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**CANADA, MEXICO AND "FREE TRADE":
LOSING WOMEN'S JOBS TO THE THIRD WORLD?**

by

CARMEN GARRETT, B.A.

A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of

Master of Arts

Department of Sociology and Anthropology

**Carleton University
Ottawa, Ontario
June 14, 1993**

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CANADA, MEXICO AND "FREE TRADE":
LOSING WOMEN'S JOBS TO THE THIRD WORLD?

submitted by Carmen Garrett, B.A.
in partial fulfilment of the requirements for
the degree of Master of Arts

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September 1, 1993

This thesis examines the evidence suggesting that the existing Free Trade Agreement between Canada and the United States and the potential North American Free Trade Agreement between Canada, the United States and Mexico have, and will, result in the loss of jobs in the relatively prosperous North (Canada and the organized areas of the United States) to the relatively impoverished South (Mexico and the unorganized areas of the United States). Evidence suggests that these trade agreements merely continue the policies of the so-called New International Division of Labour between the North and the South and the Third World "development path" known as Export Oriented Industrialization.

In the New International Division of Labour and in Export Oriented Industrialization, the jobs most often affected in both the North and in the South are labour intensive processing and manufacturing. These jobs, in both North and South, are relatively poorly paid, with poor working conditions, little chance of advancement or promotion, little skill enhancement, and lax safety and environmental standards. In both North and South, these are mainly women's jobs and women are even more exploited than men doing comparable work.

This thesis looks at the available evidence to determine whether the FTA and NAFTA have, and will, result in the loss of largely female labour intensive employment in Canada which will reappear in the Third World, especially Mexico,

as female labour intensive employment. Although the effects of the trade agreements cannot be entirely disaggregated from the effects of the present recessionary periods, this thesis concludes that the evidence suggests that the foregoing scenario is probably valid.

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Table of Contents

Abstract	ii
Acknowledgements	iv
Table of Contents	v
List of Tables	vi
Chapter 1 Introduction	1
Chapter 2 The New International Division of Labour and Women's Work	8
Chapter 3 Mexico and Maquiladoras	39
Chapter 4 Canada, Maquiladoras and Free Trade; Canadian Job Loss? ...	61
Chapter 5 Conclusion	91
References	97

List of Tables

Table 1.	Female Labour Force Participation, 1941-1992	27
Table 2.	Average Hourly Earnings in Manufacturing and Female Percentage of Production, Selected Industries, Canada, 1989	28
Table 3.	Labour Force Participation by Occupation and Sex, Canada, 1989	30
Table 4.	Growth of the Maquiladora Program, 1968-1990	53
Table 5.	Gender Composition of Maquiladora Labour Force, 1975-87	54
Table 6.	Percentage of Female Operatives in Maquiladoras, 1975-87	54
Table 7.	Change in Employment, Canada, 1989 to 1992, Selected Industries	63
Table 8.	Unfilled Orders - Primary Textile Industries, 1981-1991	67
Table 9.	Unfilled Orders - Textile Products, 1981-1991	68
Table 10.	Unfilled Orders- Clothing Industry, 1981-1991	69
Table 11.	New Orders - Clothing Industry, 1981-1991	71
Table 12.	New Orders - Textile Products Industry, 1981-1991	72
Table 13.	New Orders - Primary Textile Industries, 1981-1991	73

Chapter 1. Introduction.

[I]f the free traders cannot understand how one country can enrich itself at the expense of another, we should not be surprised, since these same gentlemen do not want to understand either that within a country, one class can enrich itself at the expense of another (Marx 1848).

This thesis is an attempt to consider and evaluate the claims made by various left and progressive groups in Canada, the United States and Mexico that the existing Free Trade Agreement between Canada and the United States and the potential North American Free Trade Agreement between Canada, the United States and Mexico should be opposed and that they have, or will, result in the loss of jobs in the relatively prosperous North (Canada and the United States) to the relatively impoverished South (Mexico). Central to this analysis will be the claims made by various women's groups and feminists in all three countries that job loss in the North has, or will, impact most heavily on women, especially women employed in labour-intensive manufacturing and processing, as their jobs are relocated or created in the South, where a work force of poor young women workers will take up that labour-intensive processing and manufacturing.

My thesis, contrary to much reporting and analyses in the media and in academia, is that the Free Trade Agreement (F.T.A.) and the North American Free Trade Agreement (N.A.F.T.A.) and their real and feared detrimental effects on the

economies of Canada, the United States and Mexico is nothing new. Rather, they are extensions of two converging processes, one which has largely been taking place in the North and one which has largely been taking place in the South, although both are related and North-South influences flow between them.

In the North, the process is that of the crisis of late capitalism. That is, the end of that period of sustained and accelerating growth that occurred in the post-World War Two United States economy, and that of Japan and certain European nations and Canada to a lesser extent. That crisis became apparent in the early 1970s with the Organization of Oil Exporting Countries (O.P.E.C.) "oil crisis" and the recessionary periods that have affected the previously strong economies of the North from time to time since. That crisis has been "portrayed" by the media and the powerful more generally as: cheap Third World (first "made in" Japan, then Korea and Taiwan, etc.) goods are flooding our markets and we are "no longer competitive" because we have salaries which are too high; working conditions, unemployment insurance and welfare provisions which are too good; health and safety standards which are too expensive; unions which are too powerful; workers who are too selfish; and so forth. The North, the powerful argued, was characterized by businesses and enterprises which were being smothered and hampered by government controls and regulations, not to mention taxation. The solution, the powerful told us, was for the North to "get competitive again" and to establish a pro-business climate.

It is important to understand what the powerful mean by a pro-business climate. A study by the Conference of State Manufacturers' Association in the United States defined a "good business climate" as "low taxes, low union membership, low workmen's compensation insurance rates, low unemployment benefits per worker, low energy costs, and few days lost because of work stoppage in that order" (B. Bluestone and B. Harrison (1982: 182 as cited by McKeen n/d: 50). One way to achieve this is to have someone like then Vice-President Dan Quayle head the Council on Competitiveness in the United States. Another would be to try to break unions and the workers' movement in the North. Another is to move Northern and multinational labour-intensive processing and manufacturing overseas and then claim the North is being competed with unfairly by Third World workers who live in Third World conditions of poverty and starvation. This last scenario is what the North essentially did in creating what has become known as the "new international division of labour" (N.I.D.L.) between the First World and the Third World. These processes are explored in greater detail in Chapter 2. The seminal work of Frobel et al on the N.I.D.L. is examined, as are more recent works that recognize the gendered nature of the N.I.D.L., such as Safa 1981 or Elson and Pearson 1981.

In the Third World, many argue that the oppression and exploitation experienced during the eras of colonialism and imperialism continued unabated after formal decolonization and political independence of the, largely, 1960s to the present. The "old international division of labour" meant that raw materials and wealth flowed

from the colonies and ex-colonies of the Third World and these were then processed and turned into manufactured goods in the First World. This was a relationship of profoundly unequal exchange. In the literature known as dependency theory or the "development of underdevelopment", this First/Third World relationship also continues unabated today. Efforts by the Third World, and by First World "development" assistance and industries to "develop" the Third World had largely failed. Import substitution was deemed a failure as an alternative "development path". By the late 1960s, the Third World started to backslide in some key measures of conventional "development" and this only accelerated into the 1970s and 1980s.

At about this time, import substitution was replaced by "export-oriented industrialization" (E.O.I.), as the development path for the future of the Third World. This was pushed by the United States, the United Nations, the World Bank and the International Monetary Fund, among many others, and was embraced by various Third World elites and governments. E.O.I. was a process whereby First World firms and multinationals were to shift production "off-shore" to relocate in the Third World and employ Third World workers. Free Trade Zones or Export Processing Zones were developed in the Third World, where First World unfinished products would be sent for further processing and/or manufacturing only to be required to then be exported back to the First World for final assembly and/or sale. We were no longer competing with Taiwan or Korea -- we were finally competing with ourselves, or at least with First World capital trying to boost its profits. This is, of course, only the

flip side of the "new international division of labour" discussed above. These processes are explored in greater depth in Chapter 2 as well.

Interestingly, the jobs lost in the First World and/or relocated or created in the Third World are of fairly specific type, overall. They are labour-intensive industries rather than capital-intensive industries. And they largely were First World jobs performed by female workers. The jobs being created today in the Third World in export-oriented industrialization are, similarly, employing a largely female 'labour force. The common products being partially assembled and/or manufactured are clothing and textiles, electronics, toys and sporting equipment, etc.. The main incentive for First World firms to locate in the Third World is the cheapness of Third World labour, especially Third World women labourers. In addition, working conditions are poor; possibility of advancement or skill enhancement are nil; health, safety and environmental standards are lax or non-existent; and workers' movements are illegal or repressed. These conditions are also developed further in Chapter 2.

As indicated earlier, in this thesis the argument will be made that the possible real or future jobs lost or relocated in the Third World as a result of FTA or NAFTA is simply a continuation of these world wide processes. This was recognized by left and progressive forces even before continental free trade was on the political agenda. Wendy McKeen (n/d)) prepared a paper for the Women's Bureau of the Canadian Labour Congress in the mid-1980s entitled *Export Processing Zones: A*

Threat to Women, Unions and all Canadian Workers, in which she argued that Third World export processing zones posed "a threat to women, unions and all Canadian workers". Her argument is very similar to the argument in this thesis. McKeen (n/d: 45-60) even realized that a further threat were then early discussions in Reagan's United States, Thatcher's Great Britain and even Mulroney's Canada to build "enterprise zones" or "trade zones" within the First World. But McKeen and others did not even suspect a continental free trade arrangement between the United States, Canada and Mexico.

In Chapter 3, I make the same historical analyses discussed in Chapter 2 applied directly to the Mexican case. Briefly, I discuss Mexico's colonial and imperialist history and its neo-colonial dependency and impoverishment. I discuss the legal and illegal entry of largely Mexican men into the United States for employment, especially under the Bracero Program. I then discuss the unilateral termination of the Bracero Program by the United States and the tremendous pressure put on Mexico to accept the Border Industrialization Program, or the maquiladora program. This is Mexico's own version of export-oriented industrialization and its place in the new international division of labour. As was more generally discussed in Chapter 2, Mexican maquiladoras are discussed and analyzed in Chapter 3 in terms of what jobs are created, and for which gender, what working conditions are like, what labour, health and environmental regulations are like and so forth. It appears clear that many jobs are being created and relocated

in Mexican maquiladoras, largely for female workers.

In chapter 4, I will examine the available evidence to determine if a case can be made that continental free trade has and will result in the loss of jobs from Canada to Mexico and to what extent these jobs are labour intensive manufacturing jobs that are performed by women. I will also examine the environmental threat to Mexico as a result of these agreements while exploring the implications of NAFTA for Canadian workers and their future.

Chapter 2. The New International Division of Labour and Women's Work

Many authors today speak of the historical transition from an OLD international division of labour between the First and the Third Worlds to a NEW international division of labour between the First and the Third Worlds today.

The old international division of labour.

Nash and Fernandez-Kelly (Eds.) (1983), Mies (1986), Mitter (1986) and many others describe and analyze the old international division of labour (OIDL) between the First and Third Worlds. They define this relationship as that which began and developed during the era of European imperialism and colonialism. The OIDL existed between the European colonial powers and their dependent colonies in Africa, Asia, the Pacific, and North, Central and South America (Mies, 1986: 112).

In this relationship of unequal power, the colonial powers extracted and exported the riches and raw materials of the colonies. Such raw materials included gold, silver, other minerals, tobacco, coffee, cacao, silk, and many other products. In the case of regions of Africa, this also included human beings, as slaves. These were transported to the colonial powers, the slowly industrializing countries in Europe. Later, this would include the colonial powers of North America and, even

later, Japan. Here, these riches and raw materials were transformed (processed and/or manufactured) into foodstuffs and industrial products which were then marketed and consumed both in the industrializing countries themselves and exported back to the colonies for the elites there to consume.

As many authors have pointed out, these relationships of exchange -- raw materials going from the colonial peripheries to the industrializing and industrialized colonial powers and being transformed and consumed within the colonial cores [as well as also being marketed back to the rich elites of the peripheries] -- are relationships of UNEQUAL exchange (Wallerstein 1974; Amin 1974). That is to say, that the value of the processed and/or manufactured goods and foodstuffs produced in the cores was substantially higher than the value paid for the raw materials from the Third World, which go into producing those very processed and manufactured products.

In addition, as the processed and machine-made goods and foodstuffs produced through this process were gradually incorporated into the markets of the colonies, the Third World's own existing crafts and products as well as their potential industries were, in turn, destroyed as core machine-made goods were cheaper or seen as "modern" and therefore valued (Mies 1986: 112).

It is extremely important to note that this OLD international division of labour did NOT end with the end of the formal colonial and imperial annexation of the colonial worlds. As many commentators have noted, political independence in the former colonies of the Third World did NOT erode or challenge the continuing and accelerating ECONOMIC dependency of the ex-colonies on the industrialized core economies of Europe, North America, and, later, Japan (Mitter 1986: 31). This point is crucial in distinguishing the politically and morally bankrupt view of social change in the Third World as "modernization" or "development" from the more recent Third World, European, North American and other peoples' view of social change in the Third World as "dependency" and "underdevelopment" (Maguire 1984; Beneria and Sen 1986). This thesis is clearly arguing from the latter perspective. As more and more colonies fought for and obtained political independence (largely from the close of World War Two through the 1960s and in some places, much later), the OIDL continued unabated, and continues unabated to this day.

Import Substitution

For many commentators, there was an interesting "historical blip" in this continuing saga of the international division of labour between the First and Third Worlds. This "blip" is known as the policy of "import substitution".

In this view, the post-World War Two growth of the world's capitalist economies was enormous. Unprecedented economic growth, and unprecedented increases in the RATE of economic growth were occurring, especially in the United States. At the same time, it is argued, the former militancy of unions and other workers' interest groups in challenging capitalism was "bought" by establishing a new "social contract" between workers and capitalist industries and governments. Again, somewhat simplistically, workers and unions "agreed" to accept capitalism and the increasing profitability of capital as long as the workers' share in this growth was reflected in larger salaries and better and safer working conditions. [Note that although the worker's individual share is increasing, it is increasing less than the capitalists' share.] This is best represented in the 1950s and early 1960s United States by the vision of "everyone" becoming one big middle class. In this vision, "everyone" would be better off than their parents, and "everyone" would increasingly become the suburban, materially well-off "middle class" household of the male breadwinner and the wife and mother who could afford to stay home, take care of the kids, and learn the new "marvels" of domestic science and mothering. The 1960s in the United States and Europe was also the era of increasing idealism and concern with the civil rights of Blacks and other minorities and of women. This was also the period of great concern with decolonization and of "helping" the Third World to "develop".

During this period, specifically in the 1960s, a new process and model of "development" was being introduced by the capitalist North. There was talk of "integrated rural development", "development with a human face", "human resource development" [rather than purely economic development], and so forth. Specifically, the North developed the notion of import substitution (Mitter 1986: 7; Nash and Fernandez-Kelly (Eds) 1983: 5; North-South Institute 1985: 3).

Import substitution (IS) encouraged the South to produce themselves the various goods that they formerly imported from the North, such as foodstuffs and manufactured goods. It also encouraged the South to develop their own industrial base (Mitter, 1986: 7). A key example of the notion of IS was the so-called Green Revolution. High yield variety agricultural products -- such as "miracle" rice, wheat, and other grains -- developed by scientists in the North, were to make the Third World into self-sufficient agricultural economies in a matter of years.

But IS went far beyond the Green Revolution. It was also believed that the North could help the South to start producing in the South many of the products that the South previously had to import from the North. For example, Mexico was encouraged to produce sandals from old tires, the Philippines were encouraged to start producing beds and other furniture from locally-available rattan, and so forth. IS held a real possibility of decreasing the dependency of the Third World on the First World . But it was quickly labelled a failure (North-South Institute 1985: 3)

and promptly replaced with a new "panacea" -- export oriented industrialization.

There are many reasons why IS didn't work, or wasn't given a chance to work. An economic argument concerns "economies of scale" -- the fact that small manufacturers in the Third World producing for small populations could not compete, unit price-wise, with the larger manufacturing enterprises of the North producing for millions. In addition, the Green Revolution was also not immune to economies of scale. In fact, in order to succeed in the Green Revolution you had to have money -- for the seeds themselves, for fertilizer, for turning the soil, for irrigation, etc. Thus, the larger and richer farmers (and expatriate owners) benefitted at the expense of the smaller and poorer farmers. Also, it has been argued that IS relied on highly protective markets and on expensive imported inputs (Mitter 1986: 32).

Others argue that "import substitution" didn't fail -- it was never allowed to develop precisely because (1) it had the potential to benefit the Third World economies at the direct expense of the First World, and (2) the world economic situation was changing dramatically, beginning with the OPEC crisis of the early 1970s and continuing with the worldwide recessionary periods that have occurred since.

The New International Division of Labour

In the early seventies, the West began to experience the impact of the OPEC crisis and a series of world-wide recessions that resulted in periodic declines in the rate of growth experienced since the aftermath of World War Two. This was a serious crisis in that capitalism required constant expansion and growth, not stagnation and declining productivity. In earlier times, similar "crises" of profitability and productivity in the United States had been solved by increasing working hours, increasing productivity of labour and/or machinery, importing immigrant labour or by moving production from relatively organized, "expensive" labour in New England and the north-eastern United States to the relatively unorganized, anti-labour, and "cheap" labour of the southern United States (Safa 1986).

But, this time around, another strategy appeared to be necessary, in order to bypass or avoid, and maybe even to cripple and eliminate in the longer run, the relatively high paid, good working conditions, and good health and safety standards of some workers in the United States and other First World industrial capitalist economies.

The search for higher profits in the First World coincided with the "development" agencies and "industries" turning to an alternative model of "development" for the Third World. This new model of "development" became

known as export oriented industrialization (EOI). EOI was part and parcel of what has come to be known as the NEW international division of labour (NIDL) between the First and Third Worlds.

Frobel, Heinrichs and Kreye (1980) argue that the OLD international division of labour now exists alongside a NEW international division of labour between the First and Third Worlds. This has, they argue, culminated from a set of conditions that have generated a world market for the movement of production sites and labour from the industrialized Northern economies to the Southern Third World economies (Frobel et al 1980: 44). That is to say, more and more jobs are being created and/or moved from their former base in the North to the South, where processing and manufacturing is increasingly taking place, for export back to the North.

The authors use the term "the new international division of labour" to designate that tendency which undermines the traditional division of the world into a few industrialized Northern countries on the one hand, and a great majority of Third World countries integrated into the world economy solely as raw material producers on the other hand. The NIDL is also part of that broader process of the increasing subdivision of manufacturing processes into a number of partial operations at different industrial sites throughout the world, where the division of labour should be understood as an on-going process, and not as a final result. The most "unskilled" job is thus exported to the Third World, while the most "skilled" is retained in the

North. This process is possible through new technology, transportation and communications as well as the division of production into discrete small tasks. "The sole motive of the capitalist within the NIDL becomes the unlimited appropriation of abstract wealth in the form of money" (Frobel et al 1980: 45).

Throughout the colonial and post-colonial periods, social change in the Third World has emphasized a change from self-sufficiency to dependence, from subsistence production to cash crop production and wage labour, from rural to urban, from communal tenure to individual land ownership, from indigenous control to expatriate control, and so forth -- these processes, taken together, have resulted in increasing landlessness and impoverishment. One important result is that Third World inhabitants have been increasingly forced to sell their labour power on the market to the owners of the means of production in order to exist (see, for example, Mitter 1986; Beneria and Sen 1981; Maguire 1984). This process creates a class of "free" wage labourers throughout the Third World.

Where does this class of "free wage labourers" come from in the Third World? A good example of a process that is going on throughout the Third World is provided by Kate Young's historical analysis of a Mexican community [other, essentially similar cases from throughout the world would include: Schrijvers (1983); Enloe (1983); Ong (1983); Arizpe and Aranda (1978)]. Young (1982) describes the economic changes that occurred in a small town in Mexico that led to the "migration" of mostly young

girls from the rural population. Her argument states that the creation of a "surplus population" in this small town was the result primarily of the "monetization of the economy, the introduction of factory-produced consumption goods and the destruction of much of the nonagricultural domestic manufacturing" (Kate Young 1982: 149).

Young describes a situation in the 1930s where a small village in Mexico was self sufficient in basic foodstuffs and any surplus was exchanged at the local markets. The village also specialized, to some extent, in nonagricultural products. The village, therefore, along with the individual households were self sufficient and relied on domestic manufacturing to subsist. The situation changed rapidly, however, in the mid-thirties with the introduction of cash crops. Producers were eager to trade and credit was provided in some cases so that the producers could buy manufactured goods from the supplier. As the price of coffee, for instance, increased, more households dedicated their land to produce coffee. Those who did not own land suitable for coffee growing, for example, took up wage labour in order to acquire cash (Young 1982: 157).

The introduction of modern transportation also contributed to the demise of domestic manufacturing and to the monetization of the economy. Production of locally made goods declined, replaced by cheaper factory made products. As modern transportation became more prevalent, i.e. roads and trucks, along with factory made

goods, many labourers became redundant, i.e. those who bred mules/donkeys for transportation. Also as a result of the change to cash crops, the reliance on factory made goods and the electrification and provision of running water which cut the investment in domestic activities, women's labour became redundant. Young argues that as a result of a surplus of female labour and the division of labour that prevented women from being employed in agricultural or administrative work (men's work), women were encouraged to migrate to the urban areas to find work (Young 1982: 166).

This single case illustrates the process which Frobel et al (1980) note worldwide in the Third World -- the development of a world wide reservoir of potential labour power, or of proletarians. This reserve army of labour displays certain characteristics which indicate its potential use in the valorisation and accumulation of capital such as low wages, a long working day and week, high productivity, and a pliant labour force that can be hired and fired at will. In addition, this is a huge reserve army of labour from where the most "suitable" labour force can be selected. The development and refinement of technology and job organisation makes it possible to decompose complex production processes into elementary units such that even "unskilled" labour can be trained easily in a short period of time. In this way skilled labour receiving high wages in the North can be replaced with un- or semi-skilled labour receiving low wages in the South. Finally, the development of technology in communications and transport renders industrial location and the

management of production itself largely independent of geographical distance (Frobel et al 1980:34). In this way, Northern capital acquires a monopoly of the knowledge related to the control and execution of the labour process: a knowledge that is removed from the work force who are reduced to mere servants of the work process (Frobel et al 1980: 35)

These basic developments leading to a new global economy and international labour force have further strengthened the development of an international capital market, the function of which is the global mobilisation of capital and more generally, the creation of an international capitalist superstructure. They could not have taken place without institutionalized cooperation from the IMF, GATT, the World Bank, UNIDO and FAO who implemented tax agreements to avoid double taxation, treaties for investment protection, international military cooperation, and "neutral" organisations which pave the way for transnational capital under the guise of supplying technical and managerial expertise for "development." As we will see in the specific case of Mexican maquiladoras, individual national laws also had to be changed both in the Northern and Southern states to allow for this NIDL. More recently, the policies promoted by the North, by the World Bank, and by the International Monetary Fund, collectively known as Structural Adjustment Packages (SAPs) have made the adoption of EOI a condition for receiving further loans.

Export Oriented Industrialization and Free Trade Zones

Export Oriented Industrialization captured the imagination of the West, the World Bank, the IMF and the ruling elites in the third world who were delighted to forge alliances with transnational corporations. Export oriented industrialization was to revolve around the processing and further manufacture of Third World exports, to be shipped to the North for further processing and/or sale. The large Western companies provided foreign exchange and technical expertise. International agencies such as the International Monetary Fund and the World Bank saw EOI as culminating in the ideal division of labour where the Third World provided the cheap labour and the First World provided the capital (Mitter 1986: 32).

It was argued that an export oriented strategy would accelerate the process of "development" and industrialization, create greater employment, bring in foreign exchange and promote a greater transfer of technology and skills to the developing nations (see McKeen 1985: 8; Bustamente 1983: 242-43).

In their haste to see Third World economies realize growth rates and "development", international institutions like the World Bank and the International Monetary Fund tended to play down negative conditions that accompanied the so called "successes" of export oriented industrialization. The systematic depression of wages and working conditions, the lack of health and safety standards, the excesses

of repressive military states, among many others, were forgotten in the clamour of First World profits (Mitter 1986: 33)

The export processing zone (EPZ) or free trade zone (FTZ) was developed as a logical outgrowth of an EOI strategy. This involved a further attempt to attract foreign industry and investments in the Third World through incentives such as tax breaks and holidays, cheap labour, lax or nonexistent environmental and health controls, and a "docile" and readily available labour force, among others. A free trade zone is a designated area within a Third World country where factories are built and certain types of goods, often raw materials or components, can be imported from the North, processed into components or finished goods and re-exported to the North, without payment of the usual import and export duties. The only payable duty when re-exported to the North is a "value added" tax -- a tax on the Third World labour, "cheap labour", and hence only a small duty.

It was believed that development in the rest of the country would be achieved through a "trickle down" effect from the EOI, including FTZs (Mitter 1986: 33). The FTZs emerged essentially as a result of the interests of the ruling elite in the developing country, multinationals and international agencies such as the World Bank and the IMF. According to Mitter (1986: 38-39) the term "free trade zone" actually implies:

...almost total freedom for the investing companies from the fiscal as well as the labour legislation of the host country, and an almost complete lack of freedom for the workers, who become deprived of employment rights and the right of unionization.

As many commentators point out, workers in Third World countries can be paid considerably less than their counterparts in the advanced capitalist economies of the First World. This is partly the result of the weaker national economies of Third World nations, where high unemployment, poor bargaining power vis a vis foreign investors, lack of workers' representations, and the repression of labour organizations, all combine to depress wage levels (Lim 1980: 111). In addition, many commentators also recognize that workers in Third World economies can be paid less, or low wages can be rationalized, by the argument that those workers not only have "wives" who "stretch" the workers' wages through domestic work and child care, but those workers are also assumed to have a subsistence plot somewhere, providing their subsistence - - therefore, Third World workers can be paid wages that are far below what is necessary for their daily and generational reproduction (see, for example, Maguire 1984; Beneria and Sen 1981; Fernandez-Kelly 1983; Elson 1983). This ideology is maintained, whether or not individual workers are married or have access to subsistence plots.

In addition, many of these jobs that are being created in the Third World and/or are leaving the First World are women's jobs and labour-intensive jobs. Although

the labour-intensive nature of these jobs has been noted, the fact that so many of these jobs are women's work has been ignored or glossed over by commentators such as Frobel *et al* (1980). But women's work has been at the centre of analyses by commentators such as Mies (1986), McKeen (1985), Mitter (1986) and many others. However, before we examine the nature of women's labour-intensive work in the Third World, it is useful to briefly review the history of women's employment in the North.

Women Workers in the North

The transformation of a largely rural subsistence or peasant economy into a more urban and gradually industrializing economy has been documented for the histories of the United Kingdom, the United States, and Canada, among many others. Recently, these histories have been examined specifically to see the role of women in these processes. From a macroeconomic standpoint, these cases are quite similar. A brief survey of the Ontario and Canada cases should suffice for our purposes, in order to discuss the Third World scenario in comparison with the First World cases.

The introduction of women into the paid labour force in Canada in the 1800s was very similar to the process that women in the Third World find themselves experiencing today. Around the middle of the last century, Canada entered a period of economic transformation. The factory system began to predominate in the major

industrial centres like Toronto and Montreal in the 1870s and 1880s. Also evident was a shift in the population from the rural areas to the urban centres. From 1851 to 1901 the population of Ontario doubled and created a vast pool of cheap labour for industry (Phillips and Phillips 1983: 5).

People, men and women, began to produce for the market and for their employer rather than for home consumption. As a result of the massive influx of people into the cities to look for jobs, combined with low wages and unsteady work, poverty and appalling living conditions were common. Almost an eighth of the population subsisted on a poverty income. The average pay reported by immigration agents for unskilled workers in the industrial towns of Central and Eastern Canada at that time was between \$1 and \$1.50 per day or \$6 to \$9 per week. In 1889 a male labourer in Ontario averaged less than \$6 a week (Phillips and Phillips 1983: 7).

In 1871, in Toronto, women and children represented 34 percent of the total industrial labour force while in Montreal, women and children accounted for 42 percent of the industrial workforce. Not all of these women worked for pay, however. In 1891 only 11 percent of women over 10 years of age were working for pay. For the most part, women worked at jobs that were counterparts to the work they had done in the home. These jobs which had previously been done for the family were now performed for pay. For example, rather than cooking and preserving for their families, women worked in biscuit factories. By 1881, one-third

of the biscuit and confectionary workers in Toronto were women (Phillips and Phillips 1983: 8-9).

In the 1800's, as women began to infiltrate the workplace, they made 55 to 57 cents for every dollar a man earned. In 1910, the situation had not changed; the average wage for women employed in manufacturing was \$5.44 per week, below the minimum subsistence level for a single person. The average for the male worker in manufacturing was \$9.58. Women were not only exploited in terms of wages, they also worked long hours, usually longer than men. For factory workers the average day was nine hours. Women also had to work overtime without pay to make up for lost hours if a machine broke down (Phillips and Phillips 1983: 11).

Women were paid low wages because of the large reserve army of workers consisting of immigrants, women and children, while employers justified the low wages by hiring women who lived with their families and were therefore not "breadwinners". According to Erin and Paul Phillips (1983: 13):

...most women who worked in the factories were young, between fifteen and twenty years old, and they tended to leave after a few years to get married, as indeed they virtually had to in order to survive. This rapidly overturning, unorganized work force provided a large pool of cheap labour for employers and, not incidentally, another generation of cheap labour subsidized by pooled family income.

World War I and World War II saw the entrance of masses of women into the labour force to take the place in the factories of their husbands and fathers who had gone to fight in the war. During the periods of both wars women were actively recruited into the work force. Although they were hired to do many of the same jobs as their male counterparts before them, women's wages still lagged behind male workers'. During WW II, the number of working women grew from 638,000 in 1939 to 1,077,000 by 1944, a growth of 69 percent. As part of their recruitment strategy, employers and the federal government offered incentives such as child care and tax breaks to lure women out of the home. It was found that 60 percent of women went to work for the money, only 9 percent gave patriotism as their reason for working (Phillips and Phillips 1983: 30).

Wages for women remained low because large reserves of women were available to work, "unskilled" workers were easily replaceable, women were restricted by their household responsibilities, and women workers were largely unorganized (Phillips and Phillips 1983: 54-56). In addition, as mentioned above, the ideology of the male breadwinner who earned a "family wage" and the woman "working for lipstick" (Joeke 1985: 183) or "pin money" helped to justify low wages for women workers.

Since the 1960s, women in Canada have entered the work force in great numbers, including married women with children of all ages. There have also been other significant changes, such as the increase of single parent families headed by

women. Women were beginning to organize and to demand equal pay and employment opportunities. For example, the following tables demonstrate the changing nature of the labour force with respect to women's participation and those areas where women are most concentrated:

TABLE 1. FEMALE LABOUR FORCE PARTICIPATION 1941-1992.

YEAR	FEMALE PARTICIPATION RATE (%)	FEMALE % OF LABOUR FORCE
1941	20.7	18.5
1951	24.0	22.0
1961	29.5	27.3
1971	39.9	34.6
1981	51.8	40.8
1989	57.6	44.2
1992	57.2	45.0

(Statistics compiled from Armstrong and Armstrong 1984: 19; Statistics Canada 1989:B-6; Statistics Canada 1992: B-7)

TABLE 2. AVERAGE HOURLY EARNINGS IN MANUFACTURING AND FEMALE PERCENTAGE OF PRODUCTION, SELECTED INDUSTRIES, CANADA, 1989.

MANUFACTURING DIVISION	AVERAGE HOURLY EARNINGS (\$)	FEMALE % OF PRODUCTION AND RELATED WORKERS
food	12.60	33%
beverages	15.72	9%
tobacco products	23.10	24%
leather	8.34	57%
textiles	11.12	40%
knitting	8.05	30%
clothing	8.37	79%
furniture & fixtures	10.43	21%
paper & allied products	17.22	9%
pulp & paper	19.09	2.3%
printing, publishing	14.02	33%
primary metals	17.42	4%
machinery	13.59	11%
transportation equipment	15.66	16%
electrical products	12.53	34%
chemical & chemical products	14.29	10%

(Statistics compiled from Statistics Canada cat.# 72-002 1989: 84-86; Statistics Canada cat# 31-203 1989: 4-16)

It is evident from these figures that women are highly represented in the lower paying jobs such as the clothing industry (79%) where the average hourly wage in

1989 was \$8.37. They also account for disproportionate numbers in the leather, textiles and knitting industries at 57%, 40% and 30% respectively. Men, on the other hand, can be found in greater proportions in the higher paying industries such as metals, pulp and paper and paper and allied products. It is also worth noting that wage increases in industries such as paper and allied products and pulp and paper rose by an average of 16% between 1989 and 1992 whereas wages in the clothing and in the leather industries rose on average 9.5% between 1989 and 1992 (Statistics Canada Cat # 72-002 1989: 84-85; Statistics Canada cat# 72-002 1992:62-64). This could, perhaps, be indicative of the lack of union organization in the clothing industries.

**TABLE 3. LABOUR FORCE PARTICIPATION BY OCCUPATION AND SEX.
CANADA 1989.**

OCCUPATION	WOMEN (000s)	MEN (000s)	WOMEN AS % OF TOTAL
managerial & administrative	619	987	38.5
natural sciences, engineering & mathematics	93	380	19.7
social sciences	134	96	58.3
religion	8	25	24.2
teaching	343	208	62.4
medicine and health	511	133	79.2
artistic & recreational	114	139	44.9
clerical	1803	440	80.4
sales	587	659	47.1
service	1042	792	56.8
farming	125	346	26.6
fishing and trapping	4	38	9.3
forestry and logging	4	69	5.6
processing	106	347	23.4
machining	13	234	5.3
fabricating, assembling and repairing	255	871	22.6
construction	20	830	2.4
transport equipment	44	464	8.7
materials handling	69	248	21.8

(Labour Force 1990-91: 19)

Although women are over-represented in the clerical, sales and service industries, they are also over-represented in those labour-intensive manufacturing and processing jobs (clothing, textiles, garments, footwear, microelectronics, sporting goods, toys and games) in Ontario and Canada -- the jobs that are being created specifically through EOI and in FTZs. These jobs are often performed by relatively low-paid immigrant women and often in factories or under sweat shop conditions. According to the North-South Institute (1985: 2) the predominance of women workers in Canada's vulnerable labour-intensive manufacturing sector is evident in that:

...For example, only 6 percent of paid female workers in Canada are employed in the manufacturing sector as a whole, yet almost half of them are in industries generally considered to be vulnerable to Third World import competition. Moreover, although only 24 percent of Canada's manufacturing labour force is composed of women, 63 percent of the work force in these vulnerable industries are women....

(NOTE: Although, according to the North-South Institute, these women are in "vulnerable" industries, subject to "Third World imports", women in these industries are also at risk from the threat of FIRST WORLD multinationals that relocate in or which buy from the South so that they may avoid the higher wages that are characteristically paid to workers, largely female, in the North.)

These figures have not changed significantly since 1985. In 1991, for example, while women accounted for only 19% of all employment in the manufacturing sector, they made up 78% of all employees in the fabrication of textiles, furs and leather goods (Statistics Canada cat # 72-002 1993: 15).

Although women in the North are paid higher wages than women working in the same industries in the South, women's wages in the manufacturing industry in the north are substantially lower than those of men and of women employed in other occupations such as the public service (professional), teaching, nursing and other "professional" occupations. For example, the average hourly wage of workers in the leather industry and in the clothing industry (where high concentrations of women appear), was, in 1992, on average, \$9.00. Weekly earnings averaged around \$385. By comparison, male dominated industries such as the pulp and paper industry and primary metals, paid their workers, on average \$19.00 per hour or \$833 weekly (Statistics Canada cat # 72-002 1992: 63). Workers in the education field and federal and provincial administration averaged \$750 weekly (Statistics Canada cat # 72-002 1992: 68). The North-South Institute (1985: 25) quotes the Canada, Textile and Clothing Board (1981) saying that wages are generally lower in these sectors because:

...the training period required is relatively short, investment per job is relatively small, demand for the product varies substantially and the proportion of female workers, particularly in the clothing sector, is very high...

The North-South Institute (1985: 25) goes on to say that wages are lower in these areas where women predominate than in the more "capital intensive" textile sector "due to the different proportions of women employed respectively by each sector".

As a result of the high price of competition in the labour intensive manufacturing industries, such as the garment industry, working conditions tend to be poor, in addition to workers being paid low wages and receiving few benefits. In this regard, women in the manufacturing industry in the North are only slightly better off than their counterparts in the South. Although in Ontario, the *Industrial Standards Act* protects workers from sweat shop working conditions, in most cases, only the minimum standards are applied. As well, employers are turning increasingly to "homework" where women are paid on a "piece" basis and employers can usually avoid any government regulations designed to protect workers. The chances of conditions improving in these low wage industries are negligible as the labour force comprises mostly immigrant women. These women are vulnerable as many do not speak English and few know the law. The level of unionization is also very low which is a contributing factor to the poor working conditions and low wages (North-South Institute 1985: 27).

Women and Work in Export Oriented Industrialization and FTZs

Women workers in Third World factories have much in common with their "sisters" in the First World. They are employed in female jobs -- in repetitive, labour-intensive assembly, processing, and manufacturing. They receive less pay than their Third World male counterparts receive. The "comparative advantage" of Third World factory work, it seems, is the "comparative disadvantage" of Third World women workers (Arizpe and Aranda 1978: 174). Patriarchal culture and/or imported Western patriarchal ideology argues that there is a male breadwinner earning a "family wage" and that young women workers are merely "secondary" workers working "for lipstick" (Joekes 1985: 183) or for "helping out" their families. In some cases, these young unmarried women workers do appear to be "helping out" their families (for example, Arizpe and Aranda 1978: 186), whereas in many other cases women factory workers are female heads of household, they are the "breadwinners" in their families (e.g., Joekes 1985: 183; ILO 1985: 81). The myth that women workers are working for "pin money" prevails (Mitter 1986: 47). In fact, women workers' earnings tend to be twenty to fifty percent lower than men's wages in comparable jobs, according to Elson and Pearson (1984: 22). Often, women workers have relatively high levels of formal education (McKeen n/d: 15; ILO 1985: 34).

They are overwhelmingly young, unmarried women, aged 17-25 (ILO 1985: 31), although this varies by region. But, as the Mexico case below will illustrate, Third

World factories in FTZs have done little to lessen the high rates of male unemployment in these countries.

Women workers are labelled unskilled even as factories hire them because of their "natural" "dexterity" and their "nimble fingers". Women workers are thought to be more "docile" and can "take the abuse" of bad job conditions without protesting and organizing. In fact, women workers are no less productive than male workers (Joekes 1985: 202). And they work under considerably worse working conditions than male workers: they work long hours per day and per week; they often do not get paid for overtime; they sometimes have "probationary periods" at lower pay; they sometimes are forced to work double and triple shifts to reach production targets; and they may get laid off at will, including if they are found pregnant after testing. While some live at home, others live in crowded dormitories in the Zones. While most appear to "choose" to work in FTZs, others are "working off" loans advanced to their fathers or other kin as virtually indentured labourers. Women workers have little opportunity for promotion and advancement and, in fact, are often kept oppressed by male supervisors and rate-pacers (Joekes 1985: 209; Elson and Pearson 1984: 32-3; Mitter 1986: 61).

Women work under unhealthy working conditions, including being exposed to fumes, chemicals, and eyestrain in microelectronics and dust in textiles. The lack of any health and safety standards in the Zones is one reason for the multinationals'

relocation to the Third World. The Zones also often have lax or nonexistent labour or union rights. Often the laws of the Third World nation are suspended in the Zones. The Zones themselves are often found in repressive, militaristic and authoritarian states which give multinationals the "stable investment climate" they desire. Where unions are allowed, they are often "company unions" (Lim 1980: 119). Women workers also sometimes work under the threat of sexual harassment by male supervisors (Karl 1986: 63; Elson and Pearson 1983: 33; Fuentes and Ehrenreich 1984: 23).

While some analysts see women factory workers, in one respect, as enjoying a "freedom" from a patriarchal village life or from the items that can be bought with their earnings (e.g., Grossman 1979: 13; Arizpe and Aranda 1978: 192), many commentators see these women as being oppressed and exploited in the workplace and outside of it (e.g., Elson and Pearson 1984; Mitter 1986; Mies 1986).

Elson and Pearson (1981) pose a question that few analysts will confront when discussing the role of women in the international division of labour; that is, why is it that in countries where male unemployment is rampant and families live in poverty, do men not accept jobs that have been deemed "women's work"? According to Elson and Pearson, there must be some differentiation in the labour force which makes female labour cheaper and more productive. This differentiation is produced by the widespread belief that there is a "natural" disparity between men

and women which may be produced by innate capacities and personality traits. Women are considered to be naturally dexterous and to have a docile and malleable personality. Young women are hired with the assumption that they will eventually leave to marry and have children. This allows multinationals to generate a high rate of turnover and thus keep wages even lower (Elson and Pearson, 1981: 93).

Women are not naturally dexterous nor is docility an innate behaviour. According to Elson and Pearson (1981), these characteristics are the result of the training they have received from their mothers, as well as the socialization process they have experienced. For example, women are efficient sewers as they learned to sew at an early age. These skills, however, are not recognized in the larger society:

...it is partly because this training (sewing), like so many other female activities which come under the heading of domestic labour is socially invisible and privatized that the skill it produces are attributable to nature, and the jobs that make use of it are classified as "un-skilled" or "semi-skilled" (Elson and Pearson 1981: 93).

The dexterity one achieves while learning to sew is also used by employers as their rationalization for hiring women instead of men to assemble minute microchips under a microscope. Elson and Pearson feel that for men to obtain the attributes that make women employable, they would have to undergo the same socialization process and experience gender subordination. Both, however, cannot experience discrimination as a gender. This has remained the domain of women (Elson and Pearson 1981: 98)

"Women's secondary status in the labour market" is the reason Elson and Pearson give for women's low rate of pay. The fact that women also tend to form a reserve army of labour makes it easy for employers to hire and fire at will. They, like Lim (1980), explain this in terms of women's role in the family being socially constructed as a subordinate role, even if she is the head of the household:

...for it is the female role to nurture children and men, work which appears to be purely private and personal, while it is the male role to represent women and children in the wider society. And it is the representative role which confers social power (Elson and Pearson 1981: 96).

This can be applied to the labour market as women are unable to take on the "fully classic attributes of free wage labour." A women has responsibilities in the home, she does not control her own body and relies on men for her own subsistence (Elson and Pearson 1981: 97). It is this which gives women secondary status in the labour market and is, therefore, why they are subject to low wages. And it is this secondary status which allows employers to believe that women are secondary earners instead of household heads.

Chapter 3. Mexico and Maquiladoras

Mexico and Canada share more than a common neighbour; they also share dependent economies dominated by the United States. The U.S./Canada Free Trade Agreement is part of a hemispheric strategy promoted by U.S. business interests to integrate markets, gain freer access to raw materials and energy inputs, and to pit worker against worker in a destructive competition for jobs. It reflects a global strategy for undermining national political and economic self-determination in favour of corporate profit - a strategy which is also visible in the policies of the International Monetary Fund and other world economic institutions. Even without the Free Trade Agreement, Canadians can see this strategy at work in "runaway shops"...Mexico, too, with no comprehensive free trade agreement with the U.S., has adopted economic policies which mesh neatly with the U.S. business agenda in the hemisphere. (Latin American Working Group November 1988: 1)

This chapter will argue that, as the above quotation claims, even before the Canada-U.S. Free Trade Agreement and well before the yet-to-be-ratified Canada-U.S.-Mexico North American Free Trade Agreement, Northern business interests were dominant in the Mexican economy through the border industrialization program and maquiladoras. This is the Mexican version of "export oriented industrialization" as a development strategy while the whole phenomenon of maquiladoras is another example of the new international division of labour between North and South. Maquiladoras are the Mexican version of Free Trade Zones.

The Mexican Economy Before Maquiladoras

A brief review of the Mexican economy will provide the necessary background for this chapter's discussion of Mexico's adoption of the model of export oriented industrialization as its "path of development".

Mexico is a fairly typical case study of the effects of Western colonialism and imperialism. The Spanish conquest was executed by Cortes by 1519. Subsequently, Spain gradually established colonial control of the various peoples inhabiting the area they called New Spain. Missionaries attempted to "save souls" and the Spanish explorers and mercantilists "underdeveloped" the region by exporting great amounts of mineral and other wealth to the North.

Political independence was achieved by Mexico in 1821. When the United States accepted Texas as a state in 1845, the so-called "Mexican War" of 1846-48 ensued. One outcome was the annexation of Texas by the United States in 1851 (Pearson 1991: 134) as well as the loss of much of Mexico's other territory to the United States. Pearson (1991: 134) notes that Mexico lost "more than fifty per cent of the territory which comprised the Republic of Mexico in 1821". Mexico had a series of presidents and emperors, social dislocations and conflicts. "Modern" Mexico was born in social revolution and the 1917 constitution was seen as embodying reform under the official Institutional Revolutionary Party (the P.R.I.).

Even though today it is claimed that the long ruling P.R.I. is morally and politically bankrupt, it is true that Mexico's "development path" did seek to keep Mexico somewhat independent of its huge northern neighbour, the United States. Through the 1950s and early 1960s, Mexico pursued an active policy of promoting import substitution (I.S.) as a path to development (Pearson 1991: 134), alongside resource extraction and foreign investment.

Mexico, however, was also a typical Third World country in most respects. Which is to say, Mexico's economy has been deformed through its history of colonialism and neo-colonialism. As elsewhere in the Third World, "development" has focused on the urban, industrial, resource extraction and so-called "modern" sector, while neglecting and often destroying the rural subsistence sector. In the Mexican case, this often meant that rural families, struggling to remain on land while still needing money for new necessities, would send daughters to the urban centres to work as domestics or at other jobs.

But, as outlined in general terms in Chapter 2, the overall process in Mexico was one of increasing landlessness and increasing impoverishment for the bulk of the population in contrast to a small but very powerful and wealthy elite. One result, as elsewhere in the Third World, was massive migration from the rural areas to the urban centres, both for males and females, in the desperate search for money and survival.

Pearson (1991: 134) points out that:

The economy of Mexico's northern states over the last hundred years has been more integrated with the economy of the southern states of the USA than with the rest of Mexico. Mexico's post-Second World War expansion of import-substituting industrialization was not extended to the border states; and a large proportion of the consumption expenditure in this area goes directly on US goods.

Another feature of the Mexican economy was the fact that, over a period of many years, lots of Mexicans, mainly men, have travelled to the United States to seek a "better life" or at least some wages. Mexicans have travelled both legally and illegally to the United States to seek jobs, often seasonal employment as migrant farm workers in the south west U.S.. Pearson (1991: 134) notes:

The willingness and ability of Mexicans to migrate, often illegally, is partly a reflection of the fact that the population of the south-west of the USA is predominantly of Hispanoamerican origin...It also reflects the high levels of unemployment in Mexico and the failure of the industrialisation programmes of the 1950s and 1960s to generate sufficient employment opportunities to absorb the growing population throughout Mexico.

Some of these Mexican labourers in the United States were there under the Bracero Program or Mexican Labour Program, established in 1961. Under this program, a certain number of Mexicans were allowed into the U.S., mostly during the

harvesting season to pick produce, for a set period of time and for specified employment (Pearson 1991: 135; Fernandez-Kelly 1983: 23). This migrant labour was extremely exploitative, but it was an opportunity for Mexicans to earn some money.

Mexico and the New International Division of Labour

In 1964, the United States unilaterally terminated the Bracero program (Kamel n/d: 17; Pearson 1991: 134). This created a major unemployment problem for Mexico, especially in the northern border areas:

With the termination of the Mexican Labour Program by unilateral decision of the U.S. government, the economic problems along the border were accentuated. Two hundred thousand braceros were abruptly faced with unemployment at the same time that a growing number of agricultural workers continued to migrate to the border. (Fernandez-Kelly 1983: 26)

Fernandez-Kelly (1983: 26) goes on to say that unemployment in the border areas reached 50 percent as the result of displaced workers. Pearson (1991: 135) confirms this figure, stating that "officially estimated unemployment rates ran as high as forty to fifty per cent by 1966." Fernandez-Kelly points out that the Mexican government and politicians were facing growing dissatisfaction from the people: "Political unrest fostered by the inability of local labour markets to absorb these workers became a likely possibility" (Fernandez-Kelly 1983: 26).

A similar scenario is portrayed by Pearson (1991: 135), who also discusses the impact of the abrupt termination of the Bracero program:

This left the Mexican government with a serious crisis. Not only did the flow of potential migrants continue to head for the frontier cities in spite of the fact that there were no further legal opportunities to work in the USA; in addition, the Mexican economy stood to suffer from the drying-up of the flow of remittances from immigrants working in the USA, which in some years had contributed up to forty per cent of foreign exchange inflows.

While some analysts point to the opposition of U.S. labour to the Bracero program, more cynical commentators see a relationship between the termination of the Bracero program and the new international division of labour between North and South and the upcoming maquiladoras. This is given some possible credence by the fact that, in 1963, the United States Congress appended the U.S. Tariff Code with Item 807. Item 807 allowed U.S. products to be exported abroad for further assembly and manufacture, as long as they were re-imported back to the U.S. for further assembly and manufacture, and these goods, re-imported into the United States, would be subject to import duty only on the "value added" abroad. The "value added" abroad was, largely, the cheap Mexican labour which lured the maquiladoras to Mexico in the first place. This change in the U.S. tariff laws was created to allow the new phenomenon of "export processing zones" or "free trade zones" which were coming into being, largely in Asia (Fernandez-Kelly 1983: 30).

Pearson (1991: 136) states that the Mexican government got the idea for the maquiladoras from the Asian model of free trade zones: "The initiative for the programme came from the Mexican government, following visits to East Asian countries where such labour-intensive manufacturing industries producing for the export market had been established for some years; and where such activity was frequently located in specially created Free Trade Zones". However, the role and influence of the United States and organizations such as the World Bank and the I.M.F. should not be ignored.

At the same time, Mexico also had to shift its "development path" and to alter its own laws to accommodate the new international division of labour and export oriented industrialization. For example, in the mid-1960s Mexico altered its law which "restricted foreign ownership of Mexican corporations to 49%" (Kamel n/d: 17). Following this change, Mexican firms could be 100% foreign owned. This was the beginning of the Border Industrialization Program (B.I.P.) that Mexico instituted in 1965 (Pearson 1991: 134).

The Border Industrialization Program opened up a zone of northern Mexico, along the U.S.-Mexico border to foreign, largely U.S., investment. As Pearson (1991: 134) points out, the B.I.P. "was initiated by the Mexican government in 1965 as part of a series of measures to offset the adverse effects on the Mexican economy of immigration control and protectionist policies in the United States". It was intended

to be a substitute for emigration as well as a replacement for lost foreign exchange transfers and, of course, to provide employment to the men of northern Mexico (Pearson 1991: 135).

A border zone was created where foreign firms could operate wholly owned Mexican subsidiaries, usually with a "twin plant" on the U.S. side. Parts and raw materials could be shipped into the country duty-free. U.S. customs regulations also support the program: when the finished goods are shipped back to the United States, duties are paid only on the basis of low Mexican wage rates rather than the considerably higher U.S. market value. (Kamel n/d:17)

But the notion of "twin plants", one on the U.S. side of the border and one on the Mexican side of the border, never really materialized. All of the plants are in the Mexican zone. Some workers and managers live on the U.S. side, of course, and many workers "shop" on the U.S. side -- but little production or assembly takes place there.

As Kamel (n/d: 17) remarks, these maquila plants "are simply the Mexican version of the new worldwide free trade zones that since the 1960s have exported manufacturing jobs from the United States and other industrialized countries to the Third World". The maquiladoras are simply Mexico's answer to export-oriented industrialization as discussed in Chapter 2. What is interesting in the Mexico case is that, as in the case of most export-oriented industrialization located in Free Trade Zones or Export Processing Zones throughout the Third World -- but in direct

contrast to the stated Mexican concern for lowering its high male unemployment rate -- the preferred workforce in the maquiladoras consists of young, unmarried women. Eighty-five per cent of the workforce in the maquiladoras is female (Fernandez-Kelly 1983: 209).

Similar to other export-oriented industrialization policies discussed in Chapter 2, Mexico also provided foreign investors with lots of "incentives" to persuade them to "invest" in the Mexican maquiladoras. These included not just the Border Zone with its infrastructure, often including "the construction of special industrial parks, complete with required utilities, telecommunications facilities and road networks" (Pearson 1991: 137), but also cheap labour, import and export concessions, tax concessions, and other fiscal incentives. Another important "selling point" was Mexico's "long record of political stability" (Pearson 1991: 137).

Mexico was supposed to gain increased employment as well as to "gain foreign exchange as US companies converted dollars to pay for Mexican workers and local inputs of goods and services" (Pearson 1991: 136; also see Mirowski and Helper 1989:29). Even though maquiladoras became the second largest source of foreign exchange, after oil, Mirowski and Helper (1989: 29) argue that this "has done little to alleviate Mexico's persistent currency weakness". We have already noted that a major supposed benefit from the maquila program, the decline in male unemployment, did not ensue as the preferred workforce were female workers.

Bustamente (1983) presents a good summary of the supposed benefits to Mexico and to Mexican workers from the establishment of the maquila program. Bustamente then sifts through the evidence to determine if the supposed benefits had been realized. His conclusions are that, in each instance, there is little evidence to support the claims, and there is much evidence to dispute them and to deny them. Most importantly, Bustamente argues that the supposed "trickle down" benefits and "spin off" benefits (such as greater taxation on incomes; greater spin off as workers spend their salaries in local stores and shops, etc.) have not materialized to any significant degree because of the incredibly poor wages and working conditions within the maquiladoras and the overall poverty of the Mexican economy in the region. Bustamente also notes, as do many other commentators on "runaway shops", that Northern firms investing in Mexican maquiladoras have very little "stake" in the operations. They have invested very little, and can easily pull up stakes and leave overnight, to reappear somewhere else in the Third World where working conditions are even worse, or where workers' repression is even greater.

While the supposed benefits for the Mexican economy from foreign investment seem to be manifest and manifold, in reality there is little or no transfer of useful skills and technology from the maquila program. The processed and manufactured goods, as we have seen, are exported out of Mexico. However, there is one final irony to the supposed claims of maquila investment.

As the maquiladoras flourished, Mexico's domestic industries were threatened. For example, Mexico's garment industry was once dominated by small Mexican-owned companies producing clothes for their domestic markets. Maquiladoras would not, it was argued as they were being established, effect the Mexican industry since maquiladoras' products could only be re-exported out of Mexico. But, in addition to resulting in a "dual economy" within Mexico, pitting workers in the domestic industries against workers in the maquila garment factories, garments are being shipped out of the maquiladoras to the United States, and then imported back into Mexico. This can be done at a cheaper price than the domestic Mexican producers can match (Armine Yalmizyan 1993: 7). "Mexico's unilateral trade liberalization has already closed 50% of its textile firms and 28% of its leather industry (Ecumenical Coalition for Economic Justice 1992: 3).

It is important to point out that the Border Industrialization Program, the maquiladoras, was not an immediate success. In the mid and late 1960s, maquilas were used primarily by small textile producers and for the growing electronics assembly industry. Although the proximity of the northern Mexican border zone to the United States was argued to be a "plus", Mexican labour was still relatively "expensive" compared to equivalent labour available elsewhere: "Whilst hourly wage rates in Mexico were less than twenty-five per cent of US unskilled wage rates, they were still considerably higher than those quoted for East and South-East Asian countries which were already exporting to the USA under items 807 and 806.30 of

the US Tariff Schedule" (Pearson 1991: 137).

Pearson (1991: 137) notes that "it took three or four years of official encouragement from the US government...before the maquiladora plants established themselves in Mexico in any significant numbers."

At the end of 1965, there "were only twelve maquiladora plants, employing some 3,000 people, but by 1970 the official total was 120 plants, with a workforce of 20,000" (Pearson 1991: 137). This increased steadily until the mid-1970s recession hit the United States' economy and Northern firms "held that escalating labour resistance in Mexico, as workers organised to demand better wages, fringe benefits and working conditions in many of the larger plants, was 'forcing' American firms to abandon production in Mexico" for other locations where the workforce was cheaper and more docile (Pearson 1991: 137-8). This threat alarmed the Mexican government and induced it to "offer an improved package of incentives to American firms."

New regulations increased the tax holidays enjoyed by the plants; reduced their obligations to pay social security quotas and other local taxes; extended the period during which workers could be legally kept on temporary contracts; and allowed a more liberal interpretation of the laws about 'justifiable dismissal of workers'. (Pearson 1991: 138)

In 1976, in a major boost to the maquiladora program, the Mexican peso was "substantially devalued, which reduced labour costs in dollar terms by approximately 100 per cent at a stroke" (Pearson 1991: 139). In 1979, the Mexican government extended the maquiladora program "to cover the whole country" (Pearson 1991: 139) -- it was no longer a border industrialization program alone, although most investments and employment "continued to be located in the northern border region" (Pearson 1991: 139). [Note - Kamel n/d: page 18 states that Mexico expanded the maquiladora program to all of Mexico in 1986].

In general, prices for Third World raw materials have fallen throughout the 1970s and 1980s. Mexico was hard hit especially by the drop in petroleum prices in the early- and mid-1980s: exports of crude petroleum dropped from over 13 billion dollars (US) in 1985 to less than 8 billion dollars in 1987. In addition, Mexico, generously given loans throughout the 1960s and early 1970s as a sound investment, was one of the leaders of the Third World's disastrous foreign debt burden of the 1980s. As of 1991, Mexico's external debt was more than 95 billion dollars. Its external debt payments were 8 billion annually and its debt to Canadian banks was 4.9 billion (Canadian) annually (*Pro Canada Dossier* January-February 1991: 29). Mexico has, therefore, become one of the world's biggest foreign debtors, mostly as a result of foreign borrowing in the 1970s, to finance petroleum extraction for export (Sinclair 1992: 27).

US dominance over Mexican domestic policy grew concomitantly with Mexico's foreign debt. Almost one-third of Mexico's debt is held with US banks while more is carried by US influenced international financial institutions. This "leverage" is influenced more by the fact that the US owns the most important part of the manufacturing industry and that half of the petroleum exports go to the United States (Sinclair 1992: 28).

The United States, along with the I.M.F. and the World Bank, among others, encourages Mexico to "open up" its economy to further foreign investment in exchange for further loans. More recently, Mexico has been coerced into adopting severe Structural Adjustment Policies (SAPs). "In addition to currency devaluations, cuts in government spending and wage controls, SAPs compel debtor countries to privatize state industries, liberalize foreign trade and promote production for export." The results of all this has been staggering for Mexican maquiladora workers (*Pro Canada Dossier* January-February 1991: 22).

As Mexico's economy was further weakened, as the peso was further devalued, and as Mexico's exports lost value as Mexico's external debt and interest repayments skyrocketed, the maquila program blossomed. Some figures to illustrate these trends:

TABLE 4. GROWTH OF THE MAQUILADORA PROGRAM, 1968-1988

YEAR	NO. OF PLANTS	TOTAL LABOUR FORCE
1968	112	11,000
1973	247	64,300
1978	457	90,700
1983	600	151,000
1988	1,450	330,579
1990	2,000	434,000

(Statistics compiled from Pearson 1991: 38, Shrybman 1991: 25 and Campbell 1992: 21.)

Also, similar to other cases discussed in Chapter 2, the Mexican maquiladoras overwhelmingly attracted labour-intensive processing and manufacturing jobs, especially in the area of clothing and garments, electronics, food processing, toy and sports and coupon-sorting (Pearson 1991: 140). As discussed in Chapter 2, export-oriented industrialization in the form of labour-intensive processing and manufacturing in the Third World overwhelmingly utilizes a female labour force. This is also true of the Mexican maquiladoras.

TABLE 5 - GENDER COMPOSITION OF MAQUILADORA LABOUR FORCE.
1975-87

YEAR	TOTAL	OPERATOR EMPLOYMENT			TECH.	ADMIN/ MANAG
		TOTAL	MALE	FEMALE		
1975	65,318	53,771	11,653	42,118		
1979	111,365	95,818	21,981	73,837	9,569	5,978
1981	130,973	110,634	24,993	85,691	12,545	7,744
1983	150,867	125,278	32,004	93,274	16,332	9,267
1985	211,968	173,874	53,832	120,042	25,042	13,052
1987	290,579	236,088	78,940	157,090	35,138	19,403

[figures from Pearson 1991: 141. - continued in Table 6.]

TABLE 6 - PERCENTAGE OF FEMALE OPERATIVES IN MAQUILADORAS.
1975-87

YEAR	FEMALE AS PERCENTAGE OF TOTAL OPERATOR EMPLOYMENT	FEMALE OPERATORS AS PERCENTAGE OF TOTAL EMPLOYMENT
1975	78.3	64.5
1979	77.0	66.3
1981	77.4	65.4
1983	74.4	61.8
1985	69.0	56.6
1987	66.6	54.1

(Taken from Pearson 1991: 141)

Tables 5 and 6 illustrate the fact that women are largely employed in maquiladoras as operatives -- "low-paid jobs without prospects at the bottom of the production hierarchy" (Pearson 1991: 133). Jobs involving supervisory, managerial, and administrative skills have usually been held by males almost exclusively. As Pearson argues, the growth in recent years of jobs requiring technical skills has been correlated with a fall in the female share of the maquiladora workforce (Pearson: 133). In those labour-intensive processing and manufacturing industries mentioned above, women still constitute "up to ninety per cent of the total labour force" according to one survey discussed by Pearson (1991: 140). The more "skilled" maquiladora jobs, where men seem to predominate, includes metal processing; transportation equipment and components; leather and synthetic goods including shoes; wood and metal furniture; photographic, sporting and paper goods (Pearson 1991: 140). These sectors have been increasing at a faster rate in recent years than the traditional labour-intensive industries employing women (Sklair 1989: chapter 8; Pearson 1991: 155). However, the logic remains the same:

The sectoral variation in the proportion of women in the labour force corresponded to the variation in the ratio of labour costs to total production costs. Those sectors which employed a predominantly female labour force were those in which labour costs were the largest component of total manufacturing cost, but at the same time, unit labour costs (that is the ratio of value of total output to labour costs) were the lowest (Pearson 1991: 142).

Pearson goes on to say:

Labour costs, which include wages plus legally enforceable labour-related payments such as social security payments, comprised between fifty-eight and sixty-eight per cent of total value of the products in the electronics, clothing and food maquiladoras. In other sectors, notably transport and electrical machinery, where a higher proportion of male labour was employed, the importance of labour costs in total costs fell to below fifty per cent. (Pearson 1991: 142)

The bulk of women's employment in the maquiladoras "has remained intense and exhausting, insecure, risky in terms of personal health and safety, and offering no prospects for long-term employment, promotion, training or skills enhancement (Pearson 1991: 161). Women are incorporated into Mexico's industrial workforce in the maquiladoras on "a short-term, low-paid, risky basis" only (Pearson 1991: 161).

Fernandez-Kelly (1983: 219) discusses the fact that maquiladora managers state that they prefer to hire women operatives because of their greater skill and higher levels of performance. They also cite women workers' better production quality and quantity and their willingness to comply with monotonous, repetitive and highly exhausting work assignments. These managers also cited the docility of the female workers, which discourages organizing efforts by workers' organizations. These managers utilize the fact that these young women workers are from a patriarchal culture, where women are subordinate to their fathers, brothers, and husbands. Such

women workers are likely to defer to a male supervisor or manager, which these maquiladoras also hire. Fernandez-Kelly (1983: 219) also notes that these managers would never hire male operatives because men are "more restless, and rebellious than women, less patient, more willing to unionize" and "less resigned to tolerate rigorous work paces and inadequate working conditions for a low wage"

Women are hired as secondary earners; that is, they are assumed to be economically dependant on men so that their attempts to gain access to jobs are often seen as a means to supplement the "family wage" income of the male "breadwinner" head of household. This is seen as justification to pay them lower wages than their male counterparts as it is felt that men should earn more as the family breadwinners while women are simply adding to the gains of husbands and fathers (Fernandez-Kelly 1983: 88). The average number of years for a woman to work in a maquiladora factory is three years. It is not to the benefit of the employer to keep women for a longer period of time as it would be necessary to raise wages over time and introduce promotions. Women are either laid off or persuaded to leave work voluntarily (Fernandez-Kelly 1983: 220).

The way in which women are recruited to work in maquiladoras depends, to a great extent, for which type of factory work they are conscripted. In the Border area there are mainly two types of factories; electronic and garment factories. The electronic factories look for women who are educated, young, single and childless.

The average age of an electronics worker is 22.6 years and they are required to have completed secondary school. They must be available to work both morning and night shifts. Before being hired, a woman must take a series of manual dexterity tests as well as a medical exam which centres around pregnancy. Despite these rather rigorous prerequisites for a position in an electronics factory, women earn low wages (Tiano 1987: 82-86).

Most maquiladora workers in 1991 - seamstresses and electronic workers - earned the federally mandated minimum wage of 120,955 pesos per week which is the equivalent of \$39.53. These figures include any fringe benefits that are provided to workers (Mexican Wage Information 1991). Women who work in garment factories tend to be older and are often single parents and heads of households. Tiano (1987: 83) in her study of maquiladora workers found that many of the managers of garment factories wanted to hire young, single, educated women but could not lure them away from the electronics factories. Working conditions in the electronics factories tend to be slightly better than garment factories. In-house cafeterias are one desirable characteristic. It is not only the educational attainment and youth of these women that make them attractive to the management of electronic factories. "Newness to the labour market and the resulting inexperience with labour unions appear to be other factors leading multinational corporation managers to favour young women" (Tiano 1987: 83).

Similarly, there is little organization of maquila workers, and often unions and organizing is either not allowed or is repressed. Kamel (n/d: 20) mentions that "blacklisting" is utilized against organizers for workers' rights. According to the *Pro Canada Dossier* (1988: 2), one reason for the rapid growth of the maquiladora industries and their employees is a service provided by the Maquiladora Association to any foreign company wishing to invest: "We have the best labour lawyers available to help keep the unions out". The Dossier goes on to say that "where unions do exist they show little combativity, instead serving as an arm of the governing Institutional Revolutionary Party and an ally of management" (*Pro Canada Dossier* #16 1988: 2).

Also as discussed in general in Chapter 2, the maquiladora program in Mexico also flourishes because of lax or non-existent health and safety and environmental standards. Kamel (n/d: 21) discusses the unhealthy working conditions of female maquila workers -- including chronic pain and illnesses; working with "toluene, PCBs, and unknown solvents without any safety precautions or equipment"; and birth defects in the children born to maquila workers. These last two points are also discussed by Kochan (n/d: 10). Mirowski and Helper (1989: 29) also document the use of toxic chemicals, poor ventilation, and lack of safety devices. Mexican workers are thus denied basic health and safety protection on the job, and they risk losing their jobs if they complain.

North American firms invest in Mexican maquiladoras also partly because of lax or non-existent environmental protection:

Another way in which the principles of free or deregulated trade have operated to undermine environmental regulation is by making it easier for corporations to establish or relocate operations to jurisdictions where the cost of doing business, including the cost of environmental regulation, is lowest. (Shrybman 1991: 10)

Mexico has made attempts in the past to develop some semblance of environmental protection standards. In 1982, the Mexican Government introduced the "Federal Environmental Protection Law" to attempt to rectify its pollution problems. By 1986, the government had still not set standards for discharges into the water and air, or for the disposal and treatment of hazardous materials. Although standards were being prepared for solid waste disposal and for some air emissions, only a few industries had monitoring systems to detect violations of environmental standards. Standards covering air and water pollution were adopted in 1988 but these standards have been difficult, if not impossible to enforce, because of the lack of initiative by the Mexican Government and for budgetary reasons. There are concerns as well that American companies operating in the border areas are dumping hazardous waste and raw materials into rivers that run between the two countries such as the Rio Grande (Kochan n/d: 5).

Chapter 4. Canada, Maquiladoras and Free Trade: Canadian Job Loss?

In Chapter 2, it was argued that the new international division of labour and the "development path" of export-oriented industrialization have combined to effect a global restructuring. Jobs are being exported from the First World and/or created in the Third World, often in Free Trade Zones or Export Processing Zones. These are often labour-intensive processing and manufacturing of garments, clothing, textiles, electronics, toys and sporting goods, and other items. In the First World, including Canada, these labour-intensive manufacturing and processing jobs are often done by women workers, often relatively low paid immigrant women, and often in factories or under sweat shop conditions or in home work. In the Third World, these manufacturing and processing jobs in labour-intensive industries are also commonly performed by women workers, who are poorly paid and work under highly exploitative working conditions. It was argued that many of these jobs have been, and are, being lost in the First World only to re-appear in the Third World.

Similarly, in Chapter 3, it was argued that very similar processes are going on in the Mexican maquiladoras, the Mexican variant of the new international division of labour and export-oriented industrialization. Jobs are being created and/or relocated in Mexico's maquila factories, largely labour-intensive processing and manufacturing of clothing, textiles, garments, electronics, and other items. These

jobs, which used to be performed largely by women workers in the First World, are now being performed largely by a female Mexican labour force. Again, these women workers earn minimal wages and work under exploitative working conditions. It was argued that jobs are being lost to the women of the First World as they relocate in Mexico's maquiladoras. It was also noted that, most recently, it appears that more "skilled" and technical processing and manufacturing are being relocated to Mexican maquiladoras and these jobs are largely held by male workers.

In this chapter, I wish to examine all the available evidence to determine if there is a case to be made that free trade with the U.S. has, and/or that continental free trade will, result in the loss of jobs in Canada to the maquiladoras. Additionally, I will examine to what extent any Canadian job losses are within the labour-intensive processing and manufacturing industries which typically have employed mainly female workers. This is to determine the extent to which any losses of jobs from Canada to the Mexican maquiladoras (or, to a lesser extent, to the unorganized sections of the U.S. economy) may be mainly female job losses. I will discuss the environmental threat to Mexico, partly as a result of its exploitation by foreign companies and the continuing repercussions of a NAFTA agreement. Finally, I will discuss the threat to union strength and organization in Canada by the free trade agreements as a result of low wage competition from Mexico.

Official Statistics

From the perspective of the left and progressive organizations in Canada, the manufacturing industries, in particular in Canada, have felt the impact of the Free Trade Agreement between Canada and the United States, since its inception on January 1, 1989. Table 7 shows Statistics Canada's figures for percentage changes in employment from August 1989 to August 1992.

TABLE 7 CHANGE IN EMPLOYMENT, CANADA, 1989 TO 1992, SELECTED INDUSTRIES

INDUSTRY	% CHANGE IN EMPLOYMENT AUG. 1989 TO AUG. 1992
service producing industries	-2.5%
logging and forestry	-10%
mining	-18.2%
manufacturing	-21%
construction	-24%
transportation, communication	-2.2%
finance, insurance, real estate	-1.2%
community, business, personal service	-0.5%
public administration	+3%

(Statistics Canada cat # 72-002 1992: 2)

(*labour intensiv industries such as clothing, textile products and primary textiles are listed by Statistics Canada as **non-durable** manufacturing. Durable goods include for example wood, furniture and fixtures, primary metal, transportation equipment...)

Of the selected industries, the worst hit is construction, an industry which suffered a loss in employment of 24 per cent between 1989 and 1992 according to these official statistics. The second worst hit industry is "manufacturing", an industry which suffered a loss in employment of 21 per cent from August 1989 to August 1992. It is worth noting that every single industry in Table 7 had a net job loss over the 1989 to 1992 period, with the lone exception of public administration.

In terms of the manufacturing industry, the effect of the F.T.A. has been compared by Campbell (1992: 1) to the unemployment situation during the Great Depression, when manufacturing employment fell 29.7 per cent between 1929 and 1933. The current situation in Canada presents a drastically similar decline in manufacturing of 21 per cent between 1989 and 1992 (Table 7).

Using Statistics Canada data, we can examine the manufacturing industry as a whole. From January 1988 to May 1989, before the effects of the current recession and the F.T.A., there was a steady increase in the number of employees in the manufacturing industry from 1,930,000 to 1,998,000 (Statistics Canada cat # 72-002 1992: 2). This represents a net gain of 68,000 employees, or a per cent increase of 4%. But by June 1989, the number of employees in the manufacturing industry started to decline. From June 1989 to August 1992, employment in the manufacturing industry fell steadily from a high of 1,994,000 in June 1989 to a low of 1,572,000 in August 1992 (Statistics Canada cat # 72-002 1992: 2). This represents a net loss of

422,000 employees in the manufacturing industry over slightly more than 3 years, or a per cent decline of 21%.

The clothing and textile industries have experienced similar gains and losses in employment. From 1987 to 1989, employment in the clothing industry rose from 908,000 in 1987 to 922,000 in 1989, a gain of 14,000 employees or an increase of 2%. However, by 1992, as with the manufacturing industry as a whole, this number had fallen to 763,000, a loss from 1989 to 1992 of 159,000 employees or a percentage decrease of 17%. Employment in the textile industry in 1987 stood at 631,000 employees and reached a high in 1989 of 663,000 employees, representing an increase of 5%. This figure dropped substantially, however, between 1989 and 1992 to 445,000, a loss of 218,000 employees or a drop of 33%.

One indicator of production and future business in some manufacturing industries is the number of unfilled orders and "new orders". Statistics Canada (1991: 2) defines "unfilled orders" as the "stock of orders which will generate future shipments assuming that orders are not cancelled." Thus, if unfilled orders are down or have decreased then orders have decreased as well. Unfilled orders for industries like the Primary Textile industry, for example, dropped by 21 per cent between 1989 and 1991. Unfilled orders for textile products dropped 46 percent and for clothing 28 percent between 1989 and 1991 (Statistics Canada *CANSIM* Data 1992).

These industries are representative of labour intensive industries which largely employ women, are highly susceptible to import competition from the South and which are most likely to shift their production South to the US or to Mexico (see chapter 2).

Table 8 shows the value of unfilled orders in the Primary Textile Industries. This declined slightly from 1981 to 1982, probably due to the recessionary period at that time. Then, unfilled orders in the Primary Textile Industries climbed steadily from \$2,387,864 in 1982 to a high of \$3,747,832 in 1987. This figure dropped slightly in 1988 and 1989, but then fell significantly in 1990 and 1991, declining, as stated above, by 21 per cent between 1989 and 1991.

TABLE 8 - UNFILLED ORDERS - PRIMARY TEXTILE INDUSTRIES

YEAR	ANNUAL TOTAL (thousands of \$)
1981	\$2,744,289
1982	\$2,387,864
1983	\$2,661,324
1984	\$2,625,563
1985	\$2,829,253
1986	\$3,136,583
1987	\$3,747,832
1988	\$3,634,157
1989	\$3,627,573
1990	\$2,964,288
1991	\$2,859,877

Source: Statistics Canada, *CANSIM*, unpublished data.

TABLE 9 - UNFILLED ORDERS - TEXTILE PRODUCTS

YEAR	ANNUAL TOTAL (thousands of \$)
1981	\$1,316,757
1982	\$964,463
1983	\$1,297,995
1984	\$1,334,981
1985	\$1,222,913
1986	\$1,079,582
1987	\$1,537,116
1988	\$1,848,793
1989	\$2,070,931
1990	\$1,755,931
1991	\$1,123,044

Source: Statistics Canada *CANSIM* unpublished data.

Table 9 follows much the same pattern as table 8 with a decrease in unfilled orders in 1982. The value of unfilled orders in the textile products industry, (which is a predictor of future orders), rose in a continual trend from 1986 to 1989, then fell significantly between 1989 and 1991 from a high of \$2,070,931 to a low of \$1,123,044. This represents a percentage decrease of 46 per cent. The figures which are available until June of 1992 suggest that this downward trend is continuing.

Table 10 presents the monetary figures for unfilled orders in the clothing industry. The Table indicates the same pattern as the other tables, with a steady increase from 1983 until 1989, and then a significant decline in 1990 and 1991. The decline between 1989 and 1991 was 28 per cent.

TABLE 10 - UNFILLED ORDERS - CLOTHING INDUSTRY

YEAR	ANNUAL TOTAL (thousands of \$)
1981	\$2,965,172
1982	\$3,074,458
1983	\$2,910,981
1984	\$3,208,418
1985	\$3,278,482
1986	\$3,325,476
1987	\$3,772,840
1988	\$4,165,771
1989	\$4,515,856
1990	\$3,972,422
1991	\$3,229,927

Source: Statistics Canada, *CANSIM*, unpublished data.

A further indicator of future business for the manufacturing industry is that of "new orders". New orders are defined by Statistics Canada (1991: 2) as "orders received for the month and shipped within the same month, plus the change in

unfilled orders". The manufacturing industry has also experienced a drop in new orders. The clothing industry, the textile products industry and the Primary textile industry have all experienced a decrease in new orders by 16, 18 and 15 percent respectively from 1989 to 1991.

The figures in Table 11 show that there was a slight decrease in new orders in the clothing industry from 1981 to 1982 which could be accounted for again by the recession that shook the country in the early 1980s. However, the value of these orders rose steadily from \$4,640,573 in 1982 to \$6,957,105 in 1989. By 1990, the figure had dropped to \$6,515,445 and by 1991 had again fallen to \$5,841,188 representing a percentage decline between 1989 and 1991 of 16 per cent.

TABLE 11 - NEW ORDERS - CLOTHING INDUSTRY

YEAR	ANNUAL TOTAL (thousands of \$)
1981	\$4,749,818
1982	\$4,640,573
1983	\$4,921,769
1984	\$5,159,550
1985	\$5,575,451
1986	\$6,030,685
1987	\$6,465,723
1988	\$6,723,076
1989	\$6,957,105
1990	\$6,515,445
1991	\$5,841,188

Source: Statistics Canada, *CANSIM*, unpublished data.

TABLE 12 - NEW ORDERS - TEXTILE PRODUCTS INDUSTRY

YEAR	ANNUAL TOTAL (thousands of \$)
1981	\$2,138,252
1982	\$1,996,174
1983	\$2,408,651
1984	\$2,520,357
1985	\$2,639,565
1986	\$2,887,282
1987	\$3,305,266
1988	\$3,420,961
1989	\$3,486,142
1990	\$3,206,161
1991	\$2,873,123

Source: Statistics Canada *CANSIM* unpublished data.

Table 12 demonstrates that the textile products industry experienced a drop in new orders from 1989 to 1991. The value of new orders stood at \$3,486,142 in 1989 but fell to \$2,873,123 by 1991 representing a percentage decrease of 18 per cent.

TABLE 13 - NEW ORDERS - PRIMARY TEXTILE INDUSTRIES

YEAR	ANNUAL TOTAL (thousands of \$)
1981	\$2,698,266
1982	\$2,305,766
1983	\$2,727,713
1984	\$2,701,813
1985	\$2,718,626
1986	\$2,998,170
1987	\$3,144,089
1988	\$3,189,348
1989	\$3,101,186
1990	\$2,648,467
1991	\$2,628,021

Source: Statistics Canada, *CANSIM*, unpublished data.

Table 13 demonstrates that new orders in the primary textile industries have experienced similar fluctuations. There was a slight decline from 1981 to 1982, once again probably attributable to the recession of that time. Thereafter, however, there is a steady increase in the value of new orders from \$2,305,766 in 1982 to \$3,189,348 in 1988. This figure dropped in 1989 to \$3,101,186, to \$2,648,467 in 1990 and again in 1991 to \$2,628,021, representing a decline between 1989 and 1991 of 15 per cent.

It could be argued that a decline in business for the above industries, as indicated in tables 7 to 13, is denotative of future job loss in manufacturing and especially in the clothing and textile industries.

During the free trade negotiations with the United States, the Canadian government made projections using a study by Richard Harris and David Cox which established an "adjustment" policy for Canada. This "study" showed textiles, clothing and related industries as "growth" areas of employment. Marjorie Griffin Cohen (1987: 22-23), describes the findings of this study:

the strange findings of the Harris and Cox models are that textiles, clothing, knitting and transportation equipment are going to be the growth industries to provide the greatest increase in jobs. In their study of the effect of bilateral free trade Harris and Cox estimate that employment will increase by a staggering 260 percent in the clothing industry, 156 percent in textiles and 48 percent in knitting.

One need only reflect back on the statistics cited earlier which demonstrate that employment in the clothing industry declined by 17% between 1989 and 1992, while in the textile industry, employment dropped between 1989 and 1992 by 33%.

The massive increases in employment in the textile and clothing industry that Harris and Cox predicted have not materialized. It stands to reason that production rates and employment figures will decrease substantially, not increase, in the face of

declining unfilled and new orders in the manufacturing industry which was demonstrated above in tables 8 to 13.

It also stands to reason that employees will continue to lose their jobs if Canadian companies choose to move their production to the American South or to Mexico. A number of Canadian companies have already shifted production to Mexico and/or the unorganized American South.

One of the first companies located in Canada to shift production to Mexico was an auto parts maker, Bendix Safety Restraints Ltd. It announced in June of 1989 that it was shifting production to Mexico, putting 400 employees out of work in its plant in Collingwood, Ontario (Montreal Gazette 1989: A-1). Fleck Manufacturing of Toronto was also one of the first, along with Bendix, to shift production to Mexico. Jim Fleck, Chairman of Fleck Manufacturing and a free trade proponent during the FTA negotiations with the US, was the target of much criticism when he shut down his automotive electric wiring factory in Centralia, Ontario during a strike of about 238 members of the Canadian Auto Workers Union. The workers at Fleck's London plant were making between \$6.65 and \$7.04 per hour. They had just turned down a company offer that would have raised their salaries by 22¢ per hour. The plant's output and the workers jobs were moved to Mexico where maquiladora employees earn less in a day than Canadian workers earn in an hour (Montreal Gazette 1989:A-1). CAW president Bob White described Fleck as "a tragic example of a Canadian

employer who is thumbing his nose at working people". White also noted that the speed of the move indicated that the decision to reject the workers' demands and to move production had been made before the strike vote (*LAWG Letter* no.2 1988: 9).

Other Canadian companies, along with Bendix and Fleck, that have shifted production to Mexico include Custom Trim, a firm based in Waterloo, Ontario which makes leather steering wheel covers. Mitel, an Ottawa area computer company that laid off 200 workers in 1989 (*Kitchener-Waterloo Record* 1990: B3), Dicon Systems Ltd., Custom Trim Ltd. and Ideal Equipment Co. (*Montreal Gazette* 1989: A-1). Kimberly-Clark Canada Ltd. also decided to get its disposable lab coats and coveralls assembled in Mexico "because no Canadian firm could meet its requirements" (*Toronto Star* June 14 1989).

The Canadian Labour Congress (1990) has also listed 42 Canadian companies who have moved their plants to the Southern United States. Some of these include Northern Telecom, Gillette, Scholl-Plough, Arnold Manufacturing, PPG Canada, Leviton Manufacturing, Kelsey Hayes, Freedland Industries and Alcon Canada (moving production to "plants elsewhere in the world") (*The Globe and Mail* 1990: A-7).

Many Canadian firms are apprehensive about negotiations for a North American Free Trade Agreement. In the Ottawa Valley, union and business leaders

expect more layoffs and closings. The amalgamated clothing and textile union in Cornwall has shrunk from 1,200 to 700 members in Eastern Ontario since the original free trade agreement. As well, the Canadian Apparel Manufacturing Institute feels that "the deal (NAFTA) will place additional limits on Canadian exports to the US while allowing American companies to use low-wage Mexican labour to assemble garments for export to Canada". President Jack Kivenko has stated that the new agreement could cost more than 30,000 clothing manufacturing jobs. The textile and apparel industry has lost 50,000 jobs across Canada, including 3,000 in Eastern Ontario, since 1989. NAFTA could result, manufacturers predict, in the loss of 100,000 more jobs in the apparel industry (*Ottawa Citizen* 1992: A-3).

The Disputed Statistics

Labour and progressive groups that oppose the free trade agreements such as the Pro-Canada Network, a coalition of labour, women's church and farm groups, the Canadian Labour Congress and the Council of Canadians (1990) all claimed that 72,000 jobs had been lost in Canada through plant closures and reductions during the first year of free trade with the U.S.. According to these groups, most of the jobs that were lost were moved to the southern U.S. or to Mexico. The Mulroney government, however, claimed that as many as 200,000 jobs were created in the Canadian economy in 1989 (*Ottawa Citizen* 1990:A3). This figure was disputed by Catherine Morrison, Executive Director of The Council of Canadians, in a letter to

the *Citizen*, April 1990. She stated that "according to Statistics Canada, there were 487,000 jobs created in Canada in 1987 and 316,000 created in 1988. In 1989, the first year under the free trade deal, the figure plummeted to 152,000" (*Ottawa Citizen* 1990). The manufacturing sector has failed to report any employment gains since 1989. However, between 1989 and 1992 this sector saw the loss of 422,000 employees (Statistics Canada cat # 72-002 1992: 2).

Bruce Campbell, of the Canadian Labour Congress, is also an opponent of free trade. He (1992: 1) claims that between August 1989 and August 1992 418,000 people became unemployed in Canada. Campbell also claims that in 1992 manufacturing only employed fifteen per cent of the total Canadian work force (1992: 1). Campbell (1992: 1) believes that this is probably the lowest level of manufacturing as a percentage of all jobs in the Western industrial world. Campbell maintains that there is some value in comparing job loss today, given free trade and the recession with the job losses that accompanied the last recession before the impact of free trade. Campbell maintains that in the 1981-82 recession in Canada, there was a net job loss of 270,000 jobs. He (1992: 2) further argues that the recession of 1981-82 can best be compared to the free trade and recessionary period of 1989 through to today by comparing true job loss due to plant closures and not temporary layoffs. He argues that in the 1981-82 recession, only 22 per cent of job losses were due to plant closures. Most were due to temporary layoffs. In contrast, Campbell argues, since 1989, Canada's largest manufacturing base, Ontario, has seen

65 per cent of all job losses due to plant closures and not temporary layoffs (Campbell 1991: 2). As well, the Ontario Department of Labour has reported that 1 in 5 workers affected by major layoffs in 1982 were laid off because of a permanent plant shutdown. In 1991 and 1992, the comparable figure is 3 in 5 (Canadian Labour Congress 1993: 5).

To emphasize the fact that there has been a sharp decline in the manufacturing sector and in the Canadian economy as a whole, Campbell (1992) states that in the five years before the implementation of the FTA, there was an average of 325,000 net jobs created, per year, within the Canadian economy. To interpret that trend as a continuum, one million new jobs should have been created during the first three years of free trade. However, according to Campbell (1992):

[S]ince January, 1989, there has been net destruction of 100,000 jobs. Almost half a million people were added to the unemployment rolls, pushing the official rate up from 7.8% to 10.3% (1,423,000 persons) as of November 1991.

Two of the manufacturing industries most affected have been the textile and the clothing industries whose employment, as stated earlier, fell 17% and 33% respectively. These labour intensive industries, as also previously stated, largely employ women, therefore it is women who are facing unemployment, while their production activities tend to re-appear in the Mexican maquiladoras.

According to Bruce Campbell (1992), many see the current economic crisis as the natural consequence and inevitable restructuring of an economic order under a new Global Economy -- "Competitiveness in an interdependent world" (Bruce Campbell, 1992:5). Andrew Jackson (1991) states that government and business argue that job loss in the manufacturing sector is the result of the recession in the U.S. and in Canada. High interest rates and slower growth in the U.S. economy has led to reduced demand for Canadian manufactured products. Jackson, however, disagrees with this argument, stating that although it is true that the recession in the U.S. and Canada has cost Canada jobs in the manufacturing sector, free trade has enabled a bad situation to become worse (Andrew Jackson, 1991:3). Campbell (1992: 5), who concurs with Jackson (1991), maintains that the FTA has acted as an "economic and psychological lever" such that the federal government is accommodating big business in Canada which argues that they can only compete on a "level playing field". These same businesses often use threats of "leaving" the country, something they are able to do under the FTA. Campbell feels that to accommodate Canadian businesses and to ensure their profits, governments are forced to weaken or eliminate that which makes the Canadian economy distinctive as well as the social services that define us a "caring society". Thus, "staying competitive" means forcing down wages, weakening unions, forcing down environmental standards, corporate taxes and social program spending, creating a "level playing field."

NAFTA and the Future

In 1987, John Ralston Saul, a Toronto based writer and economist warned the Parliamentary Committee on International Trade that a free trade deal between Canada and the United States would invariably involve Mexico as "billions of dollars worth of cheap Third World products, which are also sophisticated US goods, will come flooding into Canada." This is the result of the United States virtual free trade pact with Mexico, especially its border region which houses the maquiladora industries. What Saul referred to as a "gaping hole" in the free trade agreement would allow maquiladora products to be integrated into larger US products and sold as US goods. In Saul's words "even with the addition of thousands of Canadian government agents, it would remain impossible to separate the Mexican from the American" (*Globe and Mail* 1987: A7).

Then, as early as 1989, during the first year of the Canadian American FTA, business and politicians were talking about a trilateral trade agreement between Canada the U.S. and Mexico. In 1989, Don Etchison was the vice-president for corporate relations of the Business Council of British Columbia and a free trade proponent:

...such a unification would create a market of 350 million people in North America, a market in which Canada and the United States would lead in information and high technology while Mexico would provide a large and relatively inexpensive labour pool...(*Toronto Star* 1989: A4).

According to Etchison, including Mexico in a free trade agreement "will help bring political stability to that country and avoid the tragic fate that has fallen upon its neighbours to the south" (*Toronto Star* 1989: A4). Mr. Saul's contention during the FTA talks, that in order to compete with cheap Mexican/American goods, Canadian companies would have no choice but to move their operations to Mexico, was shared by labour and other opposing groups when the discussions of including Mexico in the FTA began. For example, GATT-fly, an organization formed to fight free trade has described it (free trade) as:

part of a hemispheric strategy promoted by U.S. multinational business interests and their Canadian allies to integrate markets, gain free access to raw materials and energy inputs and pit worker against worker in a destructive competition for jobs (*Toronto Star* 1989: A4).

Even Canadian government officials in 1990 dismissed the idea of a free trade agreement that included Mexico, stating that "Mexico's level of development is so different from that of their northern neighbours, that it is not realistic to contemplate that development" (*Ottawa Citizen* 1990: C11).

Now, three years after the implementation of the US/Canada free trade agreement and despite warnings from labour groups and other opposing interests as well as the government's own scepticism, we are seeing the demise of the manufacturing industry in Canada and the beginnings of a trilateral trade deal between the US, Canada and Mexico.

Despite what has been happening in the Canadian manufacturing industry since the FTA, pro free trade businesses assert that Canadians do not have to worry about low Mexican wages because productivity levels are so low. According to Campbell (1992), this may be true for the Mexican domestic economy but maquiladora factories are mostly transnational corporations. Thus, state of the art equipment and processes allow for high productivity levels (Campbell, 1992:20)). In fact, a 1991 study by the US Congress Office of Technology Assessment, "US-Mexico Trade", noted that "over the past decade, new plants operated by multinational corporations have demonstrated levels of productivity and quality equal to those in the United States" (Canadian Labour Congress 1993: 30).

In Canada, wages account for 18-20% of direct manufacturing costs. This leaves a significant chunk of the Canadian manufacturing sector at risk from the "maquiladorization" of the Mexican economy. According to Campbell, the Mexican-American Chamber of Commerce has estimated the average cost advantage of a maquiladora plant over its U.S. counterpart at \$13 per worker per hour. In 1990, the 2000 plants located in the Maquiladoras made a profit of \$15-20 billion collectively (Canadian Labour Congress 1993: 21). Without the productivity argument, low wages with comparable productivity output becomes an attractive incentive for shifting production offshore.

Another incentive to move production activities to Mexico is that country's lax enforcement of environmental protection laws. Canadian Federal government officials have admitted that the proposed NAFTA agreement would not bar Mexico from lowering environmental standards to lure Canadian manufacturers. Critics of the deal have stated that Canadian companies will be tempted to move their manufacturing operations to Mexico where enforcement of pollution control laws and other environmental protection regulations are lax (*Toronto Star* 1992:A12).

Environmentalists also argue that there is nothing in the North American Free Trade Agreement to prevent companies from polluting at will. The government insists, however that the deal contains what they call "green provisions" one of which states that "each country can set standards as high as it wants". Because of and despite this provision, environmentalists are worried that environmental standards in Canada will be lowered to meet those in Mexico. For example, the provision as it is written, does not say countries CANNOT lower their standards, only that they SHOULD NOT. Unlike the European Community's pact, it doesn't insist on minimum environmental standards for all members (*Ottawa Citizen* 1992: A2). Spain and Portugal, the newest and poorest members of the European Common Market, were required, as a condition of membership, to raise the labour and environmental standards to the most advanced European countries. To accommodate this, the more wealthy members provided funds to the poorer countries (*Toronto Star* December 1992). NAFTA, however, does not allow for such provisions to enact trade sanctions

against countries that wilfully pollute, violate international environmental agreements or weaken standards. The "green provisions" mentioned above, are, therefore, simply objectives: a list of what is desirable but not indictable if ignored. Recently, US President Bill Clinton has stated that he supports trade sanctions as a way of protecting workers' rights and the environment as part of NAFTA (*Toronto Star* May 1993). However, despite President Clinton's support for trade sanctions, without the compliance of Canada and Mexico, who have, so far, refused the idea of sanctions (*Toronto Star* 1993: F3), it is unlikely that any such provisions will be enacted expeditiously.

Despite what many business leaders and maquiladora managers promote, not all of the Mexican population is grateful for the rash of foreign investment into their country. Many feel that the government is doing everything it can to help the maquiladoras when it should be helping to modernize Mexican industry. The government also continues to provide facilities to the maquiladoras but according to Victor Osario, the head of the Centro de Coordinacion Enproyectos economicos in Mexico:

...they don't worry about the health of the workers, the ecological problems, the extension of urban slums where workers have to live without water, electricity, toilets or anything...(Montreal Gazette 1989:A-1).

The deal also does not come to terms with the fundamental problem of Mexico's foreign debt while measures have not been taken to support economic development and to permit equalization, over a period of time. Instead, the negotiations (NAFTA) have proceeded as if Mexico were at the same level as Canada and the US. There is also concern that the Mexican environment is being ignored and that "special regulations" need to be enacted to ensure that there is not a repeat of the practices of the maquiladoras that have caused serious deterioration of the environment (*Solidarity Works* #1 June 1992).

As Canada enters into this tri-lateral free trade agreement with the United States and Mexico, the vulnerability of the manufacturing industry in Canada persists. As the manufacturing sector becomes a topic of increasing prominence at the negotiating table, the role of women in the manufacturing sector grows more tenuous.

As discussed in chapter 2, women make up only 19 percent of the manufacturing industry. Nevertheless, 78 per cent of women in the manufacturing industry are concentrated in certain sectors like the electrical industry and the textile, footwear and clothing industries (Statistics Canada cat # 71-534 1993: 15). It becomes evident from the figures provided in tables 7 to 13 and from those figures cited by Bruce Campbell (1992) stating that between 1989 and 1991 461,000 people lost their jobs in Canada in addition to Statistics Canada reports that employment in

the manufacturing industry is dropping, that free trade and subsequently, the shift of production to low wage countries such as Mexico, is partially responsible for the loss of jobs in Canada. It is also apparent that as women are highly concentrated in those areas of manufacturing that are heavily impacted, it is women's jobs that are being lost or that will be jeopardized in the future.

Women in the clothing and textile industries tend to be older than average female workers in Canada. In addition, they are more likely to be immigrants, married and with lower levels of education than the average female worker in Canada. These women are also the most prone to be displaced and the least likely to find new jobs in the event of layoffs (Griffin-Cohen 1987:38). As well, eight out of every ten garment/clothing workers in Canada are women. This 120,000 person sector has previously been targeted by the Mulroney Government as a model for an international division of labour. Alexandra Dagg (*Ottawa Citizen* 1991), asserts that the Prime Minister supports a re-structuring of the Canadian garment industry. He envisions the Canadian garment industry as specializing in higher paying cutting and designing jobs, while the lower paying sewing work is done in low-wage regions such as Mexico. "In his view," according to Dagg, "Canadian workers would benefit, as they could move into high paying jobs; Mexican workers would benefit by getting work" (*Ottawa Citizen* 1991).

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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

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(ANSI and ISO TEST CHART No. 2)

Dagg does not view the Prime Minister's plan for the apparel industry as presenting a viable option for women in that field:

...there are almost 100,000 sewers working in the Canadian garment industry and it is primarily those jobs that are at stake. At least 90,000 of the sewers are women. Seventy percent of them were born outside Canada; 41 percent speak English as a second language. These women are among the most vulnerable in Canadian society...(Ottawa Citizen 1991).

Despite the Prime Minister's contention that these women would move in to higher paying jobs, the fact that most are immigrant women who speak little English and have few other marketable skills suggests that just as the maquiladora industry has created a new class of worker, i.e. poorly paid, young women, the loss of jobs in this industry in Canada would beget a new category of unemployed and possibly, unemployable people. Because the workers in this sector are among the most vulnerable and least powerful in Canada, their voices are seldom heard.

One of the greatest underlying problems with the existence of the maquiladoras, is that they serve to undermine unions as management simply chooses to move production South to cheap labour rather than give in to the demands of the unions.

Although the manufacturing industries have traditionally included large numbers of unionized workers, low-wage import competition has succeeded in weakening the ability of these unions to fight for higher pay and better working conditions. This is especially true of the clothing and textile industries where women are highly concentrated. As a result of the competition from low wage countries such as Mexico, women's wages have remained low (Pat Armstrong 1984: 57).

This new international division of labour, as it is embodied in the free trade agreements, one that has been ratified and another that is in the process of being enacted, not only has placed the jobs of Canadian female workers in jeopardy, but is also a threat to union strength and organization in Canada. Knowing that there is a reserve of cheap, low-skilled labour in Mexico, employers can "discipline" their workers by threatening to export worker's jobs to a low-wage country if their demands get too high or to simply close a plant down, leaving the workers unemployed (Armstrong 1984: 62).

The garment industry in B.C. is one example of a Canadian industry that has felt the effects of free trade which "has suddenly pulled Canadian women into the dynamic of global restructuring". Only 2,000 garment workers in B.C. are unionized, making \$7.50 per hour with benefits. Of the 10,000 non-unionized workers, most of whom are women, the majority work in non-union shops with no benefits at minimum wage. The machine operators, most of whom are men make between \$9

and \$11 per hour. The B.C. garment industry has lost 5,000 jobs in the last two years and employers are threatening to move to Mexico, pressuring the workers to accept salary rollbacks. There are also at least 3,000 home sewers doing piecework without benefits or minimum wages. As a way of reducing costs, a strategy of subcontracting has been introduced. At the same time, some of the labour intensive work, being performed by women, is being sent to Mexico. "In both countries women are being exploited". Since the Free Trade Agreement with the US in 1989, 80,000 jobs have been lost in the Canadian garment industry (Denise Nadeau 1992: 158-160).

In 1989, as the prospect of a North American Free Trade Agreement seemed imminent, business leaders and free trade proponents were calling on Canadian workers to be more aggressive and innovative if they did not want to lose plants to the U.S. and Mexico. Workers should, perhaps, be more willing to accept lower wages and reduced bargaining powers as well as restricted union activity. However, as Jack Todd (*Ottawa Citizen* 1989: B5)) pointed out "no matter how aggressive or innovative Canadian workers are, they will never be able to compete with Mexicans earning 60 cents an hour."

Chapter 5 - Conclusion

This thesis attempted to consider and evaluate the claims made by the left and by progressive groups in Canada that the FTA and the proposed NAFTA have, and will, result in the loss of jobs in Canada to Mexico. I have also examined the assertions made by various women's groups and feminists in the north and in Mexico, that these agreements have impacted and will impact most heavily on women in both the North and the South. That is to say, that the jobs most affected have been labour intensive manufacturing jobs that are performed largely by women in the North but have been and are in jeopardy of being relocated to a mostly young, female work force in the South.

In chapter 2, I examined the development of what is now termed the "new international division of labour" from its roots in colonialism, dependency and the "old division of labour" to export oriented industrialization. I also argued that although the Third World is no longer politically dependent on the First World, it remains economically dependent on the First and this dependence has helped to create a situation where this N.I.D.L. is possible. In this N.I.D.L., the manufacturing process is subdivided into a number of partial tasks at different industrial sites throughout the world. Using the theory of Frobel et al (1980), I examined the concept of a world wide reservoir of potential labour power as well as developments in communication technology that have eliminated communication and transport

problems characteristic of geographic distance which have enabled multinational corporations to move labour intensive industry and/or jobs to the South while capital intensive, skilled jobs remain in the North. I also noted, however, that capital intensive jobs are beginning to appear in the South. As well, in chapter 2, I illustrated the development of free trade zones in the Third World that emerged as a logical outgrowth of an EOI strategy. EOI and the ensuing free trade zones resulted from a search for greater profits on the part of the North and were perceived as a panacea for the debt plagued South. The result was free trade zones occupied by foreign multinationals who used a low paid work force comprising largely women to perform low skilled jobs that were being exported to the South from a low paid female work force in the North. In order to understand the similarities of women's experience both in the North and in the South, I examined the characteristics of women in the labour force and demonstrated that workers in the Third World are forced to work in unsafe conditions with poor wages, little job security and no possibility for advancement. Women in the First World are mostly found in lower paying positions such as clerical work, while in the manufacturing industries, although women make up only 19 per cent of the total work force, they account for 78 per cent of labour intensive industries such as clothing and textiles. The conditions they experience in these jobs, although not as extreme as the conditions in the Third World, are similar. Using the theories of Elson and Pearson (1981), Linda Lim (1980), Maria Mies(1986) and others, I attempted to describe the theoretical explanation for the preference for women over men to perform the labour

intensive jobs in free trade zones around the world. Following Elson and Pearson (1981), I explained that it is women's secondary status in the labour market and the reserve army of labour that they provide which has resulted in their subjection to low wages and the preference for hiring a woman over a man. This "secondary status" in the labour market comes from the perception of women as secondary earners or the notion of women "working for lipstick" (Joeke 1985).

In chapter 3, I utilized many of the arguments from chapter 2, however I applied them specifically to Mexico. I began by illustrating Mexico's historical dependency and impoverishment as well as the later introduction of the Bracero program and its ultimate demise at the hands of the United States. The collapse of this program led to the development of the maquiladora program which saw the numbers of maquiladoras grow from 112 in 1968 to 2,000 in 1990. I also endeavoured to show that while the maquiladora program was expected to alleviate many of Mexico's ills, there is little evidence to suggest that the supposed benefits have materialized. On the contrary, maquiladoras have resulted in the loss of much of Mexico's domestic industry, especially manufacturing and have done little to alleviate the high male unemployment rate in that country. As I discussed in chapter 2, export oriented industrialization in the form of labour intensive processing and manufacturing in the Third World utilizes, for the most part, a largely female labour force. This is also true of the Mexican maquiladoras. In chapter 3, then, I illustrated the characteristics of the maquiladora labour force and examined, more specifically,

the concept of hiring women over men.

To summarize, in chapter 2 and 3, I argued that the new international division of labour and the "development path" of export oriented industrialization have combined to effect a global restructuring. Inherent in this restructuring is the exporting, from the First World to the Third, of labour intensive manufacturing jobs which are performed by women who are poorly paid and work under unsatisfactory conditions. It was also argued that these jobs that are being exported are also done by women in the First World and under similar conditions. In chapter 3, I examined the Mexican *maquiladoras* and their place in an international division of labour. Specifically, I examined the characteristics of the labour force and found that the experience of Mexican women is similar to the experience of women within an international division of labour world wide.

As I argued in chapters 2 and 3 that women in the North were losing jobs to women in the South within the global economic restructuring referred to as the "new international division of labour", in chapter 4, I examined much of the available evidence to determine if a case could be made that free trade with the US has, and that continental free trade will, result in the loss of jobs in Canada to the *maquiladoras*. Using data from Statistics Canada, the Canadian Labour Congress and newspaper articles, I determined that the manufacturing industry in Canada has suffered a severe drop in employment since 1989, that labour intensive industries

such as the textile and clothing industries have suffered severely in terms of decreasing business and job loss and that women are highly concentrated in the labour intensive industries such as textiles and clothing. My argument, then, as demonstrated by the statistics, both official and disputed, is that women's jobs are in jeopardy. I also argued that not only do these jobs employ mostly women, in many cases, and especially in the clothing industry, these women are immigrant women with little skills and an insufficient knowledge of English to prepare them for alternative employment. As these jobs are exported to Mexico, I argued, Canada could find itself with a new class of unemployed and possible, unemployable people. Also in chapter 4, I attempted to look ahead at the NAFTA agreement, its environmental and economic repercussions for Mexico as well as what the agreement could mean for the Canadian manufacturing industry and its workers, finding that Mexico also has reservations about NAFTA while the Canadian garment industry, for example, fears for its workers and their future.

To determine conclusively that job losses in Canada, specifically in the manufacturing industry, are being lost as a result of the free trade agreements, it would be necessary to monitor job loss over the first few years of NAFTA. To discount the effects of a recession, an analysis of job loss would again have to be conducted during a period of economic growth in Canada. However, at this time, that is 1993, and since 1989, the figures delineated in chapter 4 would suggest that although it is difficult to separate the loss of jobs and the decline of the

manufacturing sector in Canada from the recession, the figures would seem to support the claims by the left and other progressive organizations that the free trade agreement has resulted, and NAFTA will result, in the loss of jobs for Canadian workers, especially those in the manufacturing industry and especially women.

It would appear, at this junction, that planning for NAFTA is proceeding without attempting to rectify the problems faced by workers in the North and the South. A trade agreement between countries is a viable option as demonstrated by the European Community. However, an agreement for a free common market should include provisions, which are legally binding, to protect workers' rights and the environment. There should also be consideration given to helping Mexico to raise its standards in both these areas so that Mexico does not become simply a reservoir of cheap labour and a means for the US and Canada to pollute at will. The fact that Canada has, thus far, refused to condone sanctions supported by the American President is an indication of where the priorities of big business and the Canadian government lie and what their expectations of continental free trade are.

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