



A-GENDA

GENDER AND TRADE IN CENTRAL AMERICA

MARCH 2006

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How is Central America responding to the end of the Multi-Fibre Arrangement? by Carolina Quinteros



Everything indicated that Central America was going to be under a lot of pressure with the end of the Multi-Fibre Arrangement (MFA). The region faced the restructuring of the global textile and garment market in a disadvantageous position compared to its Asian competitors and with high levels of dependency on the export of clothes made in 'maquilas'.

In at least two of these countries (Honduras and El Salvador), garment exports constitute at least half of total exports and almost 500,000 jobs were in danger, without any serious possibility for reinsertion of displaced workers in the formal labour market.

Up until July last year, the worst nightmare started to become a reality:

- Guatemala: 28 factories closed and 8,197 jobs lost¹
- El Salvador: 12 factories closed and 4,200 jobs lost²
- Honduras: 9 factories closed and 16,000 jobs lost³
- Costa Rica: 8 factories closed and almost 6,000 jobs lost during 2004 and the first months of 2005⁴
- Only Nicaragua experienced an

improvement. This country increased its production volume by 17.2% and the market value of this production by 22.5%. Nicaragua took third place in growth during this period (after China and Cambodia) and second in value after China⁵.

Strategies

Central America was not in great shape to compete. Some of the strategies that the region's businesses were promoting to withstand the crisis included the following:

- Speed up the change to 'full package' mode.
- Improve efficiency in delivery times for orders
- Improve company productivity and technological investments in order to offer higher quality
- Improve flexibility in delivering a wider variety of styles, products and better quality.
- Create alliances with US textile companies, transferring US production plants into the region and establishing clusters with these companies.
- Take advantage of the opportunities offered by CAFTA.⁶

Nonetheless, not all these ideas sounded like winners. 'Full package' production requires abilities, additional knowledge and financing facilities for the transformation of these enterprises. Until 2004, the region was characterised by the predominance of assembly factories and, with the exception of Nicaragua, only some 26 % of Central American garment factories produced based on 'full package'⁷.

On the other hand, the speed of delivery to the market requires a rapid and effective supply network. In other words, an intense connection between textile plants, 'full package' factories, efficient ports and motorways, etc. Central America lacks these support networks and infrastructure and in many cases, in spite of the relatively short distance between the region and the US market, the average time that a Central American business takes to deliver an order could be as long as it takes from China. In addition, the region largely depends on Asian cloth and other supplies for production. When an order is received, the time needed for these products to arrive

in Central America from Asia has to be taken into account. In this sense, the issue of delivery speed to the market continues to be an ideal in taking advantage of the geographic proximity to the US, but is not totally feasible.

In order to survive the crisis a series of factors needed to be combined, including: full package, speedy market delivery, alliances with US textile factories, and improvements in efficiency and skills in relating to clients, all of which implies a major monetary investment which is out of reach for some businesses, but not for others.

Some businesses managed to consolidate themselves as stable suppliers and relatively better paid by certain buyers. Others, the smaller ones without resources, could end up being tempted to lower labour standards, avoiding national laws and using other subterfuge in order to survive for a little longer, but eventually they will find themselves out of the market.

And this is exactly what has happened during the second half of

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2005. From June until today, some interesting facts are being reported:

Guatemala:

- 22 new 'maquilas' were opened, generating 3,866 jobs. Although this only allowed for the recovery of 47% of the jobs lost with the 28 closures, the opening of new businesses in this uncertain environment is revealing to say the least⁸.
- The Government of Korea contributed to the installation of a laboratory specialising in textiles and garments⁹.
- In spite of the closures, Guatemala reported an increase in income from the export of textiles. According to the Chamber of Commerce, this is due to the production of clothing items with a higher added value¹⁰.

El Salvador:

- Two European trademarks (Lacoste and Puma) have decided to install a large part of their production facilities in the American continent in El Salvador. Lacoste is even doing this with its own investments and will pay for training the staff that is hired. In total eight new factories opened in 2005 and four brands are consolidating their production in the country: Lacoste, Swisstex, Fruit of the Loom and Sara Lee¹¹. Two of these (Swisstex and Sara Lee), have formed alliances with local producers to set up textile plants.
- The area of cotton production tripled and all of the production has been pre-sold to the 'maquila' sector¹².

Honduras:

- Despite the closures of some businesses, 13 new 'maquilas' were

opened¹³. Those companies investing more and expanding their investment in this country are: Russell, Alcoa, Lear Corporation, Caracol Knit, Fruit of the Loom, Gildan y Woong Chong.

- Two textile plants, both with US investment, have been established and are expanding their investments in Honduras¹⁴.
- There are pilot projects in cotton production in Olancho and Comayagua covering 5,000 'manzanas' of land, the equivalent of 4,200 hectares¹⁵.

Nicaragua:

- Investments in the 'maquilas' continue to grow. The problem reported by some of these new investments is an insufficient labour force¹⁶.
- Cotton production has been reactivated in Chinandega¹⁷

Costa Rica:

- Factory closures are continuing and export products other than textiles and garments are on the increase¹⁸.

In other words, the transformation of the global textile and garment industry has not gone unnoticed in Central America. It is true that there have been many factory closures and with them the claims against sudden closures where the business owners have packed their bags and left without paying the legal benefits owed to the men and women workers.

Nevertheless, some European clothing brands, interested in expanding their markets in the American continent, especially in the US, continue to arrive in the region. In addition US textile and stitching firms as well as cotton producers have made their appearance. It seems that local

EDITORIAL

Trade policy affects women and men very differently because of unequal power relationships and distinct gender roles in society. In our increasingly globalised world where trade agreements and poverty reduction are often seen as two sides of the same coin, the relationship between gender and trade is central to the struggle for sustainable and equitable development. This new bulletin published by the Central America Women's Network (CAWN) hopes to contribute to understanding this relationship by analysing issues related to gender and trade in Central America.

1 January 2005 saw the beginning of a new era in the textile industry. The end of quotas to protect Northern textile producers that had been established in 1974

by the Multi-Fibre Arrangement (MFA) is likely to reshape the global clothing industry. This edition of A-Genda focuses on the potential impact of the MFA phase out on some of the industry's key employees – women in Central America.

The political importance of the global textile industry is undeniable. It is worth some US\$350 million a year and formally employs approximately 24 million people worldwide (and an estimated five to ten times as many in its informal sector). The vast majority of these millions of workers are women.

While the consequences of the MFA phase out in Bangladesh or Lesotho are becoming clear and action is beginning to be taken, there is as yet no consensus on the impact that this trade restructuring will have on Central America. Some commentators, particularly the Central American media, see the potential for positive change and are reporting the expansion or relocation of the production facilities of several brands to Central American countries. Others, including international commentators, fear that the region is bound to lose out in the face of the consolidation of the industry in China. These differences of opinion are reflected in the articles in this bulletin.

Many fear that with the MFA phase out thousands of jobs will be

lost. These job losses will be concentrated in certain regions. There are indications that working conditions are also suffering; the government of Bangladesh temporarily introduced a 72 hour working week to try and maintain competitiveness; the government of the Philippines abolished the minimum wage in the industry; and in the Dominican Republic and Cambodia employers refused to increase workers wages and/or abolished extra overtime pay. However, if job losses and the deterioration of working conditions are likely to be the most 'visible' affects of the MFA phase out, its social impact will be felt much more broadly. The article 'Women workers in Central America and the end of the Multi-Fibre Arrangement: More poverty and gender inequality?' highlights the potential 'knock-on' effect of this aspect of trade liberalisation on Central American women, their families and their communities.

It will not be until 2008 that we see more clearly the impact of the MFA phase out as 'safeguard restrictions' to limit imports from China remain in place for two more years. So, while shifts are beginning to take place, an analysis of the impact of the restructuring of the trade in textiles and clothing on women workers is still in its early stages.

All those involved in the interna-

tional trade in clothing and textiles must take some responsibility for mitigating the potentially disastrous social effects of the MFA phase out. It is vital that governments and the industry work together to develop strategies that combine the search for improved competitiveness with the promotion of decent work and, more particularly, the creation of national tripartite bodies to monitor the social and economic dimensions of the post MFA environment.

Government strategies should also be put in place to develop training and retraining programmes to improve the skills and employability of the workers inside and outside the textile and clothing sector. The international community must support these efforts, through supporting initiatives such as the MFA forum – a network of companies, trade unions, non-governmental organizations and international institutions that works to promote collaborative strategies to deal with the changes in the industry. Even as they move towards cheaper suppliers, brands must shoulder increased responsibility to ensure that working conditions in their supply chains are decent and meet core labour standards. The World Trade Organisation (WTO) must analyse the impact of trade liberalization on the textile and clothing

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industry is taking a step forward in upgrading, in order to be able to compete in this new scenario. This means that the industry is becoming more sophisticated, not only doing garment assembly with little added value but also producing cloth, thread, accessories etc. and of course garments with more added value.

In conclusion, not all is lost and things are not as disastrous as they appeared to be at the beginning of 2005. Some new opportunities are opening up. There are new investments which promise to open up not only employment, but also more stable and higher quality employment. An investment of 80 million dollars (as some of the new textile plants require) does not represent a brief foray into production. This type of enterprise is less vulnerable to the ups and downs of orders in tradi-

tional garment production, demands a more specialized and trained labour force, and probably pays its men and women workers higher wages.

In addition, it is an industry that promises to train human capital and leave the countries in which investments are made in a better position from which to develop industrialization processes.

In spite of this, these new opportunities are not open to everyone. Not even for those who are displaced from their present employment in assembly 'maquilas'. The worst thing is that it is not as yet clear if women will be able to insert themselves in this new employment niche that looks so promising.

This transformation is still in the making and we will only see the results over the medium term. In the meantime there are signs of optimism, but also causes for worry.

We will continue to keep a watch over these developments.

1. La Prensa Libre 6th July, 2005. "Sector Textil en Problemas"
2. El Diario de Hoy, "El efecto China cierra 12 maquilas" 31st May, 2005
3. La Prensa de Honduras, 23rd July 2005. "Cierran operaciones ocho maquiladoras", and La Prensa de Honduras 19th October 2005, "Maquiladora A Apparel suspende operaciones por cuatro meses".
4. La Nación 20th January, 2005. "Pérdida de empleos preocupa al sector productivo." Boletín No 01-05, Unión costarricense de cámaras y asociaciones de empresa privada, 20th January 2005 "Pérdida de empleos preocupa a sector productivo" and La Nación, 31st August: "Lovable despide a 76 por cierre de planta aquí".
5. La Prensa Nicaragua, 1st March, 2005: "Exportaciones textiles en auge".
6. Quinteros, AC. "Puede el CAFTA sacar adelante la maquila centroamericana?" Revista Centroamericana en la Economía Mundial del siglo XXI. ASIES, 2003.
7. Full package summit, 2004. "Industry Profiles" www.fullpackage.org

8. Albedrío Revista electrónica "Crece desempleo por cierre de maquilas" 15th of July 2005. www.Albedrío.org
9. Prensa Libre, Acuerdo de US\$ 800 mil para área textil. 8th of July, 2005
10. La Prensa Libre, Los cierres no frenen ingresos, 28th of April 2005.
11. La Prensa Gráfica "La maquila espera crecimiento del 6%" 21st of November, 2005
12. La Prensa Gráfica, "10 mil millones para cultivo de algodón". 16th of June 2005
13. La Prensa de Honduras "Exportaciones de maquila pasan los \$1,325 millones". 31st of August
14. La Prensa de Honduras "Hoy inauguran planta textilera" 1st April, 2005 y 243 de marzo "Empresa Fruit of the Loom se expande".
15. La Prensa de Honduras: "Honduras producirá Algodón". 14th January, 2005
16. La Prensa de Nicaragua "Maquila promete crecimiento sostenido" 18th June, 2005
17. La Prensa de Nicaragua "El algodón toca la puerta" 9th February, 2005.
18. La Nación CR "Exportaciones del sector manufacturero crecieron 13,3 por ciento". 1st January, 2006

sector and must adopt policies that allow vulnerable industries to adapt to more competition in the post MFA market.

In an industry dominated by a female workforce, a gender perspective must be central to the analysis of the post MFA context and to the search for solutions and strategies. The gendered implications are far-reaching. Thousands of women may lose their jobs. And even if new jobs are created, it may be, as some are suggesting, that those jobs are filled by men with a different set of skills. So, the discussion of the MFA phase-out needs to focus on impacts on jobs, wages, working conditions or the ability for workers to defend their rights. But it must also take into account the wider-ranging social implications, particularly in terms of gender roles and power relationships. Clearly, there is a further need for strategic planning amongst workers rights advocacy groups in light of these dramatic changes. Regardless whether job types change, or job numbers increase or decrease in the post MFA and DR-CAFTA context, these changes certainly will hold real, lived impacts for worker's wellbeing and their ability to earn a livelihood in Central America. ●

What does the MFA mean in the context of DR-CAFTA?

By Jennifer Devine*

In 2005, the Central American governments of Guatemala, Honduras, Nicaragua, Costa Rica, El Salvador and the Dominican Republic ratified the Central American Free Trade Agreement (DR-CAFTA), a regional free trade agreement with the United States. CAWN's special report, "The Central American Free Trade Agreement: Gender Perspectives and Women's Actions" (available: <http://www.cawn.org/resources.shtml>) highlights DR-CAFTA's background, gender dimensions and forecasted impacts on women workers in Central America. This article looks at if, and how, the end of the Multi-Fibre Agreement (MFA) will affect the suggested advantages provided to the textile, garment and apparel industries (also known as the maquila industry) stemming from DR-CAFTA's ratification.

To understand how the elimination of the MFA agreement will affect Central American textile and

apparel exporters, it is important to understand what proposed benefits DR-CAFTA offers to the region's industries. The ratification of DR-CAFTA replaced the previous bilateral trade agreements between the US and Central American countries called the Caribbean Basin Initiative (CBI) program. The CBI already allowed most textile and apparel products to enter the United States duty-free, meaning that no tariffs or taxes needed to be paid on exports. As such, DR-CAFTA does not provide increased tariff relief on exports of Central American textiles and clothing. The ratification of DR-CAFTA only changes a "rule of origin" under the CBI, which stipulated that duty-free goods entering the US market had to be made with US fabric and inputs. This change in the "rule of origin" means that Central American textile and apparel industries can now buy inputs from the world market, primarily from Asia, which will allow producers to lower their costs of production.

The ratification of DR-CAFTA is hoped by many supporters to save Central America *maquila* industry, like Honduran President Ricardo Maduro who proposes that it will save some 140,000 jobs in the maquiladoras in the context of increased competition stemming from the MFA phase-out. DR-CAFTA supporters suggest that the lower cost of production, combined with duty-free access provide a sizable advantage for DR-CAFTA countries in the post MFA environment.

According to a professor at Duke University, the Central America garment, apparel and textile industries also obtain a structural and geographic advantage that might help the region survive post MFA restructuring. Central America's proximity to the United States means lower transportation costs, which serve to not only reduce costs, but the reduced shipping time required to transport goods creates an advantage for "quick turn-around" orders, particularly found in high fashion garment production. "Quick turn around" orders are extremely time sensitive due to large and immediate fluctuations in demand. In addition, many Asian investors have established *maquila* facilities in the Central America and are not likely to withdraw production given their investment. The

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Garment workers in Bangladesh.

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motivation to continue doing business in Central America stems from the desire to not locate solely in one or two countries because of potential market fluctuations, and Central American investment has deepened trade relationships between the US and Asia.

However, not everyone is optimistic regarding Central America's future as a textile and clothing producer. China still enjoys sheer 'cost advantages' stemming primarily from extremely low wages, an undervalued currency, and the pervasiveness of labour rights abuses. Despite unreliable government statistics, independent researchers

and aid organisations estimate that Chinese workers are routinely paid only 15 to 30 cents an hour, which is drastically lower than wages paid in Central America. For example, maquiladora workers in Guatemala are reported earning approximately \$1.49 an hour, \$1.65 in the Dominican Republic and \$2.70 in Costa Rica. Apart from paying much lower wages, Chinese manufactures also benefit from a higher skilled workforce, proximity to cheap quality inputs, and government policies such as subsidized lines of credit and exchange rate manipulation. Furthermore, in relation to the niche market of "quick turn around" production, *The Economist* magazine suggests that this niche demands large scale, highly integrated production lines to meet flexibility needs with a highly skilled workforce. That is, this niche requires that all inputs and phases of production be within close proximity to each other, rather than

spread out throughout the world.

In contrast to China, most Central American producers operate firms employing less than a 100 workers. Furthermore, due to the requirements of the previous CBI trade agreement which required Central American countries to use US inputs to obtain duty-free status, Central American production lines are not integrated within the region, relying on imported materials for production. In short, despite Central America's geographical proximity to the United States textile and apparel market, China holds an advantage in nearly every other aspect of production. As such, a World Bank study commented that the phase-out of the MFA system almost eliminates the benefits of duty-free access to US market under the CBI and CAFTA. The report concludes that Chinese textile and apparel exports would have to face an extremely high US tariff (or tax) of 24% for Central American coun-

Women workers in Central America and the end of the Multi-Fibre Arrangement: More poverty and gender inequality?

Marina Prieto-Carrón and Carolina Quinteros
February 2006

Several research studies have underlined the negative impact that the ending of the Multi-Fibre Arrangement (MFA) would have on women in developing countries. The majority only mention that women constitute the majority of the labour force in the textile companies and because of this they would be the most affected. Very few studies go beyond this point and have a more developed gender analysis. They do not even question why almost 80% of the labour force is female. This is no accident. Among other reasons we can cite: the feminisation of the labour force, discrimination in

equal access to decision-making, fewer possibilities in education and health, the lower wages that women receive and flexibility processes.

As far as Central American women are concerned, we still do not have research that answers our question: has the end of the Multi-Fibre Arrangement brought about more poverty and inequality in Central America's sweatshops – or 'maquilas' as they are called? In the brief search conducted for this article we were able to find only one research project that contained interesting data about women workers in El Salvador (Giuliano,

2005)¹. Carried out in 2004, through interviews with 101 women workers, the paper takes up some of their concerns. For this reason we have decided to divide this article into two main sections. In the first part we will analyse the El Salvador study, which demonstrates above all the need to train women workers about the MFA. In the second part we make use of some of the analysis to orient our observations about the changes about to occur, combined with the observations of studies from other countries and with gender literature that deals with women workers and the MFA.

What do Salvadorian women workers think of the Multi-Fibre Arrangement (MFA)?

One of the main issues that draws our attention in this study is the lack of information that women workers have about the end of the Multi-Fibre Arrangement or the so-called "Chinese threat", as the Salvadorian media have preferred to call it. Only 23.7% of women said they had heard something about this phenomenon.

The lack of information about the industry also has repercussions in other aspects about which the women were consulted, such as the possibilities for employment in the



'Maquila' in Las Mercedes, Free Trade Zone, Managua, Nicaragua

the upcoming crisis.



ty are unaware of the magnitude of

event of their factory being closed. Almost 50% stated that they would try to find work in another maquila, as the first option in order of importance. With this response, it is evident that a large group of women workers still do not know about the crisis that is probably on the horizon for the whole industry. The second most popular response was to look for employment in other types of factories (12.8%), the third and fourth, work in the informal sector of the economy and migration to other countries; and the last option mentioned was to look for employment as domestic workers. None of the women mentioned social organ-

ization or mobilization as an option when faced with a potential lack of employment.

In general the panorama for women workers seems to be one of optimism. 64.3% of them think that if they are laid off they will receive compensation at the very least and 43% are convinced that they will receive all benefits to which are legally entitled. Moreover, 43% expect things to improve over their present situation and only 29% believe it will worsen. Once more, this is probably due to the fact that the vast majority are unaware of the magnitude of the upcoming crisis.

In any case, employment crises

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study detects the need to train women workers about the MFA and the processes which have such a huge impact on their lives. This would enable them to generate informed opinions that would have to be taken very seriously.

In the next section we will move from the specific study in El Salvador to others carried out in different countries and those dealing with gender in this context.

What impact will the end of the Multi-Fibre Arrangement have for women workers in poor countries?

Although the great majority of studies do not have a gender perspective, there are several studies that allow us to observe similarities in different countries in terms of the impact of the Multi-Fibre Arrangement on women.

The United Nations Conference on Trade and Development (UNCTAD), has carried out an analysis of themes that are of high priority for women with the end of the MFA (Hayashi, 2004)². Hayashi establishes a neo-liberal framework for analysis and argues that the end of MFA "will bring considerable gains to global income and welfare" (2004, pii). In this report, the following aspects were outlined:

1) the social and economic impact on women workers could be considerable as their prospective for alternative employment is small.
2) the skills of present women workers will have to be up-graded in order to reduce redundancy levels. When technological up-grading has created new job-opportunities, more skilled male workers take

their place.

This study by UNCTAD, however, takes an economic efficiency perspective on women competing with men in a neo-liberal order, rather than one – argued for by feminists for decades – that focuses on feminisation and sexual division of the labour force and the wider implications for women's lives. There are several other studies that take a more critical perspective of the impact of the end of the MFA.

Christian Aid's report (2004)³ on the 1.5 million women in the Bangladeshi textile industry argues that women who lose their jobs also lose their status, dignity and role in decision-making. This report mentions research, by the women's group NUK, that shows that nearly half of the women reported that their family relationships deteriorated, while some women reported that their husbands would threaten to leave them if they did not continue to bring money into the family, and some were being beaten for not having a job (2020, p14).

An article about Pakistan (Astrid Siegmann, 2004)⁴ affirms that the "female dominated stitching units are not the primary targets for machinery upgrade" which means that there will be a "significant decrease in relative female employment" which "might destroy the respective women workers' hopes for economic and overall empowerment, and uplifting of their families".

The women's organisation Women Working Worldwide (WWW) (2005) argues that employees in countries like Bangladesh, by far the majority of whom are female, are unable to compete. There are three negative



'Maquila' worker in Nicaragua

CAWIN

The MFA Forum

The MFA Forum, a network of companies, trade unions, non-governmental organisations, and international institutions came together in March 2004 to better understand the implications of the end of the MFA, particularly for workers and communities, and to explore how best to promote collaborative approaches to mitigating negative impacts and taking advantage of new opportunities.

The Forum has agreed a set of overarching principles to guide actions of individual actors and collaborative initiatives, which are

laid out in The Collaborative Framework (MFA Forum March 2005). Over and above this, it was agreed that the MFA Forum engagement at a country level should be done on the basis of ensuring efforts are or lead to 'home owned' and 'home grown' actions. The forum has so far been actively engaged in industry restructuring in two of the countries most likely to be negatively affected by the MFA phase out, Lesotho and Bangladesh.

On June 27th and 28th 2005 the MFA Forum in collaboration with the United Nations Development Program (UNDP) launched a joint initiative to iden-

tify a road map to a viable, profitable and internationally responsible and competitive textile and garment industry in Bangladesh (action report available on MFA forum website).

Currently the UNDP is preparing a comprehensive proposal for action in the post quota world for textiles and garments in collaboration with the Ministry of Commerce, Government of Bangladesh. The project has been developed with input from private sector association, trade unions, service providers, civil society and NGO within the context of a 'win-win' strategy. However, the buyers – one of the key stakeholders-

were missing from this mix. The international MFA Forum is willing to bridge this missing link by bringing in key buyers sourcing in Bangladesh for an action oriented dialogue to supplement the ongoing work.

By using the framework developed by The Forum, it is hoped that Bangladesh, as well as other countries where the MFA Forum will be engaging, can develop a strategy of responsible competition which would address the rights of workers in the restructuring of the global garment industry as well as addressing issues of trade. (Taken from the MFA forum website www.mfa-forum.net)

outcomes for women: 1) losing their jobs; 2) accepting lower wages in surviving companies; 3) being displaced, if the approach is aimed at economic efficiency, as men are the first to be hired to run new machines.

Some indication of inequality in the impact on women can be found. In Morocco a government study warned that:

"Between the first quarter of 2004 and the first quarter of 2005, 128,000 women lost their jobs in the textiles and garment sector (mainly in the informal economy) but 33,000 men started working in the sector (all in formal jobs)". (Government of Morocco, Haut Commissariat au Plan, 10 May 2005 "Note trimestrielle d'information sur l'emploi" quoted in an Intermon-OXFAM internal memo)

Therefore, from these studies we can argue that:

- Inadequate action has been taken to address women workers' poverty, as they make up the majority in temporary and informal clothing employment where job losses are higher, as all the studies show.
- The textile and thread companies and those that produce clothing with higher added value, use a smaller labour force than the companies who only do assembly work. There is no guarantee that workers who are displaced will find employment in these new factories. Many women will lose their source of income.
- The textile and thread companies established or to be established require a level of professional qualifications beyond that required by assembly work companies. In other words, there is no assurance that people who leave the maquila sweatshops will be the same as those hired in the new plants. In any case, they will need training in the new technologies. Women are considered to be less apt for these technological changes, and because of this they may easily be replaced by men. The gender division of labour observed in traditional maquilas tells us that men tend to be concentrated in work that requires more use of machinery and technology (cutting, screen printing etc.) as compared to women (in miscellaneous jobs, cleaning, etc.). If new companies have a larger capital investment in their technological component, will

women have the same opportunities as men in being hired by them?

- If women need to find work outside this sector of the economy, their opportunities are more limited than those of men. Studies demonstrate that often the only remaining opportunity is emigration, domestic work or prostitution.
- If working conditions worsen, for example if salaries are lowered, this will have a greater impact on women who are heads of household with several children. A range of improvements in working conditions that women have gained through fighting for their rights, such as the right to maternity leave, childcare, night time transport and others, may be drastically reduced.
- If the Central American economies, Bangladesh and other countries suffer economically, this may have an impact on the welfare policies of their governments and as such the quality of life of women workers. This includes education and health.

A gender analysis is very important in order to understand the impact of the MFA on women textile workers around the world. Up until now, very little has been done to achieve this. This article is only one attempt to introduce some ideas in the clearly male-oriented debate. More research is necessary, and especially that which includes the voices of women workers and their organisations. Women need to be trained, as the El Salvador study demonstrates. In addition, government policies, international organisations, companies and social organisations need to take the gender issue more seriously, not only in their documents, but also in their actions. The Central American Women's Network (CAWN), Independent Monitoring Group of El Salvador (*Grupo de Monitoreo Independiente del Salvador* – GMIEs) and other social organisations will continue to work actively so that this proposal becomes a reality.

1. Giuliano Perseo (2005) "The post-MFA in El Salvador: the future is now and it is not pretty". BID Publications. June 2005 Available at : www.csramericas.org
2. Michiko Hayashi (2004) "Trade in Textiles and Clothing: Priorities and Issues for Women in the Post-ATC" UNCTAD
3. Christian Aid (2004) "Rags to Riches to Rags", December 2004
4. Karin Astrid Siegmann (2004) Prospect for Women Textile and Clothing Workers in the Post-Quota Era. SPDI Research and News Bulletin.

LINKS AND RESOURCES

Factsheets [also in Spanish].

A very useful series of factsheets on trade and labour rights in the garment industry including the MFA phase out.

http://www.maquilasolidarity.org/resources/post_mfa/materials.htm

Brand campaigns and worker organizing – Lessons from Lesotho, Thailand and Honduras [also in Spanish].

Using three case studies, Maquila Solidarity Network examines the successful strategies employed and alliances created in order to defend workers' rights and achieve solutions to workplace problems.

Order from

www.maquilasolidarity.org

Stitched up: How those imposing unfair competition in the textiles and clothing industries are the only winners in this race to the bottom, December 2005.

www.icftu.org

MFA Phase-out: Who gains?

Who loses? – detailed Seminar report, October 2004. <http://www.mfa-forum.net/>

Unpicking the phase-out of the MFA – Communications Briefing. <http://www.mfa-forum.net/>

Managing the Transition to a Responsible Global Textile and Garment Industry

– a synthesis of the research undertaken by AccountAbility, Business for Social Responsibility (BSR) and the World Bank for the MFA Forum. <http://www.mfa-forum.net/>

Mapping the End of the MFA

by AccountAbility for the MFA Forum – examines the predicted impacts of the phase out of quota on industry, and policy options for different actors, including an in-depth analysis of the predicted impact on 10 developing countries. <http://www.mfa-forum.net/>

The Multi-Fibre Arrangement (MFA) Strategic Sourcing Impact:

The Private Sector Perspective by BSR – a study of the effect that the phase out of the MFA will have on the future sourcing decisions of the private sector. <http://www.mfa-forum.net/>

The Collaborative Framework for Guiding Post-MFA Actions – a simple set of principles to guide the actions of individual actors and collaborative initiatives. <http://www.mfa-forum.net/>

Beijing+10 Meets WTO+10: Assessing the Impact of Trade Liberalization on Women's Human Rights.

This compilation of reports is an attempt to pull together some reflections on what has happened and/or what is happening in the regions in relation to the liberalization process ten years after these two major events in women's lives have taken place. <http://www.igtn.org/page/670>

Gender and Trade Indicators

– information sheet – February 2002. WIDE has developed a tool that will help to understand, measure and monitor the relationship between trade and gender. This tool consists of three sets of indicators, which can be applied to any trading relationship between countries or trade blocks. http://www.eurosur.org/wide/Globalisation/lvS-Info_gender-indicators.htm

Gender and Trade – Cutting Edge Pack, January 2006.

This report points to the crucial need to ensure that trade liberalisation does not undermine women's rights and poor people's livelihoods, and supports the gender equality agenda. First and foremost, this requires the explicit recognition of women's contribution to the economy through both their productive and their unpaid reproductive work. http://www.bridge.ids.ac.uk/reports_gend_cep.html
#trade



Killings of women in Guatemala

Women are being killed in increasing numbers across Latin America. The phenomenon is beginning to attract both national and international attention as the proportions become ever more alarming and it is clear that we are seeing not isolated cases but a regional trend. Impunity reigns in the vast majority of the killings. A consortium of

women's and human rights organizations and networks are now bringing the issue to the table of the Inter-American Commission on Human Rights (IACHR) calling for a Special Audience at its 124th session meeting in Washington from 27 February to 17 March 2006.

Amnesty International's Stop Violence Against Women cam-

paign is calling for action to highlight the phenomenon of killings of women in Guatemala and to put pressure on government authorities to provide adequate protection for women and to bring those responsible to justice.

"Guatemalan authorities confirmed (...) that between 2001 and August 2004 they had registered the deaths of 1,188

women.(2) Nevertheless, the precise number of women who have been murdered is unknown and disputed."

Guatemala: No protection, no justice: Killings of women in Guatemala, AI Index: AMR 34/017/2005

To take part in this action please visit: <http://www.amnesty.org.uk/action/events/impunity.shtml>

Women demonstrating against the murders of women in Guatemala City in June 2005.