

# The NAFTA Model: a Raw Deal for Women in the Developing World

**The NAFTA model of Export Processing Zones (EPZs) and Maquiladoras sustains inequality for women, and locks in a model of non-enforcement of women's rights. Not only are women in EPZs excluded from labor, environmental, and human rights protections, they also often suffer a loss of autonomy and a decrease in income.**

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**Women make up the majority of workers in EPZs in Mexico and throughout Latin America.**

- 90 percent of the 27 million workers in EPZs worldwide who assemble garments, electronics, and other products for export are women, most between the ages of 16 and 25. (White, Marceline. "Why Trade is a Women's Issue." Women's EDGE: August 2000)
- About 60 percent of the 1.3 million workers in Mexico's 4,000 Maquiladoras are women, most earning about \$5 a day. (LaBotz, Dan "Year 2000: Mexico at a crossroads: Fox, Oil, Abortion, Migration" Global Exchange California Human Rights Program, August 2000)

**Women workers in EPZs work for long hours and subsistent wages, often earning less than women working in other sectors.**

- In EPZs in the Western Hemisphere, women work as many as 50-80 hours a week to earn just 56-77 cents an hour. (Gereffi, Gary and Lynn Hempel "Latin America and the Global Economy: Running Faster to Stay in Place" in North American Conference on Latin America, Report on the Americas Vol. XXIX, No. 4, Jan./Feb. 1996)
- In EPZs in the Western Hemisphere, women earn between 20 and 30 percent less than men. ("Trade Liberalisation and Women: A Situational Analysis," ENGENDER for UNIFEM, the United Nations Development Fund for Women, 1998)
- "These wages are often below the national minimum wage and are far below what a worker needs to provide food, electricity, and shelter for a family." (Gereffi and Hempel 1996.)
- In fact, the \$.50/hr average Maquila wage, and similar wage levels women earn in other export industries, is often less than what those women earned doing craftwork or operating a micro-enterprise. (Smith, Nina and White, Marceline, "Freedom to Craft a Future: The Impact of Trade Liberalization on Grassroots Craftswomen")
- "...the Maquiladoras pay the lowest wages in Mexican industry: from \$28 to \$45 a week, or even less, including so-called 'bonuses.'" ("Six Years of NAFTA: A View from Inside the Maquiladoras" CFO (Border Committee of Women Workers) October, 1999)

**With the absence of enforced social rights and protections in the EPZs, women face such threats on the job as discrimination, sexual harassment, and physical danger and abuse.**

- Thousands of Maquiladoras continue to impose involuntary pregnancy tests in order to avoid paying women maternity leave as mandated by Mexican law; women who do become pregnant are

often fired. According to Human Rights Watch's 2000 report, "Thousands of women working in Maquiladoras faced frequent discrimination based on their reproductive status." In addition, "[t]he Mexican government actively used... [NAFTA fora] to undermine women's rights to reproductive autonomy, equality, and privacy in the work sphere" by disseminating false information regarding women's reproductive rights." (Human Rights Watch World Report 2001)

- Health and safety regulations in the Maquiladoras are largely ignored. Repeated exposure to toxic chemicals has resulted in high incidences of miscarriages, birth defects, respiratory problems, fainting spells, and rashes. ("Mexican Workers to Testify in San Antonio, December 12 on Health and Safety Abuses at Maquiladora plants" press advisory, Coalition for Justice in the Maquiladoras, December 2000)
- The intense pace of production within the Maquiladoras has increased since the implementation of NAFTA, resulting in elevated levels of stress-related health problems and repetitive strain injuries. (CFO, 1999)

**The NAFTA side agreement, the North American Agreement on Labor Cooperation (NAALC), has been ineffective in ensuring adherence to Mexican labor laws in the Maquiladoras.**

- The National Administrative Offices (NAO) in each NAFTA member country, which were established to hear complaints under NAFTA's labor "side agreements," have no enforcement power. Unlike NAFTA's binding intellectual property rights enforcement mechanisms, the strongest remedy afforded under the NAALC is a recommendation for consultations among members' labor ministries. (CFO, 1999)
- Mexican labor laws are continually violated by Maquila operators, and the suppression of independent unions occurs with the complicity of the Mexican government and official union confederations. Since NAFTA has been in effect, abuse against workers attempting to organize independent labor unions and win contracts in the Maquiladoras "has continued unchecked even when local Arbitration Boards or the NAO have issued rulings favorable to the workers." (CFO 1999) (see repression against Han Young workers, mass firings at Custom Trim, intimidation at Duro and other cases)
- Complaints filed under the NAALC so far have cited discrimination against independent unions; firings for workers' organizing efforts; denial of collective bargaining rights; forced pregnancy testing; mistreatment of migrant workers; life-threatening health and safety conditions; and other violations, but not one has so far resulted in sanctions against an alleged labor rights violator. (Human Rights Watch April 16, 2001 release)

**Environmental degradation in the Maquiladora sector is rampant, with serious consequences to women's health.**

- These EPZs do not have the infrastructure to support the huge influx of workers that they are meant to attract, such as the approximately 10.5 million people who now live along the US-Mexico border. (Environmental Protection Agency, US-Mexico Border Environmental Indicators 1997, 1997)
- The majority of these workers and their families live in shantytowns or cramped corporate-owned dormitories. Sanitation facilities are wholly inadequate, and public health and education services are for the most part nonexistent. Mexico's National Water Commission estimates that 18 percent of border residents lack access to drinking water; up from 12 percent in 1997. (Government

Accounting Office (GAO), US-Mexico Border: Despite Some Progress, Environmental Infrastructure Challenges Remain. March 2000)

- According to the Mexican and US environmental protection agencies, “[t]he border region is confronted with a number of serious public health problems that are or may be associated with toxic environmental exposure,” including, “asthma and tuberculosis; elevated blood lead levels in children; multiple myeloma, a form of bone-marrow cancer; systemic lupus erythematosus, an autoimmune disorder; hepatitis A; infectious gastrointestinal diseases such as shigellosis and amebiosis; and pesticide poisonings. (The 1997 U.S.- Mexico Border Environmental Indicators Report)
- Researchers have documented that while there was a dramatic increase in environmental inspections of factories during the Congressional debate on NAFTA, these inspections, “dropped off sharply after NAFTA was approved. As a result, residents on both sides have seen an increase in public health problems related to exposure to pollution.” (Anderson, Sarah, Institute for Policy Studies, “Seven Years Under NAFTA” January 2001)
- The Commission for Environmental Cooperation established by the NAFTA environmental “side agreement” has no power to apply penalties to a member nation, and therefore cannot effectively enforce environmental commitments made by member nations. Its strongest course of action is to publicly publish the results of its findings. (CFO, 1999)

**Rather than raise the standard of living for Mexican women and their families, the NAFTA model has resulted in lower wages, greater inequality, job insecurity, and poverty.**

- Since 1993, contractual wages in Mexico have lost 21.3 percent of their purchasing power, manufacturing wages have lost 20.6 percent, and the minimum wage has lost 17.9 percent of its purchasing power. (“NAFTA at Seven: Its impact on workers in all three nations” Economic Policy Institute, 2001)
- In Mexican manufacturing, real wages have fallen by more than 20 percent since 1994. For all workers, the decline was 34 percent between 1994 and 1998...” (“Six Years of NAFTA: A View from Inside the Maquiladoras” CFO (Border Committee of Women Workers) October, 1999)
- At the same time, “The cost of the official ‘market basket’ of food, housing, and essential services has risen by 247 percent since 1994. Many products, including gasoline, telephone service, milk, chicken, bread, and even beans, are more expensive on the Mexican side of the border than on the U.S. side.” (Ibid)
- The share of urban waged workers who have no access to health care, social security, and other benefits required by current Mexican labor law grew from 21.5 percent in 1993 (22.5 percent in ’94) to 23.6 percent in 1999. (La Red de Investigadores y Sindicalistas para Estudios Laborales (RISEL) 2001)
- The percentage of the urban labor force that worked less than 15 hours a week grew from 9.3 percent to 11.9 percent from 1993 to 1998. (La Red de Investigadores y Sindicalistas para Estudios Laborales (RISEL) 2001)
- Since NAFTA has been in effect, the percentage of Mexicans living in poverty has risen from 66 percent to 70 percent. (Fondo de Apoyo Mutuo (FAM), 2000)