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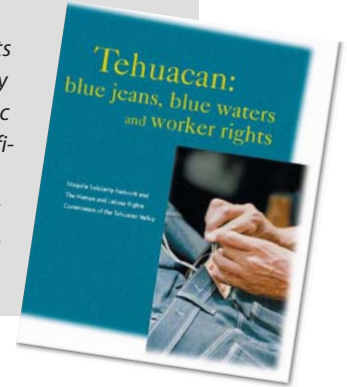
A close-up, slightly blurred photograph of a JUKI industrial sewing machine. The machine is dark grey with a prominent 'JUKI' logo in blue on its side. A spool of light-colored thread is visible on the left. The machine is positioned on a green surface, and a piece of dark blue fabric is being sewn. In the background, a large red tarp is visible against a wooden wall.

Tehuacan's garment industry in times of crisis

**Maquila Solidarity Network and
Rodrigo Santiago Hernandez**

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In 2003, the Maquila Solidarity Network and the Human and Labour Rights Commission of Tehuacan Valley produced reports in English and Spanish on worker rights in the garment industry in Tehuacan in the state of Puebla, Mexico. The global economic situation and other factors in Mexico have contributed to significant change in the industry since the report came out in early 2003. In 2010, Rodrigo Santiago Hernandez, one of the authors of the original Spanish report, produced an update. The following is MSN's summary and analysis of his research findings.¹



Tehuacan, the second-largest city in the south-central state of Puebla, has a 40-year history of garment production. For years it competed with Torreon, Coahuila, as Mexico's "jean capital" and was considered one of the largest denim-producing centres in the world. Despite a decline in the garment industry in the Tehuacan region over the last ten years, the industry remains the economic motor of the region, accounting for at least 50% of the Tehuacan economy.² Jeans continue to be the dominant product although uniforms for both export and the national market are also prominent as well as non-denim pants, shorts, t-shirts, and children's footwear.

OVERALL TRENDS

OVER THE LAST DECADE THE GARMENT industry in and around Tehuacan has gone through a dramatic transition. There has been a significant drop in the number of registered manufacturing facilities and of garment workers employed. At the same time, the percentage of production taking place in informal workshops and homes seems to be increasing.

As significant as the changes in the industry itself, is the dramatic decrease in production for major international brands, which seems to have been replaced to some degree by production for national brands and the national market.

One new phenomenon is the establishment of small workshops by management personnel previously employed by large and medium sized

factories, as well as by workers who have been laid off or dismissed from larger factories. Workers use their severance pay and/or machinery given as part of their severance package (or money earned in the United States) to set up unregulated facilities. Unfortunately, labour conditions are often

as bad or worse than those in their former workplaces.

The combined effects of the 2001 US economic downturn, global restructuring in the garment industry following the 2005 final phase-out of the Multi-Fibre Arrangement (MFA)³ and the 2009 global economic crisis, have severely weakened Tehuacan's garment industry and made more precarious the living and working conditions in which workers and their families find themselves. Unfortunately, the state of the industry, and with it the well-being of Tehuacan workers, continues to be dependent on the fluctuations of the US economy.

Implications for workers

The changes of the past decade have resulted in increasingly precarious



conditions of employment for garment workers, including a move to short-term employment contracts, greater job insecurity and a decline in real wages. Workers live in constant fear that they will lose their jobs. Many now work on short-term contracts or with no contracts at all – which contravenes the spirit (if not the letter) of Mexico's Federal Labour Law.⁴

According to Santiago's 2010 research, workers are currently less willing to file complaints with the Local Conciliation and Arbitration Board when labour rights violations take place. With little or no severance to look forward to, workers are more likely to shift from one workplace to another at the end of the contract or when there is a problem. The complaints workers do file tend to be

about their employer's failure to pay the full December holiday bonus (*aguinaldo*) or to provide accurate profit sharing payments in May of the year. Some employers close their factories in December in order to avoid paying the holiday bonus. Filing complaints regarding other violations, such as ongoing harassment at work or the employer's failure to provide benefits that should accrue based on seniority don't make sense in this new context.

Since the closure of Vaqueros Navarra (VN) in January 2008⁵, workers are less willing to organize to defend their rights than previously. The lesson from the VN closing was loud and clear: those that control the industry in Tehuacan will close a factory and lose brand orders rather than

allow an independent union to be established. A second lesson was that "trouble makers" will be punished. VN workers were the targets of blacklisting,⁶ which effectively prohibited them from working in registered (large and medium-sized) factories. Those that have secured work are among the growing number of workers labouring in unregistered clandestine workshops.

The lack of political will on the part of state and municipal government officials to enforce existing regulations let alone improve labour conditions only contributes to workers' vulnerability and the impunity with which employers can violate workers' rights.

THE STATE OF THE INDUSTRY

IT IS NOT EASY TO OBTAIN AN ACCURATE picture of the garment industry and the garment manufacturing workforce in the Tehuacan region (the city of Tehuacan and surrounding area). Government and industry statistics are notoriously inaccurate and unverifiable, and tend not to include data on informal and clandestine garment workshops. To add to the problem, the current PRI state administration⁷ stopped making public its industry data in 2008 and has not carried out a proper census since then.

In addition, the structure of the industry, and particularly the increasing number of clandestine workshops and homework, makes it almost impossible to obtain reliable statistics.

As a result, estimates on the size of the workforce and the number of facilities vary widely depending on which organization or government department is being quoted and what data they are relying on for their estimates.

How many manufacturing facilities?

Regional representatives of two major industry associations report different figures on the number of manufacturing facilities in the region. In June of 2009, the most critical year of the current economic recession in terms of its impact on this sector, the Tehuacan representative of the national apparel industry association, CANAIVES, reported that there were 110 factories affiliated with both their association and CANACINTRA.⁸ At the same time, and for the same time period, CANACINTRA, an association of medium and small businesses, including maquilas, reported that there were 400 factories in the region, half of them clandestine (which of course would not be registered with either of the two associations).

By contrast, Santiago estimates that in the Tehuacan region there are currently about 980 garment manufacturing facilities, including 98 large, 365 medium, and over 500 small clan-

destine facilities. In its 2003 report, the Commission estimated that there were 700 garment manufacturing facilities, including all sizes of facilities. However, the increased number of manufacturing facilities does not necessarily imply an increase in overall volume of garment production or in the number of workers employed, given that small clandestine facilities account for over half of Santiago's estimate.

Who dominates the industry?

In 2003, Tehuacan was dominated by four large industry consortia — Grupo Navarra, Mazarra, Tarrant Apparel Group and AZT International — controlled by two Mexican families that were part of the local elite, as well as one Los Angeles-based family. That situation has changed quite dramatically.

Although Grupo Navarra has restructured, it continues to be a major player in the industry. The consortium

now includes Mazara, which although owned by members of the same family was considered a separate consortium in 2003. Grupo Navarra currently has 11 plants,⁹ including two laundry facilities. According to Santiago, of all the garment manufacturers in the Tehuacan region, Grupo Navarra has the strongest connection to international brands.

Tarrant Apparel Group closed down all of its plants in 2005, including the eight located in Tehuacan and the surrounding area, one in city of Puebla, one in Tlaxcala, a neighbouring state, and one each in the states of Oaxaca and Guerrero.

AZT International continues to operate the same large sewing facility that bears the company's name, which includes a laundry. The facility employs approximately 1,200 workers.

Other large facilities operate independently and are neither part of consortia nor of larger production networks.

What brands are present?

International brands are much less visible in the Tehuacan region today than they were a decade ago, when media and industry press were heralding Tehuacan as Mexico's jean capital.

According to workers interviewed for this study, the brands currently sourcing from Tehuacan include Guess, Tommy Hilfiger, Express, Calvin Klein, Paris Blues and American Eagle Outfitters (AEO). Workers also report production for Wal-Mart, including in small and clandestine facilities, although it is not clear whether that production is for the international or national market. In 2003, the list of international brands also included Gap, Inc., Levi's, Wrangler (VF Corporation), Polo Ralph Lauren and Armani.

International brands are most visible in large and to a lesser extent in the medium-size factories. However products bearing international brand labels also show up in the small sub-contract facilities where worker rights abuses are more common. It is not



clear whether the products are genuine or counterfeit (*pirata*) or, if they are genuine, whether the brands are aware that their products are being made in these facilities.

Production of national brand-name products for the local and national markets has increased. Among the more well-known national brands are Furor and Britos.

How many workers?

In its 2003 report, the Commission estimated that there were about 45,000 garment jobs in Tehuacan and the surrounding valley as of May of 2002, down from 70,000 in October 2001. Santiago estimates that in May of 2010 there were approximately 38,000 workers employed in the garment sector, 20,000 in formal registered facilities and an additional 18,000 employed in clandestine workshops that do not register their workers with IMSS (the government social security program) or other government programs.

The reduction in the number of workers registered with IMSS is dra-

matic. For example, in 2001, 62,200 workers in the Tehuacan area were registered with IMSS; by 2009 the number had dropped to just 8,200 workers. This would suggest that a significant percentage of the workforce is being denied health care and other legal benefits.

Another change highlighted in the 2010 research is that on average workers tend to be younger than they were in 2003. Santiago notes that currently more and more teenagers are seeking employment in factories, choosing to drop out of school in order to begin earning

an income. Previously the workforce was comprised primarily of sole-support mothers.

What happened to "Mexico's jean capital"?

Despite the problem with available data, it seems that approximately 32,000 jobs have been lost in the garment industry in the Tehuacan Valley in less than a decade. The most dramatic loss took place in the first round of restructuring between 2001 and 2002 when an estimated 25,000 jobs were lost. In the recent round of restructuring, another 7,000 jobs have disappeared.

Along with the loss in jobs, other significant trends in the last few years seem to be:

- declining presence of international brands;
- increased production for the national market;
- less stringent labour rights standards; and
- increased reliance on small clandestine factories, workshops and home-based facilities.

A new production model?

Many workers in Tehuacan's garment industry are compelled to work more intensive and longer workdays than previously, and are often not paid for the overtime hours worked. Given the high rate of unemployment (including hundreds of former migrant workers who have had to return from the United States due to effects of the recession there), workers have no choice but to accept these conditions.

In the larger factories, assembly line production in which each worker carries out sequential, repetitive tasks continues to be the dominant model. Two exceptions are Top Jeans, part of Grupo Navara, and Eslava,¹⁰ which manufactures for Guess, both of which reportedly use the modular system, where workers work in teams rather than on assembly lines and are trained in more than one operation.



In the large- and medium-size factories there seems to be a trend toward having fewer workers do the same amount of work, and in having workers carry out multiple functions. A typical assembly line now uses 80 to 100 workers — in marked contrast to 2002, when the same assembly line operated with between 150 and 200 workers.

Although the partial economic recovery has led to an increase in orders, owners continue to economize by maintaining the smaller number of workers on a line. Companies have also eliminated certain job categories, such as “*bulteros*,” that formerly provided support by moving bundles of materials and finished product to and from the line workers. This adds to the pressure workers face to meet production quotas.

Medium-size factories and clandestine workshops

are now requiring workers to carry out multiple tasks, but without extra training or higher compensation that usually accompanies modular production.

Increasingly, medium-size factories and clandestine workshops are involved in production of more complex products including “embellished” styles (called *modelaje* in Tehuacan) for the national market. These require up to 250 different operations for a pair of jeans (compared with a typical 40-60 sewing operations for a basic pair of jeans). This work is done almost exclusively by women.

These additional operations were first introduced in the large facilities to produce embellished jeans for export, but have now moved to the smaller workshops, as have new product types. Embellished products manufactured in Tehuacan now include a variety of clothing styles that are increasingly demanded on the national market.

The additional steps and detail required for the manufacturing of these styles contributes to the excessive working hours. Despite the extra pressure, workers sometime prefer this work precisely because they can earn extra money because they receive a higher piece rate. As a result, workers are willing to work additional hours and endure more harassment and pressure from supervisors.

Large factories

The large garment factories in the Tehuacan area manufacture jeans exclusively, and produce mostly for international brands or for some of the more recognized, prestigious domestic brands. Some provide full package services while others work as part of larger consortia that provide those services through a production network that can span various states. These factories generally comply with legal requirements, including salary and monetary benefit obligations and minimal health and safety standards, are affiliated with the industry associations (*Cámaras*), and register their workers with Hacienda (the Mexican tax authority) and IMSS (government social security program). Most have signed protection contracts¹¹ with “official” unions.

Medium-size factories

Producing primarily denim jeans but also other products, medium-sized garment factories often carry out work subcontracted to them by large factories when the latter cannot complete their orders or meet order deadlines. Some have direct contracts with both international and national buy-



ers. Some have their own laundries while others send their products to the laundries of the larger factories. At present, production is primarily for the national market. Workers in these factories tend not to be registered with IMSS, and production of counterfeit apparel or “*piratería*” is widespread. Workers are generally not provided with employment contracts and conditions are more precarious than in the large factories.

Small factories and clandestine workshops

Jeans and other articles of clothing are also sewn in small factories and workshops, where the daily volume is much lower than in medium-sized facilities. Often work is subcontracted to these factories/workshops by medium-size facilities which manufacture for the national and local markets. Production of counterfeit products is common.

These facilities are for the most part unregulated (and almost always unregistered) and are usually set up in non-traditional locations (patios inside private homes, for example) that are adapted and equipped with machinery. Production lines usually involve 15 – 20 workers, working in very cramped quarters, with little

light and/or ventilation, and inadequate electrical hook-ups. In many cases these workshops were formerly homes which have been adapted to factory work.

Workers receive low pay, no benefits and don’t receive special training needed to take on the range of tasks they may be required to assume. Twelve-hour work days are common.

In an interview with the supervisor of a workshop employing 25 workers, the supervisor reported that the owner, who previously owned a medium-size factory, has set up three such workshops because “it’s cheaper to operate without having to pay either taxes or benefits.” They hire ex-supervisors to “manage” the workshops, organize work, and pressure and pay the workers. The supervisors have a production quota they have to meet in order to get paid.

As noted above, in some cases, workers formerly employed in large factories use

their severance pay to establish their own clandestine workshops. According to garment workers interviewed, serious and frequent labour rights violations take place in these workplaces as well. Former supervisors have also been known to engage in this practice, imposing the same harsh working conditions that were present in their former workplaces. In all cases, subcontract facilities like these have low profit margins and, as a result, offer worse wages and working conditions to their employees.

These workshops are beginning to set production quotas (*metas*), similar to large and medium factories. The pressure on workers to reach their quotas is intense, with production being calculated every two hours. If workers don’t meet their quota by the end of the day, they must stay until they complete it, without being paid anything for the extra hours they work.

Workers interviewed described long workdays, the lack of social security, harassment and poverty wages. As a result there’s a lot of rotation and among workshops with young workers moving from one make-shift workshop to another.

Homework

According to most sources, home-based and clandestine workshops now account for more than half of all production in the Tehuacan area, a dramatic increase from earlier periods. In recent years and particularly





since the beginning of the economic crisis, more employers have been moving many operations out of factories and into homes in order to cut costs, evade taxes and avoid having to register workers with IMSS. Oftentimes workers have to pick up the material and deliver products back to a central location.

Home-based facilities are usually used for the operations that are done by hand (sewing tags or finishing processes such as removing threads from apparel). In this current period, additional operations are being done in homes, including cutting excess fabric from the garment (refilado), attaching rivets (remaches metálicos) and making button-holes. The last two processes are done with special machines provided "on loan" by their supervisor or employer.

These "workplaces" do not comply with any regulations, and the factory owners that subcontract to them are able to avoid any liability regarding their employees, such as for health and safety. Child labour is common and appears to have increased, for example with children helping their mothers by removing the threads from apparel. The production of counterfeit apparel is common.

Laundries and *tonelos*

The larger laundries are often owned by the major jean manufacturing companies or are part of full-package production networks and produce for international and major domestic brands. Services of small- and medium-size laundries are also sub-contracted by other factories, mostly producing for the domestic market. Jobs in the laundries are the highest-paid but most dangerous jobs in the industry, often employing young men.

Laundries, where jeans are

washed and softened, are major users and polluters of the water supply, and only one laundry (*Cualquier Lavado*) is said to have a proper water treatment plant. Of note, sand-blasting, which until recently was also carried out in the laundries, seems to be no longer taking place and has been replaced by a "hand sand" process carried out in *tonelos*. Sandblasting involves the "blasting" of sand onto denim products using high pressure air compressors to bleach and batter the denim.¹²

Tonelos are small, often clandestine, finishing workshops where chemicals such as potassium permanganate¹³ are applied to jeans as additional ways to bleach them or make them look worn. "Hand sanding"¹⁴ is now also carried out in these workshops. Workers (often young men) manually or mechanically rub sandpaper on jeans to achieve a worn look. Workers report that chronic shoulder pain is common as a result of the intense and repetitive motions required for this process.

Some *tonelos* are registered with the state, but most are not. The vast majority of laundries and *tonelos* do not comply with health and safety norms, and workers are regularly exposed to toxic chemicals and suffer from repetitive strain injuries.



KEY ISSUES FOR WORKERS

Poverty wages

Workers identify low wages as the most serious problem they face. Wages have always been low, but over the last years they have not kept up with cost of living increases, with the result that real wages are lower today than in 2002.

An average sewing machine operator in the large and medium-sized factories, for example, earns a weekly wage of 675 pesos. Santiago estimates that it takes 1,560 pesos weekly to meet the basic needs of a family of 2-3 school-aged children, which means that the average salary is enough to meet only about half of a family's basic expenses including rent, utilities, food, personal hygiene products, and transportation.

The base salary is regularly reduced in numerous ways. For example, workers report illegal and arbitrary deductions from their pay (such as deductions for cell phone use or for going to the medical centre during working hours or for arriving a few minutes late for work). Some reported deductions of between 50 and 100 pesos for arriving 10 minutes late or up to two or three days' wages for missing one day. Many workers report not being paid properly for overtime, or not being paid at all for

overtime worked. Payment for statutory holidays is rare.

As a result of these low wages, the majority of garment workers live in very precarious conditions. Many live in newly settled zones on the edge of the city with no utilities, potable water or access to public services. Often the land on which these communities sit was informally purchased by scam artists who then re-sold their lands to several buyers, leaving workers embroiled in complicated legal disputes.

The economic crisis has forced workers to increasingly rely on loans from credit and loan establishments, which have increased their presence in the region and are notorious for using threatening and illegal practices to pressure workers to pay. Many of these credit and loan businesses are not regulated by the state or federal governments, and there have been cases of massive fraud.

Long working hours

The economic crisis has resulted in more pressure on workers to accept having to work overtime when orders need to be finished, including working all night. Rarely are workers paid at the premium overtime rate required by law. The reduction in the workforce, along with the increase

resulting in longer workdays at lower wages.

Garment workers are often desperate to work overtime hours or take on additional work outside the factory in order to augment their income. Workers report often taking work home after normal working hours or taking on additional work in the informal economy to make ends meet.

Short-term employment contracts

Most medium-size and small factories and workshops do not provide their workers with individual employment contracts. Workers' terms of employment are subject to the whims of their employer.

Where workers do receive their individual employment contracts, there is a trend towards the use of short-term (1-3 month) contracts, instead of indefinite term contracts as was more common in the past. As noted above, the Federal Labour Law only allows the use of short-term contracts under specific circumstances. Some workers interviewed that were employed in larger factories reported having one-year contracts, which Santiago believes is a result of pressure from some international brands.

The vast majority of workers in Tehuacan are working without employment contracts or on short-term contracts. As a result, workers increasingly rotate from factory to factory or work for the same employer on successive short-term contracts, thus never accruing seniority that would allow them to exercise rights or utilize legal benefits available to permanent employees.

The practice of hiring young workers on a short-term contract basis results in workers being less likely to organize around workplace grievances due to the brief amount of time they spend with any one employer.





This practice also denies them their legal benefits, such as health coverage through IMSS.

None of the workers interviewed reported having been given a copy of their employment contract. Some workers reported being forced to sign blank pages prior to their hiring which can later be used on forged resignation letters if the factory wants to get rid of them.

Lack of access to health care

As noted above, there has been a significant decrease in the number of workers registered with IMSS (62,200 in 2001 to 8,200 in 2009). Failure to register workers with the government social security program is particularly common in medium-size and small factories and workshops. With fewer workers affiliated with IMSS, Tehuacan garment workers are not receiving the basic benefits guaranteed to them under Mexican law.

Benefits may be denied in IMSS-registered workplaces as well. An increasingly common situation is that when an accident occurs in an IMSS-registered workplace, employers avoid Social Security fines by taking their workers to private doctors. Employers may also report fewer workers than they actually employ.

Health risks

In June 2010, Santiago interviewed Dr. Claudia Ramírez P., a general practitioner whose clients are mostly maquila workers. Dr. Ramírez reported seeing a wide range of health problems in her patients. Respiratory illnesses including asthma (particularly in young women working without protective face masks), bronchitis, sinusitis, chronic cough and eyestrain are the most common complaints. She also saw cases of urinary, kidney and stomach infections, muscle and joint problems, and arm and back pain. The doctor also reported cases of malnutrition due to poor diets, which could be related to

workers low wages. Because of their long workdays, low salaries and lack of access to IMSS, workers often do not seek medical care when it is needed, and rarely can afford adequate medication.

The prevalence of 10-12 hour working days and of more workers doing a wider range of tasks creates a greater risk of accidents on the job. Clandestine workshops, which do not comply with even basic health and safety standards, may place between 10 and 50 workers in a small space with little light and poor ventilation. These workshops may also have unsafe electrical connections and little space between machines. Workers employed in laundries and *tonelos* carrying out various other finishing processes are often times exposed to dangerous toxic substances.

Women workers face additional challenges

The majority of garment workers in the Tehuacan area are women. In fact, women make up a higher percentage of the manufacturing workforce in the state of Puebla than the national average. The workers interviewed for this study reported frequent sexual harassment and discrimination, especially in the sub-contract and clandestine facilities. Though there were no reports of pregnancy testing, worker testi-



monies revealed that pregnant women are routinely denied employment and/or fired on some pretext or pressured to 'voluntarily' resign when they become pregnant.

The economic crisis has also pushed many women workers to take out loans to pay for medical expenses, their children's education and/or other unanticipated expenses, which has made them more willing to work long hours and in dangerous and precarious conditions in order to pay back their loans. Often, women will take out loans from other establishments to pay their pre-existing debts, creating a cycle of dependency.

Child labour

Child labour continues to be alive and well in Tehuacan, as reported by media recently and confirmed through worker interviews and direct observation. For the most part, child labour is concentrated in the smaller clandestine factories or workshops or in home-based facilities where chil-

dren assist their mothers in their tasks. The children working at home may be as young as five years old. There have been reports of child labour in the large and medium-size, more regulated factories, mostly involving children who used falsified documents to gain employment, which management may or may not have been aware of. With the trend to a younger workforce, Santiago estimates that up to 40% of workers in the medium-size factories are 16 years old or under.

Protection contracts and worker organizing

Previously workers regularly used the threat of work stoppages and wildcat strikes to demand their legal benefits. Collective actions by workers to protest rights violations are almost nonexistent at present. The trend to temporary and/or short-term contracts, as well as to a younger workforce, contributes to this situation. With little or no realistic expectation of improving their situa-



tion in their current workplace, workers prefer to move on to another factory that perhaps offers some small benefit beyond what they are receiving.

Although minimum labour standards tend to be better respected in the large garment factories, most of these factories have signed protection contracts with an affiliate of an "official" union confederation – the CTM, CROM and FROC-CROC.¹⁵ Workers are often unaware that a collective bargaining agreement exists, and are denied access to such agreements. Union representatives are not democratically elected, and workers may not even know they are members of the union. In effect, these unions function as a means of inhibiting spontaneous organizing and blocking the emergence of truly representative worker organizations.

In many of the larger factories that produce for well-known brands, newly hired workers are asked to fill in questionnaires, ostensibly to assess their qualifications. However, such questionnaires often include questions about past labour organizing



activity, such as whether they've ever known or had a relationship with a union leader or activist, or whether they have brought a case before the Local Conciliation and Arbitration Board.

Workers who have tried to form authentic unions in the past have been blacklisted, as in the Vaqueros Navarra case.¹⁶ This experience, as well as the continued blacklisting of organizers, discourages workers from taking collective action.

Official unions have shown little interest in medium and smaller factories. Long, intense workdays and isolation in home-based or other non-traditional work settings also make it difficult for workers to organize for change.



CONCLUSION

ALTHOUGH THERE HAS BEEN A SIGNIFICANT decline in apparel production for export in the Tehuacan region due to cyclical downturns in the US economy, the demise of the import quota system and the current economic crisis, the region remains a major producer of garments, particularly jeans and other denim products. And while a number of international brands have ceased placing or reduced orders with suppliers in the region, we can anticipate an increase in production for the US market as the economic recovery takes hold.

International brands currently sourcing from or considering placing orders in Tehuacan need to take into

consideration the structural changes that have taken place in recent years. For instance, policies need to be developed and communicated to suppliers concerning the growing problems associated with short-term employment contracts, and subcontracting of parts of the production process to clandestine workshops and homes.

Many of these structural changes also have specific impacts on women workers and their children that need to be addressed, such as the failure of employers to register workers with IMSS, thereby denying women and their children decent health care and pregnancy coverage, and brands must begin to address these gender-specific issues.

International brands also need to take proactive steps to address the barriers to freedom of association, including anti-union discrimination in hiring practices and the prevalence of protection contracts in large factories.

Given the shift in production toward the domestic market, greater attention also needs to be paid by Mexican and international labour rights groups to the policies and actions of Mexican brands and retailers that source products from Tehuacan. Lessons from campaigning and engagement with international brands could be applied to parallel efforts to challenge Mexican brands and retailers to ensure respect for workers' rights in their national supply chains.

ENDNOTES

¹ Rodrigo Santiago' 2010 study, prepared between March and July, is based on a review of data from official sources, local media coverage and interviews with workers and other interested parties. Over 120 interviews with workers were carried out as part of a collaborative project between a Tehuacan-based women's indigenous organization, Colectivo Obreras Insumisas, and Mujeres Trabajadoras Unidas, (MUTUAC), a national women's labour rights NGO. Further interviews were conducted by Santiago specifically for the purposes of this report. The 2003 Spanish report, *Tehuacán: del calzón de manta a los blue jeans, La nueva industria del vestido en Mexico, los trabajadores y las comunidades indígenas* by Martin Amaru Barrios Hernandez and Rodrigo Santiago Hernandez, was published in January of that year and is available at: <http://es.maquilasolidarity.org/node/148>. The English summary, *Tehuacan: blue jeans, blue waters and workers rights* by the Maquila Solidarity Network and The Human and Labour Rights Commission of the Tehuacan Valley, published in February 2003, is available at: <http://en.maquilasolidarity.org/node/454>.

² Jiménez, Tania Damián. "El 50 por ciento de las 400 maquiladoras de Tehuacán, en la clandestinidad: Canacintra," *La Jornada de Oriente*, 2 June 2009. Available at: <http://www.lajornadadeoriente.com.mx/2009/06/02/puebla/eco107.php>

³ Under the 1995 Agreement on Textiles and Clothing (ATC), import quotas applied under the MFA to countries in the global South were gradually phased out and finally eliminated on January 1, 2005, ushering in a new era of freer trade for the global garment industry.

⁴ Article 37 of the Federal Labour Law states that determinate employment contracts can only be used: "where required by the nature of the work performed, when intended to temporarily replace another worker, and in other cases provided for by this Act." Though vague, it is clear that the spirit of the law is to limit the use of short-term contracts. This view is further sup-

ported by Article 35 which states that "in the absence of express terms, the [employment] relationship is deemed to be for indeterminate time," and Article 38 which gives examples of the limited cases in which short-term contracts can be used, in this case the restoration of abandoned mines and the exploitation of mines with limited financially viable minerals.

⁵ The factory was closed shortly after workers voted in a union representation election (*re-cuento*) in favour of being represented by a democratic union and in spite of the fact that at least two international brands agreed to place orders at the facility.

⁶ A September 11, 2008 investigative report by the Worker Rights Consortium (WRC) verifies that blacklisting of former Vaqueros Navarra workers took place in the hiring process at the Confecciones Mazara factory. The report is available at: <http://www.workersrights.org/Freports/ConfeccionesMazara.asp>

⁷ The PRI was defeated in the July 2010 elections, and the newly elected coalition government will take office in February 2011.

⁸ CANAIVES is the *Cámara Nacional de la Industria del Vestido* (the National Apparel Industry Association). CANACINTRA is the *Camara Nacional de la Industria de la Transformacion*. (the National Manufacturers' Association).

⁹ The Vaqueros Navarra plant, which was closed in January 2008, has recently been reopened under the name Hares Apparel. Santiago has included it as one of the 11 facilities however despite worker suspicions that it continues to be a part of Grupo Navarra and owned by the Fernandez family, this had not been confirmed.

¹⁰ In 2003, Eslava was part of the Grupo Navara consortium; it is currently independent.

¹¹ Protection contracts (*contratos de protección patronal*) are collective bargaining agreements negotiated between employers and corrupt

union officials or lawyers without the knowledge and/or consent of the affected workers. In many cases, such agreements are negotiated before any worker is hired. They serve to protect employers from the threat of workers organizing authentic unions in order to negotiate improvements in wages and working conditions.

¹² Sandblasting has been criticized as exposing workers to major health and safety risks such as silicosis from the inhalation of silica if proper protective gear is not worn and/or exposure levels are too high. As a result some brands have discontinued this process and called for a ban on its use.

¹³ Heavy exposure to potassium permanganate can cause manganese poisoning.

¹⁴ Hand sanding also exposes workers to similar health risks, such as asthma from dust exposure. See: "Fashion victims: a report on sandblasted denim, Fair Trade Center, November 2010, p. 9, www.fairtradecenter.se/english.

¹⁵ The CTM (*Confederación de Trabajadores de México*) is the Confederation of Mexican Workers, and the CROM (*Confederación Regional Obrera Mexicana*) is the Regional Confederation of Mexican Workers. The CTM and the CROM are among the largest national "official" union confederations in Mexico. The FROC-CROC is the Puebla branch of the CROC (*Confederación Revolucionaria de Obreros y Campesinos*), the Revolutionary Confederation of Workers and Campesinos, another national confederation.

¹⁶ For information on blacklisting of former Vaqueros Navarra workers, see 2008 WRC report at: <http://www.workersrights.org/Freports/ConfeccionesMazara.asp>



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