



# Gender aspects in the Latin American garment industry

SOMO Paper | April 2011

## 1. Introduction

The global garment industry labour force is highly feminised. The vast majority (about 85%<sup>1</sup>) of workers employed in this sector are women. In general, the garment industry is one of the lowest-paid sectors and offers poor working conditions. Within the sector there is also a clear gender segregation whereby women are mostly found in the lowest-skilled, lowest-paid and most precarious jobs. When tasks get more advanced or where the exercise of authority is required men tend to be employed. As it is often the women in the garment industry that endure the worst conditions it is important to analyse why this situation exists and persists.

This paper offers some concrete examples of gender issues in the Latin American garment industry. It focuses on what is called the 'Cut-Make-Trim' (CMT) phase of the garment industry. In this phase fabric is cut, sewn into garments and finished before it is sold to the international clothing brands and retailers. Research from three Latin American countries – Argentina, El Salvador and Peru – is presented here. In these three countries there are different types of production facilities. El Salvador is home to many 'maquilas,' large export processing plants. In Argentina garment production mainly takes place in small, informal workshops. In Peru,

production facilities are not as big as maquilas but cannot be compared to the small workshops in Argentina either. Also, regulatory frameworks vary from country to country.

While some gender issues, such as women's double burden and low female representation in trade unions, are universally present in the garment industry, other issues, such as illegal immigrant labour, forced pregnancy testing and labour insecurity may occur to a greater or lesser extent depending on the type of production facilities or the regulatory framework concerned.

### Structure and aim

This paper aims to provide civil society organisations (CSOs) with clear and usable examples of gender inequalities in the global garment industry. By doing so it aims to provide CSOs with various options for applying a gender perspective in their own field. In the last section a brief overview of recommendations for tackling gender issues is presented.

This paper builds further on earlier gender analyses, most notably Clean Clothes Campaign's 'Made by Women' (2005).<sup>2</sup> It is based on field and desk research carried out in 2009 and 2010 in Argentina, Peru and El Salvador by Fundación El Otro / Interrupcion, Programa Laboral de

Desarrollo (Plades) and Grupo de Monitoreo Independiente de El Salvador (GMIES), respectively.

This study is structured as follows: part 2 gives a brief description of the global garment industry. Part 3 touches upon the process of globalisation of production and feminisation of labour. In part 4 the Latin American garment industry is described. In the next section, parts 5 to 7, some specific gender issues are discussed through examples from Argentina, Peru and El Salvador. Part 8 shows an overview of existing policies and legislation with regard to gender equality. The paper ends with some concluding remarks and proposals for further action.

## 2. The global garment industry

The garment industry is one of the world's most ancient and traditional industries, with practices and usages often ranging back thousands of years. Nowadays the garment industry has become a business ruled by multinational companies with subsidiaries and production chains across the whole globe. Even before assembling a piece of clothing, 30% of all cotton used to make garments crosses international borders.<sup>3</sup> The international supply chain in the garment industry is long and diversified, with millions of workers and consumers at both ends of the chain, while there is a significantly lower number of players in the middle of the supply chain: the international traders and giant retailers. It is these actors who, with their immense bargaining power, are able to set prices and dictate delivery times. Subsequently, garment manufacturers are dealing with great pressure on fast delivery and low prices, which they in their turn pass down to the workers, many of them women.

In the last few decades there has been a consolidation of the retailer segment of the garment value chain and subsequently a growth in the strength of retailers as opposed to garment manufacturers. In a highly competitive market, increased pressure on lead times and price has led to rising levels of subcontracting (including to informal workshops and home workers) and increasing flexibilisation of labour (workers are increasingly employed with temporary contracts or are being hired via employment agencies).

## 3. Globalisation of production and gender in Latin America

Since the 1960s American and European corporations started to relocate or outsource production to developing countries, mainly because of the lower cost and the less

unionised labour in these countries. In the beginning this process of globalisation of production mainly took multinational corporations to East and South-East Asia. Since the 1980s there has been a massive growth of export-oriented manufacturing in Latin America as well.

Following the 1980s debt crisis, many Latin American countries shifted from import substitution industrialisation towards export-oriented industrialisation. In many of these countries structural adjustment programmes were installed in order to cope with the crisis. Under these programmes deep economic restructuring measures were taken, leading to a higher degree of globalisation of domestic economies. Creditor countries, commercial banks and international organisations such as the International Monetary Fund and the World Bank played an instrumental role in shaping these programmes. They imposed harsh conditionalities for negotiating new loans and terms of payment. Conditions included efforts to set up the right environment for the expansion of markets, including government budget cuts, privatisation programmes, deregulation of markets, trade liberalisation, and the easing of control on foreign investment.<sup>4</sup>

The garment sector has played a pivotal role within this process of export-oriented industrialisation, generating most new jobs. In order to be competitive internationally, the garment industry relied heavily on the influx of cheap labour. It was mainly women who were absorbed in these sectors. As unemployment amongst men was increasing and minimum wages were declining, women were 'pushed' into paid employment in search of means to add to the family income. Furthermore, under the structural adjustment programmes, government subsidies on food and services were reduced or withdrawn. Rising inflation led to higher prices and declining purchasing power. In order to survive the austerities caused by these adjustment and stabilisation policies, women had to take on extra activities in the productive sphere (income generating work) as well as in the reproductive sphere (unpaid work such as household work and child rearing) activities.<sup>5</sup>

Women are the preferred workers within the global export-led garment industry for a variety of reasons: firstly, women are cheaper to employ than men because they are considered secondary earners. Traditionally, men have been seen as the main breadwinners and women's wages would solely represent an additional income for the family. This pattern persists, even in areas of high male unemployment and even where a high percentage of women are heads of household and constitute the principal if not the sole source of support for their families. Furthermore, the jobs in which women tend to be concentrated are valued as unskilled or low skilled and therefore low wages would also be justified.<sup>6</sup>

Besides female labour being cheaper than male labour, there are additional factors that explain the preference for a female work force: women are considered to have nimble fingers which would make them fit to perform small labour intensive tasks at high speed and women are perceived to be more docile than men. Because of this perceived 'docility' women would be more willing to accept tough work discipline and to perform tedious, repetitious, monotonous work. Furthermore, they would be less inclined to join trade unions than men.<sup>7</sup>

#### 4. Garment production in Latin America

While on a global scale Latin America is a small player in the garment industry, with a share of 3.1% of total clothing exports,<sup>8</sup> the sector still plays a pivotal role in the economy. In some Latin American countries, garments represent almost half of the country's exports.

Figure 1 shows the ten biggest exporting countries of garments in Latin America in decreasing order, with Mexico being the biggest and Uruguay being the smallest exporter. The bars represent the value of garments as a percentage of the total exports of manufactures; the dots show the volumes of garment exports. With the exception of Mexico,

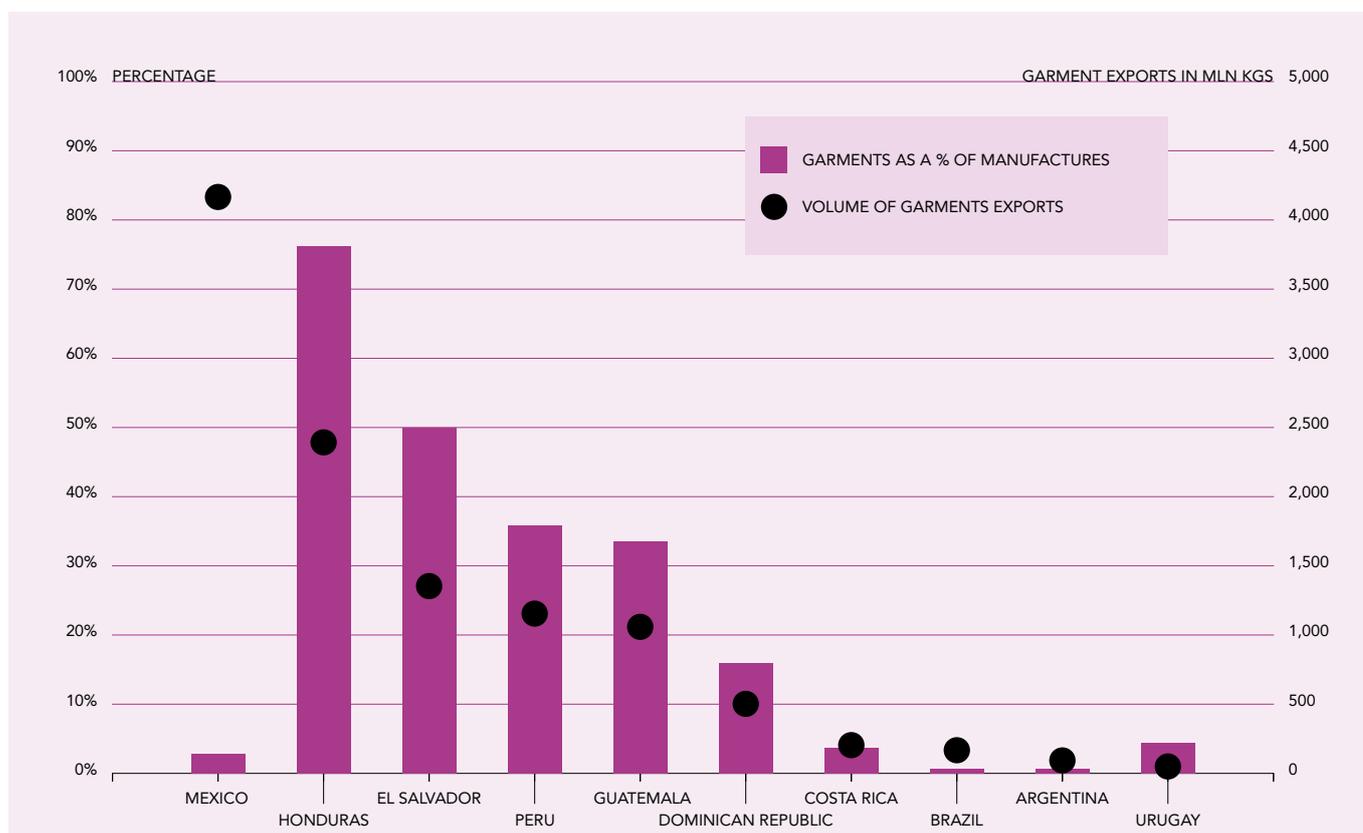
there is a clear trend visible that the higher the volume of exported garments in a specific country, the higher the rate of garments in the total manufactures exports. Also, the bigger, more industrialised countries in the region like Mexico, Brazil and Argentina tend to have a smaller share of garment exports than the smaller Latin American countries. The smaller share of garment production can also be attributed to the fact that the garment industry in countries like Brazil and Argentina is mainly producing for the domestic market.

#### Argentina

The Argentinean garment industry is a sector which employs a considerable amount of people. The sector is extremely fragmented; more than 65% of the production facilities are small or medium-sized companies, family-run and employing less than 50 workers. Production is mainly destined for the local market. Several international brands that are active on the Argentinean market have parts of their production produced in Argentina (for instance Inditex).

The Argentinean garment sector is characterised by a high degree of informalisation. It is therefore difficult to present accurate numbers of the number of production units and workers engaged in garment production. According to the

Figure 1: Export of garments as a percentage of all manufactures exports (bars) and volume of garment exports in millions of kgs (dots), 2009 - Source: WTO



Argentine Apparel Industrial Chamber, annual production of clothing items is valued at US\$2.27 billion. According to the same organisation there are almost 12,000 legally registered manufacturing and design companies active in the country.<sup>9</sup> It should be noted, however, that around 75% of garment workers are informal workers employed at informal workshops. The total number of garment production units therefore is significantly higher than the registered number.

Two different types of production locations can be distinguished. One type is the workshop which is usually run by a supervisor or manager and which employs between 5 and 30 workers on average. The other type is the home unit, which is set up at the homes of the workers and where only one or two people are employed.

## Peru

Peru has a longstanding tradition in the textile and garment industry ranging back to the pre-Columbian cultures of the Incas, who already used advanced dyeing and weaving techniques in their clothing production.<sup>10</sup> Today Peru is home to suppliers of several multinational brands in the clothing industry worldwide. After mining and fishing, the textile and garment sector is the third most important export sector in the country. It is considered one of the most important sectors to generate employment. The sector showed a steady growth between 2004 and 2008, but experienced a slowdown in 2009 as a consequence of the global financial crisis.

The main importers from Peru are the United States and Venezuela, together purchasing EUR 292 million worth of goods annually.<sup>11</sup> According to the National Industry Organisation (Sociedad Nacional de Industrias), the textile and garment sector employs 150,000 workers directly and more than 500,000 totally, including the related sectors for raw materials and agricultural production. An estimate made by Plades shows that the industry as a whole employs men and women in a 60%-40% ratio. However, the majority of workers in the CMT phase are women.

Garment production in Peru mainly takes place in small and medium sized factories with 10 to 50 employees, and a few big players who employ up to a hundred workers.

The most important brands which import from Peru are the following: Abercrombie&Fitch, GAP Inc, Tommy Hilfinger, Inditex, Nike and Adidas.

## El Salvador

During long years of civil war in the 1990s, El Salvador's agricultural production, which had been one of the main forces behind the country's economy, was severely damaged. In the recovery period after the civil war a new

sector gained in importance: the garment industry. To attract foreign investors, large export processing zones were established where companies could set up their production facilities and produce under favourable circumstances such as fiscal benefits and exemptions from local regulations. One of the sectors that benefited the most from these regulations is the garment sector, directly employing around 70,000 people.<sup>12</sup> In 2007 the garment industry contributed to more than 65% of all exports, which generated around 12% of the country's GDP.

The big garment production facilities in the export processing zones are referred to as maquilas or maquiladoras.<sup>13</sup> These factories employ hundreds of workers. The maquilas are operated by international clothing corporations, their subsidiaries or by contracted manufacturers, which import the fabric to the factory where the clothing is assembled and subsequently 're-import' the finished product to their home countries to market and sell. As operations in these zones are practically tax-, and tariff-free, the maquilas can be seen as home factories at an overseas location, creating no value or state income at the host country (e.g. El Salvador). El Salvador is the country with the highest number of garment maquilas in Central America.

Major foreign brands that have their garments produced in El Salvador include, amongst others, Adidas, Lacoste, Puma, Eddie Bauer, Reebok, Speedo, Gap, JCPenny, Liz Clairborne, Nike, Hanesbrands and Levi Strauss.

## 5. Argentina: Informal production

Workshops in the informal sphere are businesses which are not legally registered and which are usually set up in houses in residential areas of a city to attract the least attention. Most domestic workers also fall within the informal sector.

In most cases informal workers do not have a signed contract, or if they do have one, these do not contain any social benefits or compensations. These practices are on the one hand harmful for the state, which receives less income in the form of taxes and on the other hand for the workers themselves who are exempted from sick pay, severance fees, pensions and so on. Also in case of any dispute with the employer, the worker, without a contract, has nothing to fall back on. Informal workers also lack legal protection and hence face difficulties in claiming their rights for decent working conditions. Nevertheless, in many Latin American countries informal activities are tolerated as, due to the socioeconomic crises in these countries, the informal sector has become a refuge for the poor.

In many Latin American countries economic liberalisation has fuelled a rise in informal employment. Between 1990 and 2001 two out of every three new jobs in Latin America were informal.<sup>14</sup> Though actual numbers are hard to come by it is clear that women are overrepresented in the informal economy. The ILO estimated that, in 2003, 50.1% of female non-agricultural workers in Latin America were employed in the informal sector, compared with 44.1% of their male counterparts.<sup>15</sup>

### **Informalisation in the Argentinean garment industry**

In the garment sector there is a high incidence of informal subcontracting as a result of the demand for flexible forms of production. Just as in the formal garment sector, within the informal sector there is also a clear gender segregation. Women tend to be overrepresented in the most casual and low-earning segments of the informal economy. In the Argentinean context this means that workshop owners or supervisors are usually males employing female workers.

Although amounts are difficult to measure, in Buenos Aires alone, there are said to be around 4000 informal workshops.<sup>16</sup> There are estimates saying that three out of four workers in the garment industry in Argentina are not registered.<sup>17</sup>

Wages at the informal workshops are low and workers do not always get their wages paid, something workers are forced to accept due to the illegal/informal nature of their status as employee. The low wages in the informal sector are often thought to be a consequence of the fact that small workshops produce fake brand clothing for the cheap market. This is a misconception, as many workshops (indirectly) deliver clothing for major national and international brands. Usually, the brand company contracts a legally registered workshop, which is in compliance with the company's code of conduct. However, this workshop often outsources parts of production to smaller informal or illegal workshops to be able to comply with delivery deadlines.

### **Migrant labour**

Workers in the informal sector in Argentina are often immigrants who are either forced to or cheated into these jobs. Most of the time, however, they simply do not have any other option than a job in the informal sector. They sign an agreement to stay a minimum period of time, usually three years, and promise not to talk to the police. In other cases no agreement is signed at all. After arrival the immigrants' (travel) documents are often taken away, preventing the workers from moving to another employer or from going back to their country of origin.

Before the 1990s, women represented 90% of the workforce employed in the garment industry in Argentina. With the rise in immigration in the past twenty years these proportions changed slightly, now 80% of the workers is female.

Because garment production in Argentina mainly takes place in the informal or illegal sphere, illegal immigrants have been absorbed into this sector in great numbers.

Most of the immigrant workers in Argentina belong to the indigenous ethnic groups the Quechuas and the Aymaras and come from other South American countries, mainly Bolivia and Peru. Although figures are difficult to come by, some estimate that 20% of the Bolivian GDP is comprised of remittances sent by Bolivian garment workers from Argentina.<sup>18</sup> The immigrants are often smuggled into the country with false documents and with the agreement to pay back the travel costs by working in the garment workshops. After arrival working conditions and wages often turn out to be worse than agreed upon and physical persuasion, forced work and harassment are commonplace. Although most of the immigrant workers are women, these practices also relate to men.

Immigrant women from the Quechua and Aymara ethnic groups traditionally have a strong work ethic. In the indigenous cultures women have an important role, which is also that of carrying out work for the family. This idea of burden sharing, which has been present in these cultures for decades, is exploited by workshop owners to persuade women to work harder and more hours a day. Women not only carry an excessively high workload at their employer's, but often also face discrimination from native Argentineans.

### **Domestic workers**

The domestic workshops gained in importance in the 1990s, when the economic crisis hit Argentina. Unemployment rose and as a result of this employment laws became more flexible. In these conditions, to be able to sustain a family income with an often unemployed husband, women started sewing at home. In other cases the women themselves lost their jobs in the garment industry so they were forced to start working from home. Clothing producers made the most of this opportunity and started installing sewing machines at people's homes. This tendency was also reflected in the import numbers of domestic sewing machines, which exceeded those of the industrial ones at the end of the 1990s.

According to the Trade Union for Home Workers (Sindicato de Trabajadores Talleristas a Domicilio), there are between 500,000 and 600,000 domestic garment workers in Argentina without any contracts or legal documentation.

Producing clothing at home can have advantages, such as not having to commute to a workplace every day and the possibility to combine work with domestic duties, but there are many disadvantages connected to this type of production. Although the list below of the main problems of garment production at domestic workshops is applicable to men as well as women, it is mainly women who are working from home and therefore these problems can be identified as being indirectly gender related.

- ❑ Wages tend to be low. Although domestic workers usually earn the same low wages as employees in a workshop, they have additional costs which their colleagues at the workshop do not have: the repair costs of a malfunctioning sewing machine, replacement costs for needles and oil, electricity costs for running the machines and for lighting their workspaces, or the costs for extra thread or textile when errors occur during production.
- ❑ Working at home implies a lack of proper working hours, and workers usually work more than the regular eight hours a day. Also the separation of work and domestic duties is often difficult when private and professional lives are combined.
- ❑ Home workers have no contact with colleagues at the workshop, which creates an absence of work relations, which is often difficult to bear socially as well as professionally, as there is nobody to ask things to or to learn from.
- ❑ Living together with machines and textiles implies several health risks. As there is a lack of proper working conditions, working long hours in inappropriate lighting and unhealthy positions can create problems for the worker's posture and eyesight in the long term. Also the continuous presence of textiles in the living space can cause pulmonary diseases due to the high concentration of dust in the air.
- ❑ The absence of trade unions creates a situation where workers cannot stand up for their labour rights. Women at home units are being exploited by the contractor of the manufacturer and are paid by the piece of merchandise produced instead of being paid an hourly wage. The piece-rate payment puts an extra burden on the workers, transferring the pressures of a tight time schedule from the contractor down to the bottom of the supply chain: the worker. This also creates a decrease of the net value of wages, as the same amount of work for the same amount of payment has to be done in less time. From the 500,000 to 600,000 informal domestic workers in Argentina, a mere 2,000 are member of the Trade Union for Home Workers.
- ❑ There is no possibility of promotion, which means workers keep doing the same type of work for the same amount of money during their career.

- ❑ Due to the fact that work is done from home where also the children are raised, the risk of child labour is higher than in the non-domestic workshops. Furthermore, it is often hard to meet the excessive production targets set by employers without the help of the children at home.

## 6. Peru: precarious employment

The demand for low production costs in the global garment industry has been intensified by the worldwide economic recession. The economic recession and the subsequent fall in the demand of consumer goods has put profits under further pressure. To secure profits and stay competitive, brand companies pass risks and pressures down the supply chain. Suppliers face increasing pressure on lead-times, quality and price. In a highly competitive market, increased pressure on lead times and price has led to increasing levels of subcontracting and increasing flexibilisation of labour. Workers are increasingly employed on temporary contracts or are being hired via employment agencies. Many assembly plants employ a small number of fixed-term workers (usually male) and, according to production peaks and lows, hire and fire temporary workers (usually female). These forms of flexible labour in export-oriented production sectors are characterised by low wages, considerable job insecurity, (forced) overtime to complete orders, and low levels of unionisation.

The processes of outsourcing, informalisation and flexibilisation of labour have been associated with the feminisation of labour as women are most likely to be employed on temporary contracts and many women are found in the lowest tiers of the production chain as informal workers or home workers. The increasing percentage of women in the labour force and the deterioration of working conditions that occurred at the same time has been called the double feminisation of labour.<sup>19</sup>

The Peruvian garment industry is governed by Decree Law No. 22342 on the Promotion on Non-Traditional Exports. This law allows employers to hire workers on a series of short-term contracts which can be renewed year after year without the obligation to permanently hire workers. A survey by Plades among 400 garment workers showed that 94% of these workers were employed under a temporary contract. Of these workers 96% were employed under a contract of six months or less. A considerable percentage, 45%, even had a contract of three months or less.

This creates a permanent situation of labour instability, which in turn limits workers' ability to organise unions.

## Weakened trade unions

Trade union activity is exceptionally low in the garment industry: only 20% of the respondents in the Plades survey stated that a trade union existed at their company. Of the respondents with no trade union at their firm, 75% declared that they would not even join if there were any.

Although the presence of trade unions usually means better working conditions, higher wages and a higher percentage of workers with permanent contracts, workers are reluctant to form one or join an existing one, in fear of repercussions from the employer. These repercussions could include the refusal to renew a temporary contract or even the termination of the employment relation. A high percentage of workers are afraid of this because they know of colleagues who tried to join a trade union and were fired as a consequence. Most companies oppose the forming of trade unions because unions strengthen the position of the workforce and diminish the company's options to enforce arbitrary rules and to operate 'on the margins' of the law.

Other reasons for not renewing contracts cited by workers included age of workers ('older' workers are considered less productive) and pregnancy. Garment workers that do join unions tend to be male. Although most of the production work in the Peruvian garment industry is done by women, this is not reflected in the number of women participating in trade unions. Male dominated trade unions are products of the cultural identity of both men and women. In Latin American society, domestic duties and childcare are still the main responsibility of women. Furthermore, the last few decades have seen an increase in (single) female-headed households in Peru and in the whole of Latin America.<sup>20</sup>

Most women simply do not have the time for union activity in addition to their work outside and within their homes. Moreover, it is still perceived that a 'good wife and mother' devotes her time outside of work to the family duties at home. Another reason for the low female representation in unions is the trade union repression by the employer. Employees often risk their own jobs by forming, being part of or actively encouraging trade union activity. Furthermore, women who feel more responsibility towards their families and often bear the sole responsibility as breadwinners, show a bigger reluctance when it comes to joining a trade union in fear of having to risk their relatively stable income.

## Working hours / double burden

The question of the working hours in the garment sector is a delicate issue due to the type of work that is done involving short deadlines for delivery and frequent and unpredictable rush orders. The consequence is that workers have irregular and long working days, frequently working overtime.

Investigation done by Plades amongst 400 workers in garment production, men as well as women, shows that 40% of the workers work more than 8 hours a day on a regular basis. Besides this, 60% have indicated that it is a common practice to work more than 12 hours per day when there is a rush order. For most of the workers, declining long working days is not an option, as by doing so there is a high possibility of losing one's job or not being contracted again in the case of a temporal contract.

The increase in daily working hours had its origin in the labour reforms of the 1990s. During the reign of Alberto Fujimori, several laws were implemented in order to make the labour market more flexible, so as to create more jobs and to attract foreign investment. As a consequence of these reforms the average contract time period and nominal wages both decreased and the number of workers without contract increased. Before the reforms, a company employing more than a hundred people had the obligation to run a nursery for the employees' children. With the reform, these obligations were abandoned providing women with an additional daily workload. Men and women receive approximately the same wages and work the same number of hours. Although it has to be noted that in these figures the domestic duties of housekeeping and childcare, often an additional four hours a day and traditionally performed by women, are not included. Hence it is fair to conclude that women in the garment industry are loaded with the double burden of paid work outside their homes and the biggest share of unpaid work within their homes.

## 7. El Salvador: Production in Export Processing Zones

In order to attract foreign investments many developing countries have set up special economic zones. In these zones enterprises are offered a variety of incentives. These incentives may range from free trade conditions and a liberal regulatory environment to tax exemptions. For instance, foreign enterprises may be offered tax holidays and tax subsidies, better infrastructure than outside the zones, and facilities such as factory shells. Moreover, companies are often offered exemptions from local laws. Workers employed in these zones can be denied the protection of national laws regarding minimum wages, hiring and firing restrictions as well as the right to unionise, bargain collectively and strike.<sup>21</sup> Textile and garments, together with electronics are the major exports from Export Processing Zones (EPZs). A vast majority of the workers employed in such zones are women (see Table 1).

**Table 1: Number of workers and female share of employment in EPZs in a selected number of Latin American countries**

Country	Number of EPZs	Number of workers in EPZs	Female %
Nicaragua	33	340,000	90
Jamaica	3	20,000	90
El Salvador	13	76,134	85
Honduras	24	353,624	75
Guatemala	16	72,000	70
Panama	1	18,000	70
Haiti	4	10,000	69
Mexico	n/a	1,212,125	60
Dominican Rep.	57	154,781	53
Belize	n/a	44,333	43

Source: ILO, Database on Export Processing Zones  
<http://ilo.org/public/english/dialogue/sector/themes/epz/epz-db.pdf>  
 (accessed March 2010)

In El Salvador, the average worker at a maquila is a young woman between the age of 18 and 34, who lives in a city and has two children. Approximately one fifth of the women working in the factories have a single-parent family, meaning that the female worker has to take care of the children and earn a living wage for the family by herself. Working in a maquila often requires heavy physical work, which is the reason for the fact that employers prefer to contract women below the age of 35. Or to put it in other words, it is the reason why women over 35 are discriminated against when contracting.

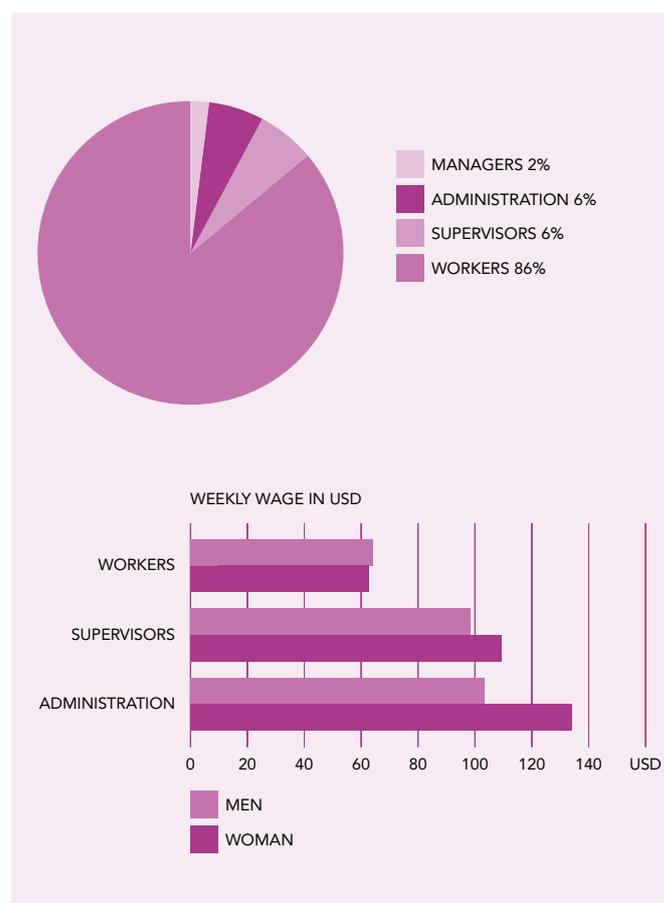
The El Salvadorian maquilas are notorious for their anti-union behaviour. De facto and de jure obstacles limit workers' possibilities to form or join unions. Government and business practices are aimed at dismantling existing unions and preventing the formation of new unions. A widespread practice in the maquilas is the creation of black lists. Union members are registered on these lists and experience trouble because of being on these lists when attempting to find a new job. Furthermore, union members run the risk of being fired or being intimidated or harassed. Gender based harassment and violence is common in maquilas. In March 2010, UN Special Rapporteur on Violence against Women, Rashida Manjoo, expressed her concerns on the gender based violence in El Salvador. In her statement she specifically referred to the violence and sexual abuse to which female maquila workers are exposed.<sup>22</sup>

### Gender wage gap

When looking at the types of jobs at a maquila, Figure 2 reveals that almost nine out of ten people employed are production workers. The wage gap between men and women is bigger as the salaries get higher: a male administrator earns USD 135 a week, while his female colleague only gets USD 104, for supervisors the wages for men and

women are USD 110 and USD 99, respectively. For production workers there is no wage gap, male production workers on average earn USD 63, while their female colleagues earn a bit more; USD 64. Most production workers however are female: 9 out of 10 production workers are women, while male workers are concentrated in technical, supervisory and administrative functions.

**Figure 2: Distribution of jobs and average wages at a maquila in El Salvador**



Source: GMIES

### Pregnancy discrimination

A common form of gender discrimination at maquilas is the compulsory pregnancy testing which prospective female employees have to undergo before being contracted. Pregnant women are denied work and if they become pregnant soon after contracting, they are sometimes mistreated or forced to resign. Being pregnant is intrinsically connected to being a woman. As a consequence, when women are being treated differently because they are pregnant or because they could become pregnant, they are subject to different conditions than men. Thus, selection based on being pregnant or not is a form of gender discrimination.

The incentive for a company to hire non-pregnant women over pregnant women is big, as this entails higher costs for

the company. According to El Salvador's Labour Code,<sup>23</sup> companies are prohibited from assigning tasks which are physically demanding to pregnant women and they cannot be fired for the sole reason of being pregnant. Furthermore, right before and after giving birth, women can stay at home for a total of twelve weeks with their full wages paid out.<sup>24</sup> In their period of lactation, women are entitled to have one one-hour break per working day to breast-feed their baby, this hour is counted as an hour of work. In order not to be obliged to pay for these extra costs, managers try to filter new employees by conducting compulsory pregnancy tests, by asking intrusive questions about their sexual activity and the type of birth control they use. If an employee becomes pregnant soon after being contracted, supervisors sometimes reassign them to more physically demanding posts or require more overtime work, to force the employee to resign 'voluntarily'.

Cases of spontaneous abortions provoked by long hours of standing work or not being able to attend sufficient medical care during work hours have been reported. Verbal harassment of pregnant women by supervisors is also common. Women often try to hide their pregnancy and keep on working too long, which could endanger their health as well as the health of their unborn baby.<sup>25</sup>

## 8. Gender equality policies and legislation

Gender equality is enshrined in national legislations and in international treaties. The United Nations' Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), ratified by 185 out of the 192 member states,<sup>26</sup> requires states to undertake a series of measures to end discrimination against women in all forms. Member states are required to incorporate the principle of equality of men and women in their legal system, abolish all discriminatory laws and adopt appropriate ones prohibiting discrimination against women. They should also establish tribunals and other public institutions to ensure the effective protection of women against discrimination. Lastly, they must ensure elimination of all acts of discrimination against women by persons, organisations or enterprises.<sup>27</sup>

In the area of labour practices the primary normative basis is defined by the International Labour Organisation (ILO). The ILO sets international labour standards by adopting conventions which the ratifying countries have to implement in their legislation. After implementation, the conventions are binding for the implementing country. There are several ILO conventions specifically dealing with gender issues: the ILO Convention on Equal Remuneration

(C100), ILO Convention on Ban on Discrimination (C 111), ILO Convention on Workers with Family Responsibilities (C156) and the ILO Convention on maternity protection (C183).<sup>28</sup> ILO Conventions 100, 111 and 156 are ratified by Argentina, El Salvador and Peru. None of these countries have ratified the Convention on maternity protection. The case studies in this paper demonstrate that these states are failing in implementing and enforcing these conventions.

Not only do states have a duty to protect the rights of its citizens, companies also have a duty to respect these rights. Over the last decades, various initiatives have emerged to ensure decent labour conditions in the global production chains, such as company codes of conduct, and multi-stakeholder initiatives (for instance the Ethical Trading Initiative and the Fair Wear Foundation). Most company codes of conduct do not include explicit gender aspects. Multi-stakeholder initiatives do usually include at least a general reference to gender. Mostly these initiatives have a non-discrimination clause for gender and mention the prohibition of sexual harassment.

Not much research has been conducted on the gender impact of codes of conduct and CSR initiatives. Studies that do focus on the impacts of codes of conduct on women workers show that codes of conduct have had little impact on improving specific conditions for women workers. The most notable improvements are related to health and safety issues.<sup>29</sup> One of the reasons mentioned is that codes of conduct and CSR initiatives are aimed at tackling overt aspects of employment; they are not aimed at tackling broader social norms.

Furthermore, codes of conduct are most likely to be applied in the upper tiers of a buyer's value chain. Workers in permanent and/or formal employment are more likely to experience improvements. Workers in more insecure employment (casual workers, migrant workers, informal workers), many of them women, often endure worse conditions, but are less likely to experience any impact from codes of conduct and CSR initiatives. In countries like Argentina, a substantial part of garment production takes place in the informal sector and at home, meaning that a significant part of the production process falls outside of the protection that these initiatives were intended to provide.

## Concluding remarks

Gender inequality in the labour market is one of the most difficult issues to tackle, as perceptions of gender are deeply rooted in socio-cultural structures. Though women's participation in paid employment has risen in the last decades, contributing to women's empowerment, it does

not necessarily reduce gender inequalities. In fact, as illustrated by this paper, some patterns of growth are premised on, and reinforce, gender inequalities.

Women's double burden, their low representation in trade unions and pregnancy discrimination are all issues specifically applicable to women. Problems related with informal work, migrant labour and domestic work in the garment sector are not specific gender issues, but as it is mainly women who are employed in this sector, these problems are felt mainly by women, making them indirectly gender specific issues.

Garment manufacturers, brand companies, governments, trade unions and civil society organisations all have a responsibility to ensure decent working conditions in the global garment production chain. Therefore, applying a gender perspective is needed in order to tackle some of the most deeply rooted social injustices in the garment industry.

Although legislation and company policies should ensure gender equality, the research of GMIES, Plades and Fundación el Otro / Interrupción clearly shows that this is a far cry from reality. Below, some proposals for further action are briefly discussed.

### Research

More research is needed on the impact of codes of conduct for women workers. Civil society organisations should include a gender analysis in their research. On the basis of these analyses policy recommendations could be made aimed at tackling gender issues.

### Awareness raising

CSOs and trade unions should intensify their awareness raising activities for gender problems in the garment industry in order to contribute to the gender consciousness of the workers and the managers in the sector.

### Organising

The balance on the work floor should be reflected in the balance of membership and representation of men and women in trade unions. Organising informal workers and home workers is essential as these workers often endure the worst conditions and fall outside of the scope of company codes of conduct and multi-stakeholder initiatives.

### Supply chain mapping

Women workers are overrepresented in casual, flexible and insecure forms of labour. Brands should gain a more complete understanding of their supply chain, including subcontracting to informal workshops and domestic workers and the gendered aspects of informalisation, casualisation and flexibilisation.

### Codes of conduct/ audits

In order to improve conditions for all workers, men and women, codes of conduct should be gender sensitive. Auditors should be trained on gender issues so that they can identify gender specific labour issues. Furthermore, codes of conduct should cover the buyers' whole supply chain.

## Endnotes

- 1 Website Schone Kleren Campagne, 'Kledingindustrie', <<http://www.schonekleren.nl/kledingindustrie>> (18 March 2011)
- 2 Clean Clothes Campaign, 'Made by Women: Gender, the Global Garment Industry and the Movement for Women Workers' Rights', Clean Clothes Campaign, 2005, <<http://www.cleanclothes.org/resources/ccc/gender/made-by-women>>
- 3 United States Department of Agriculture (USDA), Economic Research Service, 'Briefing Rooms: Cotton', November 2009 <<http://www.ers.usda.gov/briefing/cotton/background.htm>> (14 December 2010)
- 4 Chant, S. (2003) 'Gender and Employment' in: Chant, S. & Craske, N. Gender in Latin America, New Brunswick & New Jersey: Rutgers University Press and Benería, L. (2007) 'Gender and the social construction of markets' in: Staveren, van, I., Elson, D., Grown, C. and Cagatay, N. (eds.) The Feminist Economics of Trade, Oxon/ New York: Routledge, pp.: 13-32.
- 5 Moghadam, V.M. (1999) 'Gender and Globalization: Female Labor and Women's Mobilization' Journal of world-systems research, Vol.2, pp.: 367-388.
- 6 Based on: D. Elson and R. Pearson, 'Nimble Fingers Make Cheap Workers: An Analysis of Women's Employment in Third World Export Manufacturing,' Feminist Review, 1981; Mills, M.B. (2003) 'Gender and Inequality in the Global Labor Force' Annual Review of Anthropology, Vol. 32, pp.: 41-62 and; Safa, H. (1995) The Myth of the Male Breadwinner: Women and Industrialisation in the Caribbean, Boulder, Colorado: Westview Press.
- 7 Ibid.
- 8 World Trade Organization (WTO), 'International Trade Statistics 2010', WTO, Geneva: 2010.
- 9 SME Times, 'Argentine textile industry: a snapshot' <<http://smetimes.tradeindia.com/smetimes/in-depth/2008/Aug/01/argentine-textile-industry.html>> (24/08/2010).
- 10 Thimble Sourcing, 'The textile industry in Peru', <<http://www.thimble-sourcing.com/english/sectorial/textile.html>> (03/09/2010).
- 11 Data for the year 2009, just-style, 'June 2010 management briefing: Latin American textile sector weathers economic storm' <[http://www.just-style.com/management-briefing/latin-american-textile-sector-weathers-economic-storm\\_id108016.aspx](http://www.just-style.com/management-briefing/latin-american-textile-sector-weathers-economic-storm_id108016.aspx)> (03/09/2010).
- 12 Travel Document Systems, 'El Salvador: Economy', <<http://www.traveldocs.com/sv/economy.htm>> (14/09/2010).
- 13 The word 'maquiladora' in Spanish refers to the practice of millers charging a 'maquila', or 'millers portion' for processing other people's grain.
- 14 Chant, S. & Pedwell, C., (2008), Women, gender and the informal economy: An assessment of ILO research and suggested ways forward', (Geneva: ILO).
- 15 Abramo, L. and Valenzuela, M.E. (2006) 'Inserción Laboral y Brechas de Equidad de Género en América Latina', in Laís Abramo (ed.), Trabajo Decente y Equidad de Género en América Latina (Santiago: Oficina Internacional del Trabajo) p 29-62.
- 16 The Argentina Independent, 'A city with a hidden textile industry', April 2, 2009, <<http://www.argentinaindependent.com/feature/a-city-with-a-hidden-textile-industry-/>> (18/10/2010).
- 17 Periodismo Social, 'Para que el trabajo esclavo no sea rentable' <<http://www.periodismosocial.org.ar/notacompleta.cfm?id=3101>> (16/12/2010).
- 18 Periodismo Social, 'Para que el trabajo esclavo no sea rentable', <<http://www.periodismosocial.org.ar/notacompleta.cfm?id=3101>> (16/12/2010).
- 19 Standing (1999) 'Global feminization through flexible labor: A theme revisited', World Development, Vol.27, No.3, Mar. 1999, pp. 583-602.
- 20 30% of households in Latin America are now headed by women (Abramo, L. (2003) 'Notas Sobre la Incorporación de la Dimensión de Género a la Políticas de Empleo y Erradicación de la Pobreza en América Latina', in Janina Fernández-Pacheco (ed.), Género y Mercado de Trabajo. Honduras y Nicaragua: Proyecto: Género, Pobreza y Empleo en América Latina (San José: Organización Internacional del Trabajo) 15-41.
- 21 Lang, A. (2010) 'Trade Agreements, Business and Human Rights: The case of export processing zones.' Corporate Social Responsibility Initiative Working Paper No. 57. Cambridge, MA: John F. Kennedy School of Government, Harvard University.
- 22 United Nations Human Rights website, 'Violence against women and girls: significant challenges in El Salvador', <<http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=9937&LangID=E>> (9 March 2011).
- 23 El Salvador, Labour Code, 1972, Art. 110, art. 113 and art. 309-312 <<http://www.csj.gob.sv/leyes.nsf/ed400a03431a688906256a84005aec75/46004eae5770911c06256d05005d7c3f?OpenDocument>>
- 24 In the past women on maternity leave got 75% of their wages paid out. In 2007 El Salvador's Labour Code was changed and now women on maternity leave are entitled to receive their full wage.
- 25 Based on: Human Rights Watch, 'No Guarantees: Sex Discrimination in Mexico's Maquiladora Sector', 1996 <<http://www.unhcr.org/refworld/publisher,HRW,,MEX,3ae6a7f110,0.html>> (08/12/2010)
- 26 Member states that have not signed the Convention on the Elimination of all Forms of Discrimination against Women are: Iran, Nauru, Palau, Somalia, Sudan, Tonga, and the United States.
- 27 United Nations, 'The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)', 1979 <<http://www.un.org/womenwatch/daw/cedaw/cedaw.htm>>
- 28 International Labour Organization, ILOLEX database of International Labour Standards, <<http://www.ilo.org/ilolex/english/convdisp1.htm>>
- 29 Barrientos, S. (2007), 'Gender, codes of conduct, and labor standards in global production systems' in: Staveren, van, I., Elson, D., Grown, C. and Cagatay, N. (eds.) The Feminist Economics of Trade, Oxon/ New York: Routledge, pp. 239-256; Prieto-Carrón, M. (2008) 'Gender, Labour Rights and the Ethical Trading Initiative' CAWN Briefing Paper; Franck, A.K. (2008) Key Feminist Concerns: Regarding core labour standards, decent work and corporate social responsibility WIDE Network: Brussels.

## Colophon

**By:** Kristof Racz & Martje Theuws

**Text correction:** Elise Reynolds

**Design:** Annelies Vlasblom

**Layout:** Frans Schupp

**Photo:** iStockphoto

**Print:** PrimaveraQuint

**ISBN:** 978-90-71284-00-7

**Research by:**

Grupo de Monitoreo Independiente de El Salvador (GMIES), Fundación el Otro, Interrupcion and Programa Laboral de Desarrollo (Plades)



**Financed by:**

This publication has been made possible through funding from Oxfam Novib. The content of this publication is the sole responsibility of SOMO and can in no way be taken to reflect the views of Oxfam Novib.



**Oxfam Novib**

**SOMO**

Stichting Onderzoek Multinationale Ondernemingen  
Centre for Research on Multinational Corporations

Sarphatistraat 30  
1018 GL Amsterdam  
The Netherlands

T: +31 (0)20 639 12 91

F: +31 (0)20 639 13 21

info@somo.nl

www.somo.nl

Printed on FSC certified paper

SOMO is an independent research organisation. In 1973, SOMO was founded to provide civil society organizations with knowledge on the structure and organisation of multinationals by conducting independent research. SOMO has built up considerable expertise in among others the following areas: corporate accountability, financial and trade regulation and the position of developing countries regarding the financial industry and trade agreements. Furthermore, SOMO has built up knowledge of many different business fields by conducting sector studies.