

**SECTION FOUR:
COUNTRY VIGNETTES**

Homeworkers in Toronto, Canada

Honduras

Tehuacán, Mexico

Coahuila, Mexico

Nicaragua

Country Vignettes: Homeworkers in Toronto, Canada

All know I'm being underpaid, but there is nothing I can do. If I don't do the work, someone else will. The boss knows where to get cheap labour.®

B Ching, homeworker in Toronto

While some Canadian manufacturers have survived and prospered by going high-tech and global, garment production in Canada is increasingly shifting to virtually unregulated small contracting shops and home-based sewing facilities. In the underground economy of homework, workers are hired and fired as production schedules dictate. Most homeworkers do not appear in official statistics. There are at least 40,000 homeworkers in Canada's garment industry, the vast majority of whom are immigrant women of colour.

Labour conditions in Toronto

Wages	Numerous reports of workers receiving less than the minimum wage. Piece rates tend to decline as workers become more skilled and work faster.
Hours of work	8 to 10 hours a day, 10 to 12 hours a day, 6 days a week in peak periods.
Overtime	Homeworkers operate on a piece rate basis and are not paid a premium rate for overtime hours. (By law, homeworkers are entitled to overtime pay if they work more than 44 hours per week.)
Union activity	The Toronto District Council of ILGWU (now UNITE) helped establish the Homeworkers' Association in 1992. In 1999, the Association estimated there were around 6,000 homeworkers in the Greater Toronto Area.
General conditions	No statutory holiday pay or vacation pay. No Employment Insurance when work not available. Employers usually do not make contributions to EI or CPP. Many homeworkers report suffering from back pain or shoulder pain.

Other Issues

A lack of affordable childcare was cited as the number one reason to work at home. Women's employment options are also restricted by additional household duties and lack of English skills. Although working at home could allow for a more flexible schedule, strict deadlines keep workers sewing late into the night and on weekends.

Country Vignettes:

Honduras

Worker-s Stories

Management establishes very high quotas. Because workers don't want to lose their jobs, they work hard to fulfill their quota... If a worker cannot finish, because her machine is broken or the quota is simply too high, the supervisor takes her to the office and berates her by yelling, 'Robber, you are stealing your wage. You have to work, work!' And yet she is already working so hard.@

-- Irma Malinsky Torres, ex-maquila worker at ZIP Choloma

President Callejas has said that no unions are allowed in the free zones. The workers cannot organize because they are afraid that they will be fired and blacklisted.@

-- Carmen Portillo, ex-maquila worker at ZIP Choloma

ZIP Choloma Free Trade Zone

ZIP Choloma is one of many free trade zones in Honduras. The free trade zone was established in the Choloma region because of its proximity to ports and its high population concentration. It provides a good example of how maquilas can rapidly change surrounding municipalities. With the free trade zone came increased infrastructure in the town, funded by the government and geared towards industrial production. However in 1995, 76 percent of the population still lacked adequate sanitary facilities. Rapid population growth and rural migration have resulted, with many new migrant settlement communities emerging, with only minimal service provision. ZIP Choloma and other free trade zones in the region take up large amounts of land, with a resulting decline in available agricultural land.

Labour conditions in ZIP Choloma

Wages	In 2000, the hourly minimum wage for the garment assembly-for export sector was 7.29 lempiras (approximately US 49¢) Workers report that wages are insufficient to provide basic necessities for themselves and their families.
Hours of work	According to Honduran labor law, the legal work week is 44 hours, with one rest day for every six days worked. In 1998, workers at the Choloma maquila reported average workdays of 11 hours a day, with limited breaks.
Overtime	In a 1995 study of conditions in ZIP Choloma, 78 percent of workers reported working extra hours, and 61 percent said they worked extra hours obligatorily. 21 percent of workers interviewed were not certain if they received payment for the extra hours worked.
Union activity	While there are some unions in the maquilas, most recent union organizing attempts have ended with firings, employee black-listings, and plant closure.
General conditions	Workers report poor health and safety conditions with little protective equipment.

Issues Workers Are Facing

Over 80 percent of the workers in Honduran maquilas are women, most between the age of 18 and 25. There have been numerous reports by women workers of sexual and physical abuse at the hands of factory supervisors and managers. One study found that women earned lower salaries than male workers for equal work.

Production quotas are often set at excessively high levels in Honduran garment factories. If workers cannot meet the daily quota, they do not receive any bonus pay. If workers can reach the quota, it is oftentimes raised to higher levels. Workers complain of the intense pressure that these quotas create.

When workers organize to improve conditions in Honduras, they are met with barriers and repression. Where workers have succeeded in forming a union, such as at the KIMI factory in the Continental Industrial Park, factory owners find a way to eliminate the union or close the factory.

History of Garment Production in Honduras

The first free trade zone in Honduras was created in 1978 in Puerto Cortes. Free trade zones represented a shift from the import substitution “development” model of the 1970s towards a more “free” market economy. New laws promoting foreign investment helped to realize this shift, guaranteeing tax reductions and exemptions. There are currently over 10 private industrial parks in Honduras, although the Free Zone Law permits foreign countries to locate anywhere in the country, essentially designating the entire country a free trade zone. While Hurricane Mitch devastated much of the agricultural industries in Honduras, most maquilas escaped serious damage. Employers have benefited from the resulting increased country-wide unemployment.

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Country Vignettes: Coahuila, Mexico

All go in at three in the afternoon, and leave at midnight. If I have to do overtime, I don't leave until 3:00 in the morning. We are only allowed to go to the washrooms three times a day, for two minutes each time. We have 10 minutes to eat between five and six in the evening, and 15 minutes after nine o'clock. Outside of that we cannot talk. We are treated somewhat like slaves. We can't talk, laugh, or anything. By the end of the day, you just want to get home and lie down.®

-- Karina Sánchez, 20 years old, works for Sara Lee, Monclova, Mexico

The state of Coahuila is located in the north east of Mexico and has a population of 2.2 million. The maquila industry in Coahuila didn't take off until the mid 1980s, but since has grown faster than in any other Mexican state. Most garment maquilas are located in the La Laguna region, which includes neighboring cities of Torreón, Gomez Palacio and Ciudad Lerdo as well as several rural communities.

Coahuila has a unique history of labour struggle. Coahuila was known for its militant rail workers, miners, steel workers, farmers and electricians.

Labour conditions in Coahuila

Wages	150 - 300 pesos per week or US \$16-32 per week. (Basic needs wage is about US \$69 per week.)
Hours of work	9 - 12 hours a day. (Legal daily maximum is 8 hours.)
Overtime	Not rewarded at a premium rate. Workers report that forced overtime is common.
Union Activity	Government web-site advertises the La Laguna region as a "right to work" area where companies have the option of hiring either union or non-union labour. Workers report many instances of firings and/or black-listing when attempts are made to form independent unions.
General conditions	Forced pregnancy testing at hiring and every two months. Reports of sexual harassment. Poor health and safety practices, with a resulting high incidence of accidents. Unjustified firing is common.

Other Issues

Maquila workers are strictly supervised and must meet daily production quotas. As one worker testified, "They won't even give you a chance to stand up, turn your head, sigh or stretch, because otherwise you will not have enough time to make quota.®"

Working conditions are very unhealthy. The most common effects are migraines, allergies, skin problems, back problems, arthritis, as well as asthma and other lung diseases.

In regions with the largest maquila growth, such as La Laguna, the impact on communities is evident: environmental degradation, degradation of natural resources (especially water), health problems, family violence, addictions, and rampant violations of workers' rights.

Background on the apparel industry

In Coahuila, there are over 300 maquila plants employing around 100,000 workers. Four out of every ten jobs created over the past couple of years have been maquila sector jobs.

Some of the major companies that have invested in Coahuila are Hanes, Fruit of the Loom, Dimmit, and Wrangler, which invested US\$55-million in full-package production. Since the implementation of NAFTA, Coahuila, and the La Laguna region in particular, has witnessed an increase in full package production. Sub-contracting and homework is also on the increase. Since NAFTA, union representation has decreased significantly and there is almost no collective bargaining.

Although there has been a growth in company investment, government spending on public services has decreased by more than 50 percent between 1994 and 1999, resulting in a serious deterioration in the quality of life. Public transportation, education, health care and urban infrastructure are in decline while the infrastructure for export transportation and investment has improved.

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Country Vignettes: Tehuacán, Mexico

"I've worked at Vaqueros Navarra for five years. I earn 280 pesos a week (US\$35). I pay 72 pesos a week (US\$9) for transportation. I'm never allowed to take a vacation. I work from 8:15 in the morning to 8:15 at night. Sometimes I stay until 9:30. I get one hour for lunch. Saturday I work from 8 a.m. to 4 or 5 p.m., with no break. I am very hungry by the time I leave work. I'm never paid anything extra if I work more hours."

-B Cristina, maquila worker in Tehuacán, Mexico

Tehuacán is located south east of Mexico City in the state of Puebla. The Tehuacán valley has become a garment export hub and an important centre for jeans and other denim products. Contrary to popular perception, the majority of jobs (78 percent) in the Mexican textile and apparel industry are located away from the US border in states like Mexico, Puebla, Durango, Jalisco, Guanajuato, and Yucatán.

Labour conditions in Tehuacán

Wages	US\$25 - \$50 per week or US\$ 4.50 per day. (Basic needs wage: US\$69/week.)
Average hours of work	10 - 12 hours per day. (Legal daily maximum is 8 hours per day.)
Overtime	Not rewarded at a premium rate, if at all. Forced overtime common.
Union activity	Independent union organizing is repressed. Most maquilas represented by government-controlled unions.
General conditions	Labour laws are good in Mexico, however lack of enforcement is the norm. Poor health and safety practices. Reports of consistent sexual harassment. Forced pregnancy testing still a common practice. Child labour common endemic to the industry.

Other Issues

The right to form unions is restricted in Mexico. While the movement for independent, democratic unions is growing, government-controlled official unions are still the norm. Independent unions are not tolerated in the booming garment-for-export manufacturing sector or in other maquiladora factories. Workers who attempt to organize independent unions or to democratize official unions are usually fired and blacklisted, preventing them from gaining employment in other factories. Police are often called in to break up wild-cat strikes and other worker protests.

While undemocratic, some official unions in the northeast border region have negotiated improvements in maquila workers' wages and working conditions. In the central and western border regions, official unions often sign protection contracts which provide no benefits for workers and protect employers from independent unions. Workers are often not even aware they are represented by a union until they attempt to organize. Company controlled unions are often referred to as white unions.

Background on the Apparel Industry

The apparel industry in Mexico has experienced explosive growth in the 1990s. A major factor was the North American Free Trade Agreement (NAFTA), which came into effect in January 1994. In 1996, 44 percent of textile and apparel production (by value) was for export, up from 19 percent two years earlier. Canadian apparel imports from Mexico have quadrupled since NAFTA was implemented.

The number of employees in the Mexican textile and apparel sector fell from 445,000 in 1980 to 398,000 in 1995. In 1996 the industry recovered 60,653 jobs (i.e. 30 percent more than were lost in the previous 15 years). The majority of these jobs were in the assembly-for-export maquila sector. There has been a major shift from domestic manufacturing jobs to maquila jobs, with maquilas accounting for 42 percent of jobs in the apparel industry in 1996. There are approximately 1,000 maquilas in the apparel sector employing over 224,000 workers.

Almost all maquila apparel production is for the US market.

Apparel industry statistics

Employment in textile and apparel industry (1996)	505,000
Employment in apparel-exporting maquilas (1996)	224,000
Number of apparel-exporting maquilas (1999)	1,000
Apparel exports to Canada (1999)	C\$163-million
Apparel exports to the US (1999)	US\$7,537-billion

Tehuacán and the surrounding area is being billed by the US industry press as an ideal location for full package production. In contrast to maquila production, which refers to the assembly of imported cut parts for re-export, full-package production includes the acquisition of raw materials, cutting, sewing, laundering, finishing and distribution. In spite of these industry-led developments, worker rights groups continue to report increasing sub-contracting and homework.

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Country Vignettes:

Nicaragua

You're sitting down all day on a wooden bench with no back. The lighting isn't very good, and by the end of the day, you can't see anything, not even the hole in the needle. But still they don't want you to lose even one minute.

-- Auxiliadora Abarca, ex-Fortex worker, Las Mercedes Free Trade Zone

It's not that unions aren't allowed...the problem is that there's no place in the world where unions are allowed in free trade zone. A union would mean shutting down the free trade zone because, quite simply, investment doesn't come in where there are unions.

- Carlos Zúniga, Nicaragua Zona Franca Corporation

Of primary concern to Nicaraguan lawmakers is the 60 percent unemployment rate. Because of this, free trade zone operators enjoy laws that provide them with maximum freedom and benefits.

-- Nicaraguan private free trade zone website

Las Mercedes Free Trade Zone

The majority of Nicaragua's maquila are found in the Las Mercedes Free Trade Zone on the outskirts of Managua, the capital city. Most of the maquilas are foreign owned, financed by US, Taiwanese or Korean capital. All produce clothing for export, mainly for the North American market. Large US retailers, like Wal-Mart, Sears and Gap, contract production to factories in the Las Mercedes Free Trade Zone.

Investment in the free trade zone is facilitated by government tax breaks and concessions, including exemptions on import and export tax, custom taxes on machinery and equipment, municipal tax and a total exemption of income tax for the first 10 years of operation.

Labour conditions in the Las Mercedes Free Trade Zone

Wages	In 1999, workers at the Mil Colores and Chentex maquilas reported receiving average wages of 24 cents US per hour. A major Nicaraguan textile union reports average monthly wages of \$US83.
Hours of work	Workers report regularly working 12 hours a day. A 1996 ILO report found that the majority of workers had break times of less than 45 minutes per day.
Overtime	Mandatory unpaid overtime is common in many factories.
Union activity	Union organising is discouraged and repressed by company officials in cooperation with the Free Trade Zone commission and the national government/
General conditions	Pressure to meet excessively high daily production targets. Companies often fail to pay social security contributions. Strict time limits on bathroom visits.

Other Issues

Eighty percent of the workers in the Las Mercedes Free Trade Zone are women between the ages of 15 and 27. Verbal and physical abuse by company supervisors and officials is common. Sexual harassment of female employees has been reported.

Many factories in the free trade zone have poor health and safety conditions. In 1997, a worker was fatally electrocuted as a result of faulty washer equipment. In 1999, 200 workers in the Chentex factory in Las Mercedes suffered intoxication as a result of a gas leak in the factory. In 1999, 40 workers in Nicaragua's maquilas died in work-related accidents.

Although there have been a few successes, many union organizing efforts failed or have been met with continued repression as well as firings of union leaders and members.

Labour Legislation

A new labour code, passed in 1997, prevents companies from dismissing workers who have applied to the Ministry of Labour to form a legally recognised union. However, the labour code leaves many loopholes which favour employers. There are very few health and safety regulations in Nicaragua.

In 1998, after a long lobbying campaign by the Movement of Working and Unemployed Women, Maria Elena Cuadra (MEC), the Nicaraguan government endorsed a code of conduct for companies operating in the free trade zone. The code has clauses prohibiting violence and discrimination in the workplace, and defines the rights of pregnant women, the right to paid, voluntary overtime and social security benefits, and the right to a safe workplace.

History of Garment Production in Nicaragua

The Las Mercedes Free Trade Zone was first established in 1976, and attracted 11 companies, largely US garment plants. After the 1979 Sandinista Revolution, foreign companies left the free trade zone, and the site was used by state-run factories. Las Mercedes reopened in 1992 after the election of a right wing government. Las Mercedes remains the only state-owned free trade zone in Nicaragua, although a smaller private free trade zone was opened in 1996. Plans have been approved for several other zones. The sub-contracting of clothing production from maquilas to smaller workshops is reported to be very extensive. Foreign investment in garment production in Nicaragua is expected to increase with the passage of the US CBI enhancement bill.

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