of the twenty-two year old U.S.-Mexican *Bracero Program* came to a halt. (Wells and West 1989; Bach 1984) These groups argued that restrictions on labor rights in the

*Bracero Program* inherently weakened the bargaining power of all workers in the United States and undermined their efforts to gain a fair wage <sup>(Jenkins 1985)</sup>.

## **Consequences of the Bracero Programs Termination**

As a result of the end of the Bracero Program in 1964, unemployment in the northern border cities of Mexico surged as high as 50 percent. Augusta Dwyer, an expert on the US-Mexican border, and author of the book On The Line, believes that the roots of the Mexican migration exodus across the northern border lie in the *Bracero Program*. <sup>(85)</sup> To take the California bordered city of Tijuana as an example, the termination of the *Bracero Program* left a batch of 50,000 working applicants unemployed. Many of these jobless people had families which exacerbated migration matters. <sup>(Runaway Shops 129)</sup>.

Thousands of Mexican migrant workers began flocking with their families to the northern border region of Mexico. This alarmed U.S. citizens, fearful that the Mexican migrant movement would not stop at the border. The wide United States apprehension of Mexican migrant invasion became referred to as the 'wetback scare.' *Time* magazine carried a short but revealing article that raised the importance of the undocumented Mexican immigrant workers, blaming the influx of *wetbacks* inside the U.S. on the government's decision to terminate the *Bracero Program*. "The added influx of wetbacks coincides with moves by the U.S. to restrict legal entry of migrant workers...[T]he *braceros*, who once crossed the border at the rate of 400,000 a year [are invading America]." <sup>(Beyond the Border 153)</sup> The illegal Mexican immigrants in the U.S. were referred to as wetbacks because they usually swam across the Rio Grande river which divides the U.S. and Mexico as a method of entry into the U.S.

According to John Crewdson, author of The Tarnished Door, “ninety percent of the illegal Mexican immigrants were seized at or near the border after having been in the United States for less than seventy-two hours and before finding work. The other 10 percent were arrested in cities during immigration raids on restaurants, factories, and other workplaces.”<sup>10</sup>

The border area began experiencing wide tension and discomfort. Landless peasants, farm workers, and unemployed citizens in the north and other parts of Mexico mounted attacks on rural military outposts and conducted raids that often lead to bloody fighting with federal troops. In 1963, *The Wall Street Journal* reported:

In organized drives, squatter’s brigades have invaded big cattle ranches in part of the state of Chihuahua, which borders Texas and New Mexico...In one outbreak, five rioters were killed before soldiers could put down the uprising.<sup>4</sup>

The unstable government of Mexico worried that the growing militant sentiment among workers that pervaded the country, leaving Mexican citizens without land, jobs, or any means for survival. The governing Mexican party, the Institutional Revolutionary Party (PRI), encountered strong opposition throughout the sixties on many different fronts. In 1961, for example, several farm workers and peasant organizations, and numerous other independent unions came together in a serious electoral challenge to the ruling party. Through a means of vicious repression and blatant electoral fraud, the PRI party managed to quash their opposition and the resentment and tension between the two positions settled uneasily.<sup>3</sup>

Fearing that the end of the *Bracero Program* would continue to open a floodgate of uncontrollable and angry undocumented workers into the country, the U.S. government became concerned with the influx of peasants along the border.<sup>8</sup> The forthcoming *Border Industrialization Program* and the progressive distribution of *maquiladoras* (sweat shops) were designed to remedy the growing unemployment and pressures of the border region.

### **Birth of the Border Industrialization Program and *Maquiladoras***

Faced with large economical and political difficulties of soaring rates of Mexican unemployment in a wide geographical area with small industrial bases, in 1965 Díaz Ordaz's government proposed a new kind of *Bracero Program*, the *Border Industrialization Program* (BIP). Again, it offered 'cheap' labor to U.S. business, but this time on the Mexican side of the border. Nonetheless, for the first time, the construction of the BIP allowed for: the development of *maquiladoras* or entirely foreign-owned corporations to set up labor-intensive assembly shops; *maquiladora* employers to pay Mexican workers a fraction of the U.S. wage rate; and *maquiladora* owners to contribute virtually no taxes or import duties to the Mexican government.

### ***Maquiladoras***

Originally, a word rooted in Latin, a *maquiladora* extends in definition from meaning "a portion of corn paid to the miller for transforming the grain into cornmeal," to today's definition, which refers to "a place where products are taken to be transformed and then returned to the original owner."<sup>2</sup>

The *Maquiladoras Industry* functioned as the principle component to the *Border Industrialization Program*. They are generally labeled labor-intensive cost centers with most production geared toward export from Mexico. (<http://www.d-net.com/solunet/pip00001/maquila.htm>)

The *maquiladoras* process and assemble a variety of products such as clothing, automobile parts, toys, leather goods, and shoes to name a few. Exceptions to the Mexican law include such things as: petroleum, petrochemicals, other chemicals, weapons and items with radioactive elements<sup>4</sup> (<http://www.d-net.com/solunet/pip00001/maquila.htm>) The *maquiladoras* were initially established within a 12 1/2 -mile strip south of the international U.S.-Mexican border. A few of the reasons behind this according to Michael Stoddard, a specialist who studied the industry for the last fifteen years, was to encourage industrialization and to reduce the high unemployment along the border that the *Bracero Program* cancellation produced.<sup>4</sup>

According to Barbara Chrispin, a professor of management and interim dean of the School of Management at California University, Dominguez Hills:

The maquiladora program was first started in 1965 as an experiment in production sharing. The Border Industrialization Program, as it was called then, permitted the establishment of plants for the assembly, processing, and/or finishing of foreign materials and components. The primary objective of this program was to provide jobs for displaced agricultural workers following the cancellation of the Bracero Program in the United States and to develop the economy along the northern border region (The Maquiladora Industry 80).

Further, Mexican historian and expert of the border, Professor Koido, emphasizes two structures that assisted the development of the maquiladoras: first, he believes that these industries made it inexpensive, offering cheap labor to companies; and two, the

overall breakdown of the job components into simpler tasks allowed for the utilization of unskilled workers to do assembly jobs.<sup>15</sup>

Today, however, the *maquiladora* plants are predominately located, but not limited to, the U.S.-Mexican international border. There are now approximately three thousand *maquiladoras*, employing a total of nearly one-million people. They range from small shops with a few workers to the large state-of-the-art assembly line factories of such multinational firms as General Electric, General Motors, Otis, Samsonite, Sanyo, Sony, Nike, and Hewlett Packard, some of which employ as many as six thousand workers. The *maquiladoras* can employ foreign workers, but all hourly laborers must be Mexican citizens.

*Maquiladoras* did so well in the border towns that the Mexican government believed that it would be to their advantage to expand the program and establish *maquiladoras* in the interior of Mexico.<sup>6</sup> Presently, *maquiladoras* continue to grow in the interior of the country, however, most of the Mexican industries reside along the 2,000 mile stretch of the U.S./Mexican border.

A unique characteristic of the *maquiladoras* is that they are given special consideration under U.S. Customs. United States Customs permit the duty-free import of equipment, machinery, raw materials, and parts needed in production as long as the *maquiladora* investors purchase a bond that assures that the *maquiladora* finished products are exported from Mexico.<sup>3</sup> For example, "McAllen, Texas, and Reynosa, Mexico, two bordering industrial cities, have a customs port of entry on the border that allows McAllen to import goods from *maquiladoras* in Reynosa duty-free."<sup>8</sup> These products can then be imported into the United States with only the 'value added' to the

product being liable for tariff or duty (value added is the difference between the selling price of a good and the cost of the raw material that went into making it).<sup>15</sup> However, the strict stipulation that the products retain their initial physical identity is necessary. Products that change are subject to a tariff on the full value of the product versus only the value added while in the *maquiladora*. Additionally, *maquiladora* products cannot undergo any manufacturing process in foreign plants.<sup>13</sup>

Under an alternative to the *maquiladora* system, such as, if an agreement had not been a joint venture between the U.S. and Mexico, then each operation would have to pay duties on imported raw materials and the exported finished product leaving its country. The details of the U.S. Customs tariff/duty regulations that complement the *maquiladora* program are delineated below:

The first allows the import into the U.S. of metal products processed aboard with duties assessed on the value added to those goods by their processing abroad (i.e., the total value of Mexican inputs, including labor, electricity, component parts, etc.) rather than levying an import duty on the total value of the product. The product must have been processed in the U.S. before being sent aboard and then must be further processed in the U.S. upon their return. The second Customs provision allows an article assembled in Mexico from U.S. made components to be exempt from duty on the value of such components. These goods may or may not involve metal components. U.S. Customs law allows for machinery of U.S. origin to be returned to the U.S. duty free. Further, if the value of the goods assembled or manufactured in Mexico contain at least 35% Mexican



content upon import into the U.S., they may be eligible for treatment under the U.S. Generalized System of Preferences (GSP). GSP eligible items may enter the U.S. market with no duty levied. (<http://cs.utep.edu/juarez/maquila.html>)

Presently, the U.S. Custom's special tariff/duty policy for *maquiladoras* stills exists, however, with the signing of NAFTA, the U.S. tariff/duty policy is incurring liberal modifications (which will be further discussed in the NAFTA section). Despite the new changes, the Maquiladora Industry continues to import raw materials from the U.S. and ship them back as finished electrical goods, clothing and transportation equipment for consumers.

### **United States: Proposed Benefits of the BIP and the *Maquiladoras***

The BIP did not only propose to benefit the people of Mexico by providing jobs and increasing their standard of living, but it was also expected to provide advantages for the U.S. government and American businesses.

In the late 1960s, signs of global economic crisis appeared everywhere. The gross national product of the U.S. declined, and more significantly, their rate of profit decreased. The idea to invest and transfer production abroad to cheap-labor areas like Asia and Mexico seemed a logical response to alleviate the profit crisis for labor-intensive industries, which accounted for the majority of the BIP investments.<sup>11</sup> Concerned with Mexican unemployment along the U.S.-Mexican border, the U.S. government and U.S. corporations became optimistic that the creation of the *Border Industrialization Program* would not only remedy the unemployment dilemma, but would also dissolve trade restrictions between the U.S. and Mexico.

Lyndon B. Johnson's administration felt that BIP would deter the entry of illegal Mexican immigrants into the United States. Fulton Freeman, the U.S. Ambassador to Mexico during these years wrote:

*Mexico's Border Industrialization Program* offers a notable opportunity for providing Mexicans with jobs and reducing the incentive for them to enter the United States as wetbacks...The braceros returned to Mexico with some concept of our type of democracy, with a knowledge of modern agriculture methods, and with positive friendly feelings about the United States. Just the reverse is true of the wetbacks; they inevitably develop enmities towards the system that outlaws them and deports them.<sup>9</sup>

Transnational giants that transferred to Mexico's border area were not concerned with the country's political difficulties, nor the consequences of high unemployment. Instead, U.S. corporations scurried to expand along the Mexican border in hopes of increasing assembly production through Mexican employment.

The United States businesses emerged strongly two decades after World War II. Their industries maintained high productivity, high efficiency levels and the U.S. dollar dominated world markets. Nonetheless, despite the stability of U.S. hegemony, both economically and militaristically, Western Europe, Japan, and other nations also began to voraciously recover from the war's consequences. These countries began narrowing the economic gap between themselves and the United States. The Asian Tiger countries, such as Taiwan, Hong Kong, Singapore, and South Korea began to rapidly industrialize, and the United States industries found themselves in a dire predicament; the U.S. hoped that

the BIP would reverse sagging profits and meet growing competition from Western Europe and Japan.

With foreign competition becoming stronger, U.S. corporations needed a industrial surge if they aspired to continue their economic prosperity:

Many U.S. companies believed that heavy taxes, unreasonable workers compensation benefits, and new labor laws have made production in the U.S. unprofitable. Consequently, a vast majority of U.S. companies profits began decreasing so they turned to the idea of offshore manufacturing plants in hopes of them being beneficial.<sup>9</sup>

The United States believed that the Maquiladora Industry would provide a means by which their manufacturing firms could seek significant cost-reduction benefits:

Principally, U.S. businesses wanted to take advantage of the low labor costs that the *maquiladoras* offered; secondly, the *maquiladora* program offered a special U.S. Customs tariff/duty policy “806/807 program” (which under NAFTA becomes known as the “9802 program”); and thirdly, U.S. corporations were hopeful that the *maquiladoras* proximity to the U.S. would lower transportation costs. Further benefits that the *maquiladora* program appeared to provide that other developing nations could not, were such things as: political stability, and low taxes for manufacturers.

The McAllen Economic Development Corporation advertises that companies utilizing the McAllen Foreign Trade Zone (FTZ) can decrease overhead costs and increase their profit.<sup>10</sup> The advertisement which gives “twenty ways to win in a foreign trade zone” reads:

Duties are not owed on labor, overhead, or profit attributed to FTZ production; customs duties are not paid on merchandise exported from the FTZ; and delays in customs clearance and duty drawback procedures are eliminated.<sup>10</sup>

It was hoped that the foreign trade zones would greatly reduce tariffs and duties and save on production costs. The deferral of customs and duties was a significant incentive that explained why the *maquiladora* operators undertook the Free Trade Zone.<sup>11</sup>

With all the aforementioned incentives, the BIP required no arm twisting to attract U.S. corporations to Mexico. United States Transnational corporations such as garments, electronics and toy companies were jumping at the opportunity to shift their production to Mexico to save costs. Within days, they situated along the international border region to participate in the new lucrative market.

### **Mexico: Proposed Benefits of the BIP and the *Maquiladoras***

In the mid-1960's, Mexico had just begun to re-enter the oil export business, however, it continued to rely heavily upon foreign investment to achieve many of its economic development objectives. Consequently, the Mexican government and workers anticipated that the BIP's *maquiladora* industry would provide Mexico with many benefits.

Mexican proponents were optimistic that the BIP would aid the country's economic development by creating new employment opportunities for vast numbers of Mexican workers. Mexican proponents of the BIP anticipated that the Maquiladora Industry would provide Mexican workers with *Mexican jobs*, as opposed to the *Bracero Program* which offered the Mexican workers employment solely within the United States.

Additionally, it was expected that the implementation of the BIP in Mexico would reduce the incentive for Mexican illegal migrants to leave the country and enter the United States.

Moreover, the BIP expected to become a significant boon to the Mexican economy by producing larger incomes, increasing living standards, attracting foreign investments, introducing modern methods of technical skills, training, and manufacturing.<sup>23</sup> Lastly, the BIP expected to increase the consumption of Mexican raw materials through its newly labor intensive manufacturing shops and hoped to reduce Mexico's trade deficit. All of these factors made the BIP and the *maquiladora* industry an ever more important component of the Mexican economic matrix.<sup>6</sup>

### **United States: Results and Drawbacks of the BIP and Maquiladora Industry**

Through the bilateral negotiations between the U.S. and Mexico, the BIP's Maquiladora Industry became a reality. Mexico entered into the foreign assembly market, and U.S. corporations found themselves in an enviable position. They transferred their companies from the Asian countries in the Pacific and other parts of the world and began settling inside the Mexican border. "In no other industry have U.S. corporations moved so much of their manufacturing overseas for the purpose of exporting back to the American market."<sup>12</sup> Suddenly, things began to change: illegal immigration into the United States from Mexico decreased; assembly productivity, and product quality went up, business profits went up, taxes, tariffs and duty charges decreased while others completely disappeared; labor and transportation costs declined, management problems went down. And unlike the Asian plant locations, in Mexico, U.S. suppliers and customers were

located in close proximity. This facilitated technical assistance from U.S. parent (twin plant) companies that are situated on the U.S. side of the border.

### ***Border Stability***

Despite political tensions after the termination of the *Bracero Program*, the *Border Industrialization Program* has become a lucrative investment to American companies and investors. For decades, Mexico has offered a stronger framework amidst the revolutionary upheavals than other parts of the world. *Business Week* asserted that Mexico's stability, particularly in contrast with Asia, provided a real calling card for Transnational businesses:

Harassment and terrorist tactics by Chinese Communists in Hong Kong have caused some worries about the future of U.S. business in that British Colony and seems to have given impetus to the industrial buildup in northern Mexico.<sup>16</sup>

In 1971, the principal guide to investors in the BIP advised that, "Personal relationships, power, and prestige are important factors for successfully conducting business in Mexico, as elsewhere."<sup>17</sup> Today, Mexico's government continues to have control over trade unions, minimum wage laws, the electoral process, police and military forces and other governing issues that preoccupy foreign investors. Consequently, it appears that *maquiladora* owners and foreign corporations in Mexico are comfortably situated where they want to be.

### ***U.S. Employment Compromise***

Through the BIP, U.S. businesses on the Mexican side of the border are allowed to employ the Mexican workers within their *maquiladoras*. This is beneficial for both the

U.S. government and the U.S. corporations because it resolved the government's preoccupation by employing the illegal Mexican immigrants that were flocking to the United States. Bill Lenderking, author of The U.S.-Mexican Border and NAFTA says, "If the economy in Mexico is good, migration slows. If it is bad, people will find a way to get to the United States and get a job".<sup>(193)</sup> Secondly, the BIP's offer 'cheap' labor to U.S. businesses on the Mexican side of the border, paying Mexican migrant workers a fraction of the U.S. wage rate.

### ***Cheap Labor***

Business managers benefit from Mexican employment because it is inexpensive and there is always an abundant supply of workers. Approximately one-fourth of all employed Mexican laborers work within a *maquiladora*. Mexican migrants are willing to work for very low wages. The average Mexican worker is paid a fraction of the U.S. wage rate. *Maquiladora* workers usually earn the Mexican minimum wage which was reportedly \$4.50 per day in 1993, in comparison to the average \$129.00 per day that an American factory worker earns.<sup>17(2X2)</sup> The fact that U.S. companies benefit from paying lower wages in Mexico is enough incentive to transfer their businesses there from Asia. James Lewus, of Lewus Electric company in Phoenix, stated that the high cost of labor and other issues forced him to ship jobs across the border so he could control costs.<sup>18</sup> The decision to move to Mexico like James Lewus did, is beneficial to U.S. companies and allows them to become more competitive because it alleviates costs, and at the same time, allows companies to maintain quality work.<sup>16</sup>

## ***Environment***

The establishment of a few thousand *maquiladoras* within Mexico has proven beneficial for the United States. It obligates the Mexican citizens to bare the hefty environmental price tag of the pollution and contamination that is emitted from the factories. The establishment of the *maquiladoras* in Mexico enviably precludes the United States from becoming burdened with the discharge of toxic chemicals and trash that pollutes the Mexican borders drinking water, streams, air and land. In appreciation to the BIP, Mexico is willing to foster the *maquiladoras*, an industry which U.S. environmental regulations would not allow in the United States.

## ***Low Taxes***

Another advantage of the BIP is that it virtually exempts the U.S. industries in Mexico from contributing taxes or import duties to the Mexican government.<sup>5</sup> In 1967, Mexican Minister of Commerce Octaviano Campos Salas told the Wall Street Journal that, “Our idea [of the BIP] is to offer [the United States] an alternative to Hong Kong, Japan and Puerto Rico for free enterprise. Hence, by 1973, the border outranked Taiwan and Hong Kong as the principal site for U.S. assembly operations.” (Runaway Shops 130)

Although Mexico has one of the *lowest* tax rates in the world, the results of the BIP conveniently offer the U.S. Transnational businesses the opportunity to pay even lower taxes. Companies operating in Mexico are required to pay federal taxes on profits and gross sales. Nevertheless, the government allows Mexican states to set independent tax rates. The Mexican industrial states compete with each other, attempting to offer the lowest tax rates so that foreign companies settle within their state. Irregardless, the heated competition among the Mexican states drives down the aggregate tax rate for all



the states, offering foreign companies to pick and choose the state with the lowest tax rates. Usually, the *maquiladora* owner's 'bargain shopping' guides them to the border region where the lowest tax rates are offered.

### ***Import Duties***

The *Border Industrialization Program* offered U.S. investors incentives that Asian countries could not match. It restructured U.S.-based assembly and manufacturing industries in Mexico by fostering: economic and political stability, low labor costs, employment of Mexican migrant workers, and low taxes. However, a principal attraction that further stimulated the interest of U.S. companies to the Mexican border was the special U.S. tariff/tax provision that the BIP provides.

The total goods that are produced in Mexico by U.S. companies are re-imported under two special exemptions of the U.S. Tariff Schedule known as Items 806.30 and 807.00. The first, 806.30, prevents taxes on any metal product whose form may be change abroad, as long as it is returned to the United States for further processing. The raw materials and components were sent to the Mexican plant for assembly under a bonding agreement with the Mexican government, and then returned to the U.S. counterpart or its *twin plant* for finishing and shipping. "Finishing could mean little more than pasting on a label," reported the AFL-CIO.<sup>14</sup> The benefit of the exemption allows for duty to be paid only on the value added, which are the production costs (mostly wages) incurred abroad. Currently, the most common articles imported under 806.30 include aircraft parts, certain iron and steel mill products (primarily bars, plate, wire), semiconductors and electronic parts.

Item 807.00, the second exemption used by U.S. Transnational's to avoid paying full import duties. It reduces duties on any product whose parts originate in the United States and then sent abroad for assembly. No further processing need be done upon return to the United States. Again, duty is paid only on the value added. Current users of 807.00 include producers of textiles, apparel engines, sewing machines, office machines, parts for television, radio, and electronics.<sup>15</sup>

The 806/807 program, (which is now recognized as the "9802 program" under NAFTA) has proved to be a favorable tariff treatment for U.S. corporations. In 1974 alone, Mexico became the largest assembler of U.S. products processed abroad and re-exported to the United States, sending nearly \$450 million in "added value" to the United States. (The Maquiladora Industry 38)

### ***Loss of U.S. Jobs/Twin Plants/U.S-Mexican Proximity***

As a result of the low wage *maquiladora* program and the special 806/807 tariff provisions that the BIP offers, groups such as the Wharton Econometric Forecasting Associates (WEFA) contends that an estimated 214,060 of U.S. jobs are lost to Mexico. (The Maquiladora Industry 42)

On the one side, some argue that the 807.00 provision encourages the expansion of foreign subsidiary operations of U.S. corporations and the displacement of U.S. production and employment, for example, the export" of U.S. jobs. Holders of this view further posit that repeal of item 807.00 would lead to substantial increases in domestic employment (up to 400,000 jobs). (The Mag. Ind. 38)

The employment rate at General Motors Packard Electric Division in Warren, Ohio declined due to the proliferation of *maquiladoras* in Mexico. There are other problems the Maquiladora Industry has created. Many U.S. auto parts manufacturers have relocated to Mexico, resulting in the layoff of numerous employees in Michigan. Ex-employees of the Electro-Wire Products Inc. plant in Owosso, MI are suing the firm for failing to give them proper notice about their layoffs when the firm shifted production to Mexico.

Nonetheless, opponents argue that the Maquiladora Industry generates a ‘twin plant’ system that makes up for the loss of jobs created by the move of U.S. companies relocate to Mexico. A local U.S. GE union official in Brownsville states, “without the *maquiladoras*, we wouldn’t be here today.”<sup>21</sup> A study by the Department of Commerce revealed that *maquiladoras* created 500,000 American jobs.<sup>20</sup> In a 1987 survey of *maquiladoras*, the U.S. Department of Labor stated that the Maquiladora Industry created over a million U.S. jobs.<sup>19</sup> One particular study conducted in Juarez shows that for every 1 *maquiladora* job, 2 additional indirect jobs (support services) are created as a result. (<http://cs.utep.edu/juarez/maquila.html>) Such research indicates that American plants in Mexico produce job growth for the United States’ workers.

Critics of the BIP and the *maquiladoras* do not recognize the benefits of the United State’s ‘twin plants,’ which reside on the U.S. side of the 2,000 mile U.S.-Mexican border. The inception of the BIP spurred growth of U.S. industry and increased jobs in the United States as U.S. corporations crossed the border from Mexico to build smaller ‘twin-plants’ on the U.S. side:

There is also a difference if a company relocates to the Mexican border or to a place such as Malaysia or Taiwan. Companies on the border tend to obtain supplies and spare parts from the United States rather than from suppliers in East Asia. <sup>(Heather book 195)</sup>

The near proximity of Tijuana, on the western border, only five minutes away from San Diego and a couple hours drive from Los Angeles; Nogales, less than an hour from Tucson; Ciudad Juárez lying adjacent with El Paso; and Nuevo Laredo's proximity to San Antonio and Houston are unequivocally beneficial to U.S. corporations:

El Paso businessman William Tilney, former mayor of the city, sees advantages for his city in providing warehousing and supply facilities for the large *maquiladoras* in Juárez just across the border. Since roads and infrastructure are better on the U.S. side and land and warehouse space are cheaper, Tilney believes that El Paso has a competitive advantage. <sup>(Heather book 195)</sup>

The intense *capital* and *machinery* production, where special tariff advantages are not available in Mexico, occur within the plants on the United States side. Conversely, the intense *labor* production transpires in the low-wage plants on the Mexican side.

### ***Advantages***

Unlike the U.S.-Asian investment sites, the special advantages of the U.S.-Mexican border twin-plant system allows for one manager and staff to provide direct assistance and support for plants on each side of the border: the *maquiladoras* in Mexico; and the factories on the U.S. side. The author's tour of various local *maquiladoras* in Nogales, Sonora, Mexico last spring yielded some interesting results. Through a meeting with the

U.S. manager of the United Technologies/Otis Elevators *maquiladora* in Mexico, the author was briefed on the general role of *maquiladora* supervisors: The role of Mexican vice-manager's is to oversee the assembly operations and handle Mexican government paperwork, while the U.S. engineers and plant manager are left directing the entire operation by phone or periodic visits from the parent plant in Nogales, Arizona.

Many American managers believe that there are benefits for residing on the U.S. side of the border. The author's tour to the border region last spring demonstrated that Mexico's proximity to the United States presents other advantages to American managerial directors as well as the Maquiladora Industry. One particular manager employed by the Samsonite corporation confessed that although working in Mexico, living on the U.S. side of the border proved convenient, because his poor familiarity with the Spanish language would be a set back if he remained in Mexico. The Samsonite manager further expressed that residing on the United States side offered an escape from the poverty, contamination, and high security risks of the *maquiladora* plant sites and surrounding neighborhoods.

In Nogales, Sonora, Pablo Lopéz, an employee of the Dodge-Chrysler plant asserted that the chief technician of his plant must enjoy the convenient proximity between the U.S.-Mexican regions. Lopéz said, "Once his daily job of insuring the highest and most efficient possible productivity from the *maquiladoras* is complete, he gets into his air-conditioned, 4X4 Dodge pick-up, and drives back to the U.S. side, away from the overcrowding that inhabits the industrial cites of the border."

The gradual building of personal relationships shared between U.S. *maquiladoras* managers and Mexican government officials has resulted from U.S.-Mexican industry

integration. The manager at Warwick industries, a local representative of the American Chamber of Commerce of Mexico, described his close ties with Enrique Cárdenas Gonzales, then governor of the border state of Tamaulipas, where the company recently set up a new *maquiladora*:

I met a gentleman several years ago through working here [Tijuana] who was the Under Secretary of the Treasury at the time. He's a member of the PRI ruling party, that's the strong party here that usually comes the winner. And after he told me that he planned to become the governor of that state, sure enough he became the governor. So the political climate is extremely good.<sup>18</sup>

The integration and close business relationships between U.S.-Mexican investors and politicians provides a "congenial" political climate for Transnational corporations.

### **Mexico: Results and Drawbacks of the BIP and Maquiladora Industry**

Through the BIP's creation of the *maquiladoras*, the industry was expected to aid Mexico with its economic development and industrialization plans. This is the primary advantage which, arguably, is still intact from Mexico's initial expectations of the Maquiladora Industry.

Mexican border investments became facilitated with construction of industrial parks, attracting companies by offering cheap rent, low electricity, water, and transportation costs. These industrial parks operated under a unique system that allowed Mexican customs officials inspections of goods, raw materials, and finished products to be conducted on the plant site. This method of inspection efficiently cutting costs and saving transport time to other border areas.

The architecture of the *Border Industrialization Program* (BIP) introduced remarkable rates of growth for the Maquiladora Industry, resulting in the attracting of foreign investment. Companies from the United States and Asia settled inside Mexico bringing with them modern methods of technical skills, manufacturing, and highly trained managers that enhanced Mexican industry and technology. From 1983 to 1990 the Maquiladora Industry grew at approximately 20% annually.

Furthermore, the *maquiladoras* have stimulated rapid population migration to the border region, particularly at its eastern and western extremities from Matamoros and Brownsville to Tijuana and San Diego. (The Columbia Encyclopedia, Edition 5, 1993 p23527: COPYRIGHT 1993 Columbia University Press.) With population migration and continual expansion of new

*maquiladoras*, employment rose 9.3 percent in the first eight months of 1995. Once again, in June of 1996, jobs in the industry were up 19% from the previous year, with an estimated 750,700 workers compared to 633,000 in 1995. (Maquiladora Growth, Mexican Economy

Dominant Trade Show - Sept. 11, [http://www.sddt.com/files /library/96headlines/09\\_96/DN96\\_09\\_11/DN96\\_09\\_11\\_tbc.html](http://www.sddt.com/files /library/96headlines/09_96/DN96_09_11/DN96_09_11_tbc.html))

Transportation equipment, garment assembly, electrical equipment, accessories, and furniture assembly were among the most productive sectors reported.

(<http://www.asia1.com/bizcentre/gr/intr2.htm>)

Today, the Maquiladora Industry has become one of Mexico's primary sources of foreign exchange. After the service sector, the industry is Mexico's second most important economic division, accounting for two fifths of the country's GNP, employing a fourth of the country's workers, and, contributing over \$5 billion to the country's economy. (The Maquiladora Industry 3) Through the Maquiladora Industry, public manufacturing

has reached almost every sector of the economy, and the government has succeeded to steer the economy to political and financial recovery.

Despite the Maquiladora Industry's wide acclaims of creating jobs, attracting foreign investment and attempts to reduce the deficit, it has been criticized for abusing its employers by providing unsafe working conditions and paying them low wages. Another criticism of the *maquiladoras* is that they pollute border towns and the environment. The Maquiladora Industry has not fared well sociologically nor politically. First, they have attracted a large numbers of workers to the border region, which places undue pressure on both the economic and social infrastructure of Mexico's northern frontier. Secondly, the large number of *maquiladora* workers deprives the Mexican agricultural sector of its most productive laborers:

One by one, families has come north from the small farming town of Navojoa in central Mexico. Work in the vegetable fields around Navojoa has dwindled, so the lure of the factories along the Mexican-U.S. border, eight hours to the north, is strong. (Tucson Weekly 42).

### ***Working Conditions***

Admittedly, lucrative benefits can be gained by the *maquiladoras* for both Mexican workers and U.S. companies. However, foreign companies take advantage of the cheap Mexican labor, employing a work-force which is primarily made up of women, and providing adverse working conditions that are viewed as exploitative and dangerous.

Many reports focus on the *maquiladoras* adverse working conditions such as poor ventilation, lack of adequate rest periods, excessive noise levels, long hours of detailed routine work, and exposure to toxic chemicals and hazardous materials. Substantial



evidence indicates that employment in the *maquiladoras* can be dangerous and detrimental to one's health and livelihood. An example of the poor working conditions is the limited provision of safety equipment that the *maquiladoras* supply. Another is the Hannifin O-Ring plant incident:

In Matamoros, Mexico, Enrique Ramírez was electrocuted and killed in the Parker Hannifin O-Ring plant, after being sent to connect wires from one machine to another. Because it was raining and the roof was leaking, Ramírez reportedly asked his supervisor if he could cut the power to the machines first. The supervisor refused. The company paid the Ramírez family US\$ 1,500 compensation for his death. (On The Line 71)

Another incident that demonstrates the pitiful health and safety regulations of *maquiladoras* workers is a fire that broke out in a Matamoros plant:

In May 1990, a motor exploded and set fire to the General Motors Deltronicos plant in Matamoros, which manufactures car radios. According to newspaper reports, during and after the fire, plant security guards prevented the entry into the plant of both firemen and ambulance personnel. Some 70 employees, mostly women between the ages of 17 and 22, were overcome with smoke and had to be hospitalized. The panicking workers originally ran outside when the fire started, but were ordered back to their posts once the fire was put out and told to resume production. (On The Line 71)

Other disparaging aspects of *maquiladora* jobs is that employees complain that their work is monotonous, mechanical, and high-pressured. Consequently, many of the

frequent symptoms expressed by the workers is that their assembly jobs cause backaches, joint pains, respiratory problems, stomach aches, and mental depression. A study of 400 working *maquiladora* women which was published in *Society*, showed that, "Groups of Mexican women workers had high stress scores on the control scale, indicating a low sense of control over their lives. They also had depression scores which were higher compared to U.S. standards." [(Society, May-June 1993 v30 n4 p2(2))]

Further reported unfavorable circumstances of the Maquiladora Industry are the physical and mental handicaps that has affected the infants of *maquiladora* mothers:

About 200 youngsters [experienced] disabilities [that] ranged from severe retardation to slow learning. Physically they bore similar characteristics, such as broad noses, thin lips, bushy eyebrows, and webbed hands and feet. A few were deaf. Yet the children did not fit any of the categories of birth defects that had been previously studied or observed. (On the Line 66)

It was shortly discovered that all these children shared something in common. Each of them had mothers, who while pregnant, worked at the same Matamoros *maquiladora*. Apparently, due to the Mexico's minimal health and safety standards, these mothers handled a range of toxic chemicals in the plant that contained polychlorinated biphenyl (PCB). This chemical has been banned in the United States due to its carcinogenic nature. (On the Line 66)

Mexico's neglectful *maquiladora* health and safety standards continue to exist, facing one of the highest assembly accident and sickness rates in the world. However, if Mexican workers attempt to voice their disgust about the conditions, they risk being fired.

## ***Wages***

Although many U.S. corporations, consumers, and *maquiladora* owners argue that low wages ensure more jobs and keep prices competitive, it is likely that they do not understand the full implications of the infamous Maquiladora Industry. When U.S. employees work in an air-conditioned plant earning four times the amount of Mexico's minimum wage, it is difficult to empathize with the Maquiladora Industry workers who are succumbed everyday to poor working conditions with little pay.

The minimum wage in Mexico is definitely lower than most countries. As previously mentioned, *maquiladora* workers usually earn the Mexican minimum wage which was reportedly \$4.60 per day in 1993, in comparison to an average of \$129.50 per day that an American manufacture worker earns.<sup>17</sup>

A group of U.S. congressional members visited various *maquiladoras* along the border in Mexico and found the *maquiladora* workers standard of living in recent years to be stagnate because of the refusal by employers to raise wages.<sup>37</sup> According to opponents of the *maquiladoras*, the Mexican government does not raise the minimum wage for fear: of discouraging U.S. companies from creating new investment in Mexico, which would cause U.S. companies to transfer their current businesses across the Atlantic into Asia.<sup>38</sup> As a result, the Mexican working poor suffer at the hands of U.S. corporations.

## ***The Struggling Work Force***

Many members of the male work force refuse to work for such small wages and instead, illegally cross the border and enter the U.S. to find employment. Consequently, in 1993, Mexico's unemployment rate was at 40%.<sup>40</sup> In 1970, the *maquiladoras* in Baja California employed 1% of the male workforce.<sup>32</sup> In 1990, this minute figure change

when the *maquiladoras* in Baja California employed 10% of the male workforce.<sup>33</sup> There was an expansion of jobs for men in the *maquiladoras*, but that alone did not account for more men being employed in the *maquiladoras*. Since males are not typically employed in the *maquiladoras*, the program has not really helped with decreasing the male unemployment rate like the BIP had initially promised.<sup>39</sup>

In 1996, through visits to various *maquiladoras*, the author witnessed that the female workers make up the overwhelming percentage of the work force. Although it varies from plant to plant, three *maquiladoras* - Mextron Electronics, Rogers Electronics and Calmar (Plastics) - has 95% women employed on their assembly lines.<sup>25</sup> *Maquiladoras* foremen prefer women to men in the work place because they assert that the women work harder; opponents believe otherwise.<sup>27</sup> Instead, critics believe that managers prefer women because they will tolerate low-paid positions, are more apt to work overtime, and because they are not quick to form unions.<sup>41</sup>

Eighty to ninety percent of the unskilled *maquiladora* workers are young women between the ages of 16 and 25.<sup>26</sup> However, if they are or become pregnant, they are fired. Alejandro Romero Ruiz, correspondent of Human Rights Watch said, “en las *maquiladoras*, ‘rutinariamente someten a las mujeres que solicitan empleo a pruebas de orina obligatorias y preguntas sobre el uso de anticonceptivos, su periodo menstrual y sus hábitos sexuales para eliminar a las mujeres embarazadas y negarles empleo.’ ” *Sin garantías. Discriminación sexual en el sector de maquiladoras en México. Human Rights Watch, August 17, 1996.* Yet Chihuahua Managers in 1990 preferred older women with children because they contended that they tend to prove more responsible and reliable when they have dependents at home to feed.<sup>29</sup>

The status of Mexico's economy is another reason *maquiladoras* are full of women workers. Mexico's ongoing economic crisis has made it difficult for only the male members of families to be employed. Women's salaries are now important for the household.<sup>30</sup> This is also the case in households without adult male members. Women who are the head of the household are twice as likely to work outside the home in comparison with women in households with males as breadwinners.<sup>31</sup> For most people, the economy is so rough that many of the women who are not married or do not have children still work in the *maquiladoras* to help contribute to their nucleic family income.

The film "The Global Assembly Line" portrays how employees of the *maquiladoras* struggle to make enough money to provide themselves with basic needs such as food and adequate shelter.<sup>35</sup> Of course, this means they are also doing without many of the luxuries that a U.S. worker doing a similar job could afford. The majority of the Mexican *maquiladora* workers cannot afford a telephone, television nor a radio.<sup>36</sup>

Instead, most of the *maquiladora* employees live in shacks. These houses are built with the discarded materials of the *maquiladoras*. Wooden pallets become the frame and roof. Cardboard boxes, used to ship parts into Mexico, serve as the family's interior walls. Most often, the cardboard is fastened to the frame of the house by driving nails through bottle caps. The author's tour of the border is testimony to the above information.

### ***Labor Unions***

Mexican workers cannot strike and organize unions effectively because they do not have protected rights.<sup>34</sup> Workers suspected of union concocting are usually fired. "If employment for a *maquiladora* workers is tentative at best, trying to organize democratic

unions to protect those workers requires unusual persistence and risk. Workers suspected of unionizing can be summarily dismissed, as happened to Javier Hernandez Hernandez.<sup>44</sup>(The National Catholic Reporter, Sept. 17, 1993 v29 n40 p10(1)--Arthur Jones. To further complicate matters, the “official” union, the Regional Federations of Mexican Workers (CROM), is a corrupt branch of the government:

Labor organizers in Mexico always stress the democratic union aspect of their work because, while most Mexican industries are covered by unions-- such as those under the acronym CROM, the Regional Confederations of Mexican Workers -- those syndicates usually take their direction from the government or employers, are antidemocratic, corrupt or a mix of all four.<sup>45</sup>(The National Catholic Reporter, Sept. 17, 1993 v29 n40 p10(1)--Arthur Jones.

The poor handling of labor relations in Mexican *maquiladoras* can eventually lead, though seldom, to work slowdowns and aggregate strikes. If this occurs, it often tends to be a painstaking process to resolve because of the poor human resource and personally communication skills practiced by the *maquiladora* managers.

### ***Environment/Overcrowding***

Environmental opposition to the BIP tends to focus on the *maquiladoras*, which are targeted for not keeping clean working environments. Minority leader Richard Gephardt and five other members of congress toured *maquiladoras* along the border. Along with criticizing the low wages garnished by the workers, and the unsafe working conditions that were in violation of Mexico’s feeble regulations, they were amazed with the serious environmental problems that were visible all along the border.<sup>46</sup> Whether it was the thick sledge of the streams in the communities, or the filth in the Rio Grande, Rio

bravo, and New Rivers, the pollution of Mission Bay, or the dirt-laden air caused by the *maquiladora* emissions and auto traffic. Furthermore, many of these plants generate poisonous wood preservatives, pesticides and chemical products such as concentrated chlorophenols and hydrochloric acid that run off into the streams and agricultural fields of farmers. Mexican law requires U.S. firms to send hazardous wastes back to the U.S. for proper disposal. However:

Reports indicate that much of the waste is stockpiled or disposed of illegally in municipal dumps, isolated canyons, or simply pumped into rivers and streams. The Mexican government has improved enforcement efforts, but untreated solvents still are found on farmland; toxic runoff continues to flow through ditches and residential areas; plastics and toxic fibers still smolder in landfill sites producing chemical clouds that hover over cities.<sup>(On the Line 52-54).</sup>

Consequently, environmental problems in Mexico have become exacerbated by: the BIP and its alarming developmental growth of *maquiladoras*, and the lax enforcement of Mexican environmental laws. Although the *maquiladoras* have been in operation since the 1960s, their rapid growth since the 1982 oil crisis in cities like Tijuana has caused the border to suffer extreme pollution and rapid demographic growth.<sup>42</sup> The population explosion along the border area has produced almost 3,000 assembly plants, which employ more than 1,000,000 workers. Entire new shanty towns have sprung up to house and supply the work-force. The towns have few resources, and they often lack adequate sewage disposal, water supply, electricity, or telephone lines. The border towns which are down trodden with poor infrastructure and experience super saturation from the

Maquiladora Industry produce second-rate living conditions compared to other cities in Mexico.

Despite the *Border Industrialization Program* and the *maquiladoras* acclaims of creating jobs, attracting foreign investment and succeeding in many of its other intended promises, these changes have transpired at the expense of Mexican migrant workers. Further, the program's intended expectations appear to have fallen short due to the controversial effects which have proven to be widely detrimental to both Mexico and the United States. As a result, the North American Free Trade Agreement was initiated to alleviate many of the quirks of the aforementioned programs and to establish an economic partnership between the United States and its southern neighbor.

## **NAFTA**

The North American Free Trade Agreement, signed into effect on December 17, 1992, attempts to integrate the economies of the United States, Mexico, and Canada. Although Canada played an intricate role in the NAFTA debates, this paper will focus exclusively on the nations of the United States and Mexico. First, it reviews the *how* and *why* the United States and Mexican leaders entered into the agreement, and sketches NAFTA's primary goals and provisions. Next, the author will show that many of the intended promises set out by NAFTA to modify the controversial effects of the Maquiladora Industry have fallen short. The subsequent section will examine the reasons that some groups in the United States resisted integration with Mexico followed by a section on briefing the status of NAFTA. Lastly, through the co-analysis of the Maquiladora Industry and NAFTA, the author attempts to prognosticate the path of Mexico's Industrial future.



## ***How and Why Did NAFTA Integration Begin?***

The wheels of NAFTA started rolling when two of Mexico's presidents Miguel de la Madrid Hurtado and Carlos Salinas de Gortari, responded to the Mexican economic problems of the 1980s. <sup>(5)</sup> During this time, Mexico experienced a macroeconomics mismanagement that led to a deep economic crisis. Saddled with a large foreign debt, Mexico's world interest rates skyrocketed to record high levels. Moreover, commercial banks stopped lending the country money, and the oil industry, which represented 80% of Mexico's total exports, plummeted. Conditions at home were not better. With rampant inflation, increasing capital flight, and chaos in financial and foreign exchange markets, Mexico was on the brink of bankruptcy. A default on Mexico's foreign obligations needed to be prevented or it would threaten the entire international financial system. (Mexican Debt case study) In response to the crisis, and to salvage the country, President de la Madrid and his successor, President Salinas, vowed to liberalize the Mexican economy.

Through a process of lowering tariff barriers on products, selling numerous government-owned enterprises, and signing the General Agreement on Tariffs and Trade (GATT), which also reduces tariffs and aims to create freer trade in services and in agricultural goods, Mexico began to open its world markets.

Salinas negotiated debt relief with the United States, cut public expenditures, relaxed that had inhibited foreign investment, and reprivatized the largest Mexican banks. He fervently embraced economic liberalism, attacking what he called the 'outmoded view that confuses being

progressive with being statist.' Robert A. Pastor, *Integration with Mexico*

(New York: Twentieth Century Fund Press, 1993), 17-20

For the United States, it appeared that NAFTA would serve as a formal trade agreement that would result in economic growth for the both the United States and its southern neighbor through the elimination of tariff barriers. Moreover, the United States anticipated that the international agreement would serve to help curb the border's political problems such as general political instability, illegal immigration, and drug trafficking. Consequently, Mexico's goal with NAFTA was to increase economic development while the United States optimistically expected NAFTA to serve as an economic and political benefit.

Eventually, in 1990, President Salinas requested a free trade agreement with the United States. The transactions, bargaining, and understanding of both countries, in addition with Canada, satisfied the three and brought them to a preliminary agreement. Two years after President Salinas first requested a free trade agreement with the United States, the U.S. President George Bush, Canadian Prime Minister Brian Mulroney, and Mexican President Carlos Salinas de Gortari signed the North American Free trade Agreement.

### ***Promises and Results***

Essentially, NAFTA's fundamental goals break down the tariff and non-tariff barriers of trade and investment that exist within North America. This can be accomplished through the elimination of quantitative restrictions on imports and exports. Proponents of NAFTA believe tariff elimination will increase direct foreign investment within the North American countries, and create more jobs. A further goal of NAFTA is

to protect the environment by placing harsh international restrictions on the pollution emitting *maquiladoras* factories. If the above provisions of NAFTA are put into place, the proponents believe that the agreement will provide a platform upon which the future of the North American trading partners can grow.

Notwithstanding, it is important to take note that five years after ratification, various promises set out by NAFTA proponents have not been achieved. The following are just a few examples:

**Promise:** That with NAFTA, “[M]aquiladora development will tend to be dispersed away from the border area to other parts of Mexico, thus reducing its impact on the border area...If NAFTA is not implemented, incentive will continue under the *maquiladoras* to located facilities in the border areas, thus exacerbating environmental pressures on the border, such as loss of habitat, adverse impacts to endanger and threaten species, and reductions in groundwater levels” Clinton Administration, November 1993.

**Results:** Paradoxically, four years after NAFTA, the amount of *maquiladoras* situated along the border has grown almost 20%. <sup>(border article)</sup> Supporters of NAFTA also promised that its implementation would cause a decline in demographic concentration along the border area. Yet, by the summer end of 1995, more than 85% of the *maquiladora* workers were employed in one of the six Mexican-U.S. border states: Chihuahua, Baja California Norte, Sonora, Coahuila, Norte Leon and Tamaulipas. Some companies along the border are arriving or expanding at a rate of more than one a week. This promise indicates the first of various misguided pledges by the Clinton Administration and other NAFTA supporters.

**Promise:** Proponents of NAFTA contended that the free trade agreement offer benefits to the Mexican economy that would translate into more money availability for allocation and spending on environmental cleanup, regulation and infrastructure management. The Clinton Administration said, “Without NAFTA and its associated Border Environmental Cooperation Agreement, Mexico may have fewer funds to invest in waste management infrastructure.” Clinton Administration, November 1993.

**Results:** Instead, since the passing of NAFTA, the Mexican peso has become devaluated by more than 50% its original value fallen short of NAFTA’s vow of raising funds. Not only did the devaluation prompt a collapse in Mexico’s economy, but it also significantly undermined the ability of the government to allocate funds and comply with the environmental cleanups and stricter industrial regulations that it pledged.

The major peso devaluation increased prices at a time when companies are tightening their budgets. Moreover, Mexico imports the majority of the equipment used to dispose of and transport its hazardous waste. As a result, the Mexican depression and public spending cuts has given the government fewer resources to track and clean up illegally dumped hazardous waste.

Consequently, resources for hazardous waste management has not improved since NAFTA. Instead, the amount of unrecorded hazardous waste has increased, as have the incentives for illegal dumping. The leading *maquiladora* business journal, *Twin Plant News*, reported that “Mexico’s depressed economy has created even greater incentive for illegal waste dumping by industry.” *Maquiladoras* are manufacturing more products, and by producing more, they in turn generate more waste.

**Promise:** That NAFTA will provide an avenue to assure that health and safety violations of *maquiladora* workers are ended. As a result of human rights watchers complaining, large attention has been focused on remedying the harmful toxins that Mexican assembly workers and peasants suffer from the chemicals emitted by the *maquiladoras*. Lloyd Bentsen, then Treasury Secretary of the Clinton Administration said, "I've seen the babies born with birth defects. The NAFTA package gives us the ability to assure that [those problems] will be addressed." Lloyd Bentsen, 165, then Treasury Secretary, November 1993.

**Results:** During the NAFTA debate, much scrutiny was given to unusually high levels of birth defects along the U.S.-Mexican border. As previously mentioned a few sections back, during the late 1980s, in Matamoros, Mexico, a large bunch of anencephaly was reported. This sickness is a rare birth defect in which a full-term baby is born with an incomplete or missing brain or skull. These effects were traced to a Matamoros *maquiladora* where pregnant working mothers had ingested a PCB toxin.

Since NAFTA took effect in 1994, the incidence of neural tube birth defects has not improved. In 1996, the authors visit to Sonora, Mexico revealed that the *Maquiladora* birth defects still persisted.

During a visit to the Mexican border region in 1996, the author visited the Castillo family. Juana, a twenty-three year old mother who was employed at a local *maquiladora*, rocked her a partially swaddled baby in arms, which appeared to be deformed. The mother's only child had been diagnosed with the anencephaly illness. During the baby's early developmental stages inside the mother's womb, the mother had been working at a local Matamoros *maquiladora*.

Regardless of NAFTA's ratification and promise to curb the health hazards of the Mexican factories, the Castillo family's child illustrates the little control that has been implemented to battle the harmful and periodically devastating health effects of the Maquiladora Industry.

### ***NAFTA RESISTANCE***

During the debate in the United States and especially in Congress leading up to the passage of the NAFTA legislation in November 1993, things got heated. U.S. labor and environmental groups, and many in Congress, were worried that business would close and relocate in Mexico to take advantage of lower labor costs and environmental standards.

Ross Perot, the Texas billionaire and 1992 independent presidential candidate is one of the most prominent leaders who visibly lead the fight against NAFTA. His renown sound bite, "If the U.S. Congress adopts NAFTA, U.S. citizens will hear a 'great sucking sound' as low wages and weak regulations attract U.S. companies and millions of U.S. workers' jobs to Mexico."

Opponents to NAFTA like Ross Perot believe that the agreement reflects a corrupt political culture in Washington, D.C., where influence is exchanged for the sake of the almighty American dollar. Adversaries of NAFTA feel that the agreement cripples the U.S. economy and costs Americans millions of jobs.

Despite the economic controversy of NAFTA, groups such as Humanitarian Watch, and Green Peace disapproved with the Free Trade Agreement based upon their knowledge of past environmental and labor abuses. Some of the serious democratic anxieties being advanced by labor, environmental, and citizens' groups are the long working hours, low wages, and inappropriate working conditions of the *maquiladora*

staff. Other concerns are the inept representation of Mexico's and the *maquiladora* union labor rights for the workers, and the detrimental contaminating effects from *maquiladora* pollution.

## **Status Of NAFTA**

In NAFTA, both the United States and Mexico have achieved the minimal number of their initial objectives. The Maquiladoras Industry and the newly implemented tariff elimination's are fundamentally beginning to transform both countries. Imported goods can enter the United States duty free, and just recently, it is permissible for all *maquiladora* goods to be sold in Mexico and the rest of Latin America.

Mexico has gained a trade system with the United States that it hopes will encourage investment, economic growth, and prosperity. The United States has achieved an agreement which has lead to political stability along its southern border. Moreover, The United States hopes that NAFTA will penetrate beyond Mexico and eventually pervade itself within the confines of all Central and South American countries.

## **Challenges: The *Maquiladora* Program, NAFTA, And Mexico's Future**

**Where will NAFTA take Mexico, the migrants, and its *maquiladoras*? The Free Trade agreement and the Maquiladora Industry have revived Mexico and provided the industry with opportunities beyond what had been expected. Since the passing of NAFTA, *maquiladoras* have continued to grow along the U.S.-Mexican border within Mexico. However, in the next few years, will NAFTA succeed in attracting new *maquiladoras* away from the U.S.-Mexican border region as it purposed to do?**

Despite the heated propaganda of NAFTA proponents who contended that the Maquiladora Industry would be expanded away from the U.S.-Mexican border with the signing of NAFTA, the author believes the future will reveal contrary results.

Currently, an approximate 80% of the *maquiladoras* reside in Mexico, along the U.S.-Mexican border. The remaining 20% that are widely dispersed throughout the Mexican countryside and around Mexico City. As NAFTA continues to gradually evolve, eliminating tariff and non-tariff barriers, the construction of future *maquiladoras* will continue to assimilate along the U.S.-Mexican border despite NAFTA's expectations.

The North American Free Trade Agreement intends to reduce future *maquiladora* crowding along the border by introducing lower tax incentives in other parts of Mexico. Nonetheless, the author believes that future construction of *maquiladoras* will continue to grow along the northern border because of the proximity it offers to United States twin plants.

United States corporations will not be interested in creating their factories all over Mexico despite the new lower tax incentives because they will not be able to reap the benefits of lower transportation costs which is possible with U.S.-Mexican border *maquiladoras*.

**Will *maquiladora* employment continue to increase at the current rate?**

With *maquiladoras* rapidly growing at their current rate, the author believes that within the next three years, an additional 2,000 factories will establish themselves along the U.S.-Mexican border. By the year 2000, U.S./Mexico Trade will be more than double what it was in 1995. Even with the peso devaluation, Mexico and the U.S. exchanged \$108 Billion in trade in 1995; in 1996 it traded over \$125 Billion, and in the year 2000 it should be over \$225 Billion.

The incentives of cheap labor, poor environmental and labor regulations, and Mexico's tangency to the United States will encourage American investors to continue



establishing maquiladoras in Mexico. Most of them will be as close to the United States as possible; located on Mexico's northern border. The proximity of the maquiladoras creates jobs for American workers as well. "The U.S. Department of Commerce estimates that 16,800 new direct jobs are created by each \$1 Billion in trade." (Laredo worksheet) Therefore on the National level, therefore, about 95,000 American workers are producing 1996 U.S. exports in Mexico. Consequently, by the year 2000, almost 2 million Americans will owe their jobs to Mexico.

The creation of more maquiladoras will necessitate the hiring of more Mexican low wage workers. Thus, the author believes that peasants, both employed and unemployed from all around Mexico will migrate to the northern border region to work in the maquiladoras. As a result, the maquiladora employment rate will continue to increase which will lead to other problems.

**Assuming that Maquiladora Industry attracts more low wage workers to the border region, what effect will this have on Mexican illegal immigration into the U.S.?**

Due to currently new strict U.S. anti-immigration laws, it appears that the past high influx and 'relaxed' attitude of the Mexican border patrol will no longer exist. Ever since Patrick Buchanan's 1996 Presidential campaign run, when he proposed that the U.S. construct a 2,000 mile wall to separate the U.S. and Mexico. The proposal of these harsh restrictions against illegal immigration into the United States grabbed national attention.

Since the strict anti-immigration propaganda became promulgated to the American public, U.S. citizens are looking for action. Presently, the Clinton administration and States laws are changing old policies in attempt to curb the growing influx of illegal Mexican immigration. Prior to April of 1997, the national immigration law required that a

non-U.S. individual reside 7 years within the United States before they could attain citizenship. Presently, however, the law has changed. Today, a non-American resident must reside 10 years within the United States before they can attain citizenship. This is only one, of many policies implemented by the U.S. immigration service in attempts to deter Mexican's and other non-U.S. citizens permit entry into the United States.

The U.S. has begun to adopt perverse immigration policies with the attempt to reduce the growing U.S. population rate, the high influx of drugs, and people with disease. Although it appears that this objectives are easily attainable, the author believes that the construction of a 2,000 mile wall to divide the U.S. and Mexico is highly unrealistic. Further, the voracious growth rate of new assembly shops within Mexico, particularly along their northern border will attract a myriad of *maquiladora* workers. Many of whom will be unsatisfied with the low pay wages of the Maquiladora Industry and will attempt to illegally cross into the United States. Consequently, this will only exacerbate the growing number of illegal Mexicans in the United States.

#### **Will NAFTA improve the working conditions of the *maquiladora* workers?**

Despite Humanitarian advocates arguing for more regulations than NAFTA has implemented to ameliorate the *maquiladora* working conditions, the author believes that this will have little effect on improving the future working conditions of the *maquiladora* worker.

Since the *Bracero Program*, during the 1940s, 50s, and 60s, up through the *Border Industrialization Program's* birth of the Maquiladora Industry, low wage Mexican assembly and hard labor workers have been and will continue to be exploited. The lack of strict labor regulations and the absence of a group which would enforce the regulations if

they were seriously implemented would change the poor working conditions and plight of the *maquiladora* worker.

However, this will not change in the foreseeable future because migrant exploitation is a facet of the Maquiladora Industry which makes them so appealing to foreign corporations. When assembly workers are discouraged to unionize, forced to work long hours, often overtime without extra compensation, and do the jobs that workers in the United States are not allowed to do because of regulations, there is no incentive for *maquiladora* owners to change a self-beneficial policy. Consequently, the author believes that little will be done to rectify the injustices that the *maquiladora* worker suffers from day to day.

**By the year 2017 will the United States and Mexican border region continue to be environmentally polluted by the maquiladoras?**

Similar to the author's previous rationale above, the author foresees few modifications with the pollution emission of *maquiladoras* in the next twenty years ahead. The few changes that will occur will only be implemented to curb the pollution of *maquiladoras* which are producing denigrating effects for the United States. For example, one case study in Tijuana showed that toxic chemicals from a *maquiladora* which varnishes furniture improperly disposes of its chemicals. These chemicals find their way into nearby runoffs which eventually contaminate the southern beaches of San Diego.

Consequently, thousands of fish and sea animals are killed. Further, during the 1980s, reports confirmed that hundreds of San Diego swimmers were hospitalized due to the high levels of chemicals which caused skin damage and lead poisoning for those people who came in contact with or ingested the toxins from Tijuana plant.

Aside from the U.S.-Mexican border *maquiladoras*, which send high levels of smog into the air that is blown north, as far as the Grand Canyon, Austin, and San Diego areas, little will be done to the other hundreds of *maquiladoras* which pollute and will continue to pollute the *colonias* of the Mexican industrial border cities.

Originally, during the 1980s up through the present, the United States was supposed to bring the waste materials that *maquiladoras* produce back into the United States for proper disposal. Nevertheless, similar to the exploitation of the Mexican *maquiladora* workers, the author believes that there is no incentive present for the *maquiladora* investors, nor will there be, to implement changes from the abuses suffered by the border's environment. Thus, the author would like to emphasize the certainty that environmental deterioration will continue.

**How flexible is the Mexican infrastructure; has it reached saturation? Can it endure more?**

One principal aspect that could pose as a serious threat to the future of the Maquiladora Industry is its poor infrastructure which is already virtually saturated. Mexico will be in a dangerous situation as the border industrial towns continue to grow. Presently, with the alarming growth rate of new business establishments, border industrial towns are having difficulties providing industries with a sound and secure infrastructure. If Mexico will serve as a Latin American economic vanguard into the 21st century, than a conscious effort is needed to improve and expand the feeble infrastructure that plagues the current *maquiladoras* along the border. Moreover, infrastructure capital will be needed to improve the highway systems of Mexico City. During a visit to the industrial city of Nogales, Mexico, the author observed riddled two-lane potholed highways, a proliferation

of adobe and cardboard houses at the periphery of the city, and old bridges that make transportation a nightmare. If the infrastructure problems are ignored, Mexico's outlook will be grim. Border towns will grow and rapidly become supersaturated and unable to accommodate any new industrial plants.

The inadequate state of the roads and housing systems are not the only poor infrastructure problems of Mexico. Sadly enough, the problems extend into such areas as public health, education, public transportation, water supply, sewage treatment, and environmental controls. Ross Perot's renown claim that millions of American jobs will move to Mexico with the signing of NAFTA is a viable possibility dependent not only on the elimination of the tariff and non-tariff barriers, and continue wage decreases, but primarily on whether the infrastructure can endure the added stress of rapid growth. If bureaucratic modifications are not implemented on the Mexican side of the border, the infrastructure will quickly be absorbed to capacity with new plants and the fragile socioeconomic fabric will be shred to pieces.

## **Conclusion of the CO-Analysis of the Maquiladora Industry and NAFTA**

NAFTA represents the first decision by Mexico and the United States to manage the process that has been binding them together since the early 1960 *Bracero Program*, when Mexican's began journeying north to the United States, both legally and illegally, in very large numbers. With NAFTA, the winners will be large industrial, commercial and financial establishments mostly from the U.S.

The author believes that NAFTA will continue to lead to the expansion of the Maquiladora Industry, especially along the northern border because of the close international proximity which serves convenient for 'twin plants,' (which are essentially U.S. *maquiladoras*). U.S. firms will continue to see lower labor costs and other advantages. Some U.S. workers will suffer job losses, pay severance. But, the high employment growth in Mexico cannot compensate for the losses due the negative effects on agriculture and domestic manufacturing which are unable to compete with U.S. imports.

**After 33 years, the Maquiladora Industry survives and prospers for U.S. companies. Nonetheless,** the expansion of the *maquiladoras* and the resulting migration to the northern border region will create an anarchic pattern of urban growth in the border cities, with poor living conditions for workers. Further, ecological destruction will continue, and the intensification of cross-border trade and migration will also continue to subordinate the spatial integration of Mexico into the U.S.

With the exception of moderate changes, the author believes that Mexico's industrial future will remain predominately unaltered from its present course. NAFTA will continue to exist into the foreseeable future. However, though attempts will be made to hasten the expansion of the Maquiladora Industry, its current continual growth rate will be impeded by poor infrastructure, the controversy over low minimum workers wages, labor rights abuses, and hazardous environmental problems.

**Before closing, I would like to introduce a piece by Oscar J. Martínez and myself. The ensuing poem focuses on the dilemma of the U.S.-Mexican border region. It specifically accentuates what results when a first world nation (the United States) and a third world nation (Mexico) come together. These are the only two countries**

in the world that share such a relationship. Befitting for the above thesis, it seems an appropriate conclusion:

It is the best and it is the worst,  
*la frontera*, the border lands,  
a world of acute contradictions,  
a place of pungent human drama.

It lifts the spirit and sinks the heart,  
for *la frontera* is laced with intense passions.  
Devotees feel exuberance, vitality, zest;  
detractors see drabness, ugliness, crassness.

On one side dollar power, freeways,  
skyscrapers, malls, radiant suburbs,  
On the other boom and bust, gaudy tourism,  
*maquiladora* sprawl, shantytowns.

A land of abundant sunshine  
that keeps the body warm, the soul aglow.  
Yet that same *frontera* sun  
turns summer into scorching hell,  
an inconvenience for the fortunate,  
a life-threat for the destitute.

Generations of poor migrants from the south,  
driven by poverty and despair,  
have headed to the imagined desert paradise,  
enticed by the promise of a better life.

Embraced by those who profit from their labor,  
quite dependable, plentiful, and cheap.  
Abhorred by those who see social blight,  
economic threat, cultural menace, demographic peril.

Affluent and leisure-conscious northerners,  
captivated by *la frontera's* mildness,  
its picturesque scenery, its relaxed way of life,  
gleefully descend upon its cities, towns, and trailer parks.

These settlers and sojourners revere this land,  
its desert beauty, its resplendent sunsets,  
and some hold dear the indigenous human landscape,  
the Indians, the Spaniards, the Mexicans.

But far too few of the northern newcomers  
find enchantment in the native heritage;  
indifference and token recognition are more the norm,  
and all too often contemptibility and overt hostility.

*Los fronterizos*: people of one, or more, identities,  
mono or multi-national, ethnic, lingual, cultural.  
Borderlanders: neglected, misunderstood, disdained,

at once defensive and proud of their aberrant world.

Yes, *la frontera* has them all:  
those who live behind their cultural wall,  
and those who wish to see it fall;  
those who would keep foreigners out,  
and those who want them all about;  
those inclined to alienate,  
and those who prefer to ameliorate;  
those driven by a nationalistic bent,  
and those committed to a global tent.

*The Bracero Program, the Border Industrialization Program,  
los maquiladoras, and NAFTA.*

Jobs gained at someones cost,  
and migrants toiling while they are lost.  
The border industry's thickening while the  
O-Zone is thinning. Pollution here, and pollution  
there. But does it really matter, who  
gives a care! Coming in, and exploitation out,  
what will become of Mexico's Manana, and  
who will be their to carry it out?



Stamate P. Skliris  
Prof. José Antonio Fábres  
May 5, 1997  
Honors Spanish

## **LAS MAQUILADORAS: ¿Podemos Cambiar la Inmigración?**

Al contrario del propósito para reducir el número de emigrantes, *las maquiladoras* han provocado un afluencia de inmigrantes ilegales mexicanos en los Estados Unidos. Por eso, con mucha investigación, he propuesto en esta tesis algunas sugerencias que pueden rectificar las malas situaciones de *las maquiladoras* como: la destrucción y polución del medio ambiente, los bajos salarios de los trabajadores mexicanos, y la mala calidad en las condiciones del obrero. Todas esas características permitieron un alto porcentaje de ilegales mexicanos que entran a los Estados Unidos cada año.

El año pasado, fuí a la ciudad de Nogales, Arizona para estudiar y aprender las condiciones de la frontera entre los países de México y de los Estados Unidos. Sin embargo, la influencia de los ilegales fue muy evidente. Durante la semana que viví en México, encontré un estilo de vida diferente de lo que estoy acostumbrado. Aunque la frontera norte de México es un panorama desértico que impregna la mirada, el Rio Grande y otros canales secos, la pobreza e incertidumbre estremecen. Es un lugar con temperaturas altas, el clima caluroso es insoportable para uno que no está acostumbrado. La naturaleza del lugar, su cultura y política, no atraen la gente en general. Además de lo poco atractivo del lugar, la vida de la gente es muy dura y

difícil. La mayoría de la gente trabaja en fábricas que se llaman *maquiladoras*. *Las maquiladoras* son ramas de las industrias de los Estados Unidos como Ford, Otis, Nike, etc.

Las primeras *maquiladoras* fueron construidos en México en el año 1964, después del final del programa de Bracero. Los Estados Unidos y México proponieron la construcción de *las maquiladoras* porque al final del programa de Bracero, dejó miles y miles de mexicanos sin empleo y entonces, la mayoría de los trabajadores mexicanos empezaban a cruzar y a entrar, ilegalmente a la frontera entre México y los Estados Unidos. Otra razón que los Estados Unidos permitieron la construcción de *las maquiladoras* es por los bajos sueldos que pagan. En este caso, los dueños de *las maquiladoras* puedan pagar a los trabajadores mexicanos una fracción del precio, de lo que pagan los obreros en los Estados Unidos.

Aunque *las maquiladoras* aparecieron como una resolución al problema de la inmigración ilegal mexicana en los Estados Unidos, *las maquiladoras* sólo empeoraron el problema. Desde que *las maquiladoras* se hicieron populares, los barrios de las ciudades en México se llenaron de chozas, extendiéndose por toda la frontera. Así, mucha gente mexicana que vive al norte de México, (que son los barrios de *las maquiladoras*) no pueden aguantar el desastre y la contaminación del medio ambiente que es producido por *las maquiladoras*. Para muchos de los trabajadores y la gente mexicana que cruzan la frontera de México, y entran a los Estados Unidos, *las maquiladoras* representan un aspecto negativo para ellos. Por ejemplo, las zanjas y los canales se llenan con desechos tóxicos y el aire se

contamina con el residuo de químicos y de plásticos quemados en *las maquiladoras*. Además, cuando el viento sopla, el polvo de las zanjas se levanta, y el aire en *las colonias* huele a rancio. Por lo tanto, los problemas respiratorios aumentan y contaminan el medio ambiente. Existe un alto porcentaje de *las maquiladoras* que descargan sus desechos en el agua, llegando ésta, a los ríos; el agua también, es utilizada para los regadíos en la agricultura.

Además, mucha gente mexicana entran a los Estado Unidos porque la cantaminación del *las maquiladoras* es demasiado fuerte. La polución es tan poderosa que casi todos los habitantes que viven en *las colonias* pueden decirte la dirección en que sopla el viento por el mal olor del aire que respiran. Por ejemplo, cuando viví con una familia en *las colonias* de Nogales, México, esta familia y sus vecinos de *las colonias* conocieron la dirección en que sopla el viento porque supieron lo que cada *maquiladora* fabrica. Si el olor viene de la planta "Preservation Products," el aire tiene un olor fuerte que viene de un producto químico. Y cuando el aire viene del oriente por ejemplo, trae un olor acre de amoníaco que es la planta Stepan. Por consiguiente, las sucias brisas de *las maquiladoras* producen a la gente dolores de cabeza y es difícil aguntar el olor por mucho tiempo. Así, muchos de los habitantes salen de México y entran a los Estados Unidos donde pueden vivir una vida más limpia.

Además, muchas de *las maquiladoras* producen productos que emiten clorofenoles y ácido hidroclicórico; debido a esto, las familias que viven en los alrededores deben acostumbrarse a los fuertes olores, y a veces a los escapes de gases

junto con algunas explosiones. Poco a poco, a medida que transcurre el tiempo, los gases tóxicos van afectando a la gente. Muchos de los que viven cerca y están en contacto con las contaminaciones de las fábricas, se quejan de tener asma, dolores de cabeza y de estómago. Estas personas, debido al aire contaminado que respiran, tienen un gran porcentaje de contraer enfermedades cánceres y otros síntomas malsanos. Por ejemplo, desde que *las maquiladoras* se establecieron en la ciudad de Nogales, se han producido seis diferentes escapes de gas, en 1983 fue uno de los más grandes. La gente entró en pánico, corriendo para salvar su vida; se tuvo que evacuar a toda la población. Sin embargo, luego de la explosión, setenta personas fueron hospitalizadas. A consecuencia de la polución y el medio ambiente de *las maquiladoras*, mucha gente mexicana cruza la frontera como ilegales, para vivir en los Estados Unidos.

Es una ironía que *las maquiladoras*, ante todo, fueron construidas para mejorar el problema del desempleo. Sin embargo, otra razón que *las maquiladoras* han provocado una afluencia de inmigración ilegal mexicana en los Estados Unidos, es por el salario mínimo que pagan a los trabajadores mexicanos. *Las maquiladoras* pagan alrededor de ochenta centavos por cada hora de trabajo. Estos sueldos de las fábricas son tan bajos que muchos jóvenes mexicanos no van a la escuela por que pueden trabajar en las empresas así como sus padres. Los sueldos de *las maquiladoras* son tan escasas que la mayoría de las familias en Nogales, México, que viven en *las colonias*, tienen un promedio de dos y a veces tres ingresos para que puedan sobrevivir. Así, para muchos trabajadores, este sueldo no es suficiente para

mantener una familia. Por consiguiente, mucha gente mexicana también consiguen trabajo vendiendo dulces, paletas, cacahuates y lápices; y algunos limpian las parabrisas de los autos, y otros, con el betún en la mano, lustran zapatos. Como es evidente, la vida de la frontera es muy dura.

Otro aspecto negativo de *las maquiladoras* que alentan un alto porcentaje de ilegales mexicanos en los Estados Unidos cada año son las débiles reglas de salud y seguridad. *Las maquiladoras* desobedecen muchas reglas de salud y seguridad. Por ejemplo, la ley mexicana absuelve las fábricas extranjeras de pleitos que tienen que ver con los accidentes de trabajo. Así, el gobierno mexicano libera a las industrias extranjeras de responsabilisarse y pagar daños.

Cuando estaba en Nogales, haciendo mis investigaciones de *las maquiladoras*, mi familia mexicana me dijo un cuento de otra familia. Esta familia perdió a su hijo Julio, que tenía 16 años de edad, en una *maquiladora*. Durante la tarde en que Julio murió, estaba trabajando en un lugar que se llamaba Autovidrio S.A., una fábrica de la Ford. Trabajaba instalando vidrios pesados, uno de los vidrios cayó encima de Julio, lo aplastó, e instantáneamente el joven murió. El trágico accidente de Julio es un ejemplo del peligro y las malas condiciones que ofrecen *las maquiladoras*.

Las malas prácticas de *las maquiladoras* como la polución al medio ambiente, los bajos sueldos, y las peligrosas condiciones de trabajo no son las únicas razones que provocan a muchos trabajadores mexicanos a salir de México y de *las maquiladoras*. Para entrar a los Estados Unidos. Hay otras reglas injustas para los obreros también. Por ejemplo, los directores de *las maquiladoras* pueden echar a un

obrero simplemente por tratar de formar sindicatos. También, los directores pueden echar a un obrero por llegar un minuto tarde a su trabajo. Otras prácticas conocidas en *las maquiladoras* son: el acoso sexual, contrato de menores de edad, y hasta huir del pueblo, cerrando la fábrica, sin pagarle a nadie. A consecuencia de las situaciones desesperantes que existen para encontrar trabajo en las ciudades y las regiones fronterizas de México, mucha gente se ve atraída a cruzar al otro lado del río -- los Estados Unidos. En la ciudad Nogales, por ejemplo, detrás del ayuntamiento, están *los pasamojados*. Ellos son jóvenes toscos que trabajan transportando a los mexicanos ilegales en balsas de aire. Los pasamojados cobran un dólar y medio por cada viaje para transportar a los ilegales quienes van sin documento al otro lado del Río Grande, (que no es muy profundo), donde se encuentra la ciudad, El Paso. No obstante, cuando llegan a esta ciudad con los zapatos húmedos o los pantalones mojados, son una viva señal para la patrulla fronteriza americana de un ilegal. Sin pérdida de tiempo, la patrulla lleva al mexicano sin documento de nuevo a la frontera.

Sin embargo a pesar de los helicópteros y los cientos miembros de la patrullera fronteriza, los incidentes de la inmigración ilegal no disminuyen. *La migra* es el nombre que los mexicanos usan para la patrulla fronteriza. Ellos siempre están ocupados en buscar mexicanos ilegales como los que salen de *las maquiladoras* de México, y entran a los Estados Unidos para encontrar trabajo con mejor sueldo.

Desde las colonias de Nogales, México, las oficinas luminosas, los rascacielos y las torres de los hoteles en el centro de Nogales, Arizona aparecen bellos, como una pequeña versión de Atenas. Sin embargo, de cerca, la ciudad demuestra algo

totalmente contrario a la ilusión que se ve de lejos. Durante cada verando, las calles de la ciudad están llenas de gente que duerme en las aceras debajo de los cartones, esperando los buses más tempranos para que los lleven al oeste, a las fincas en el valle de "la mesa." Nogales, Arizona es una de las ciudades más pobres en todo los Estados Unidos. Es estimado que un cuarto de la población de esa ciudad vive de la ayuda del estado para que puedan comer. El ingreso per capita es de \$9,000; además el diez por ciento de la población está sin trabajo.

Cuando el gobierno de los Estados Unidos ayuda a mucha gente ilegal y pobre que viven en las ciudades de la frontera, y por otra parte, cuando *la migra* de los Estados Unidos persigue a los miles de ilegales que trabajaron en *las maquiladoras* en México, y paran a la gente para que no puedan entrar a Arizona, Texas, Nuevo México, California, etc., ésto produce muchos gastos para el gobierno de los Estados Unidos.

Además, cuando los ilegales vienen a vivir a los estados de Arizona, Texas, Nuevo México, y California por ejemplo, muchas veces, el gobierno de los Estados Unidos paga los gastos que ocurren durante el ingreso y deportamiento de los ilegales. Por ejemplo, el gobierno estadounidense paga la mayoría de los servicios de salud de los ilegales. También, pagan las cuentas de los hijos de los ilegales que matriculan en las escuelas estadounidense. En Nogales, Arizona, desde el año 1968 hasta el año 1986, el porcentaje de los estudiantes dentro de las escuelas públicas se ha **triplicado**. El crecimiento de la mayoría de los estudiantes, se debe al gran porcentaje de mexicanos ilegales que ingresan a los Estados Unidos. Así, todos los estudiantes

ilegales que matriculan en las escuelas dentro de los Estados Unidos producen muchos gastos para el gobierno. Muchos de los gastos derivan de los ilegales mexicanos que viven en los Estados Unidos. Ellos han causado más de \$100 millón en la deuda de los Estados Unidos.

Así que, al contrario del propósito para reducir el número de emigrantes, *las maquiladoras* han provocado un afluencia de inmigrantes ilegales mexicanos en los Estados Unidos. Por eso, con mucha investigación, he propuesto en esta tesis algunas sugerencias que pueden rectificar las malas situaciones de *las maquiladoras* como: la destrucción y polución del medio ambiente, los bajos salarios de los trabajadores mexicanos, y la mala calidad en las condiciones del obrero.

Así que, al contrario de su propósito de reducir el número de emigrantes que salen de México, *las maquiladoras* han provocado un afluencia de inmigración ilegal mexicana en los Estados Unidos. Por eso, con mi investigación y durante mi estadía en Nogales, México, he propuesto algunas sugerencias que pueden rectificar las malas situaciones de *las maquiladoras*. Primero, para detener el sistema corriente como la destrucción del medio ambiente, los bajos salarios de los trabajadores mexicanos, y la mala calidad de las condiciones en *las maquiladoras*, yo creo que el gobierno estadounidense debe intervenir. Ninguno de los problemas ya mencionados va a cambiar sin la ayuda directa de los Estados Unidos.

Entonces, yo prepongo un método circular que se llama “Las Maquiladoras,” no *las maquiladoras*. En mi método (que espero voy a someter algún día al gobierno), el gobierno de los Estados Unidos va a suministrar incentivos únicos a las



fábricas estadounidenses que tienen industrias ya establecidos en los Estados Unidos y también en México. [Estas fábricas que están establecidos en los dos países son “las maquinadoras.”] Así, en mi plan, el gobierno estadounidense va a proporcionar algunos incentivos a “las maquinadoras” para que las maquinadoras puedan ahorrar dinero. Por ejemplo, el gobierno estadounidense va a reducir los impuestos de las fábricas que están ubicados en los Estados Unidos. Así, este dinero que las maquinadoras ahorran con la reducción de los impuestos, los dueños de las maquinadoras puedan invertir el dinero en las fábricas de México para a los trabajadores sueldos más altos. También, para mejorar las malas condiciones de los obreros, y para que puedan invertirlo en las fábricas para corregir los problemas de la polución.

Entonces, si todo eso es realizado, los trabajadores de las maquinadoras no van a tener las ganas de salir de México y cruzar la frontera del norte para entrar a los Estados Unidos. Además, el gobierno de los Estados Unidos va a solucionar su problema de la inmigración mexicana ilegal y así puedan ahorrar millones de dólares que gastan cada año.

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