DISCOURSE AND REGIONAL DEVELOPMENT:

SELLING THE MEXICAN MAQUILADORA INDUSTRY

IN THE U.S. POPULAR PRESS

by

Robyn Adamache

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Name: Robyn Lara Jane Adamache

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Examining Committee:

Chair: R.C. Brown, Associate Professor

C. Nesmith, Assistant Professor
Senior Supervisor

J.A.C. Brohman
Assistant Professor

G. Otero, Associate Professor
Spanish and Latin American Studies

G. Faurschou, Assistant Professor
School of Communication
External Examiner

Date Approved: August 1, 1996

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ABSTRACT

The central question of this research project is how the Mexican maquiladora industry is legitimated and promoted as a beneficial regional development program. This question is pursued through a qualitative content analysis of 79 articles from U.S. newspapers and magazines. This export processing industry is an appropriate focus for a study of legitimation because it is a controversial development project which has been the subject of a lively and fairly polarized debate. Out of necessity, industry supporters have developed a legitimating discourse to diffuse criticisms leveled at the industry.

This thesis documents and analyzes this discourse based on ideas about legitimation from three bodies of theory: firstly, organization theory which addresses the necessity of legitimacy for business organizations, and strategies for achieving it; secondly, social theory which incorporates the difficult issues of ideology and power within legitimation; and thirdly, regional development theory which is beginning to recognize the important role of discourse in legitimating development plans and policies.

The questions used to guide this content analysis are as follows: (1) What are the main pro-maquiladora arguments and who are the proponents of these arguments; (2) How do industry supporters deflect criticisms of the industry; and (3) When these arguments are taken together, what is the resulting legitimating discourse -- how are the different strategies of legitimation used, what is the relative weight given to the various issues and themes, how are the issues framed and which connections are drawn out and emphasized. Since this is a Mexican program being represented in the U.S. press, this research also addresses how the legitimating discourse is

tailored to U.S. concerns, and how it accounts for the spatially uneven effects of the maquiladoras.

The main arguments used by industry supporters are that maquiladoras enable U.S. firms, and by extension the country, to remain competitive in the global economy, and that it is helping to solve Mexico's economic problems by infusing foreign exchange, jobs, and skills and technology into the country. Charges of job losses in the United States and questionable labour practices in Mexico are diffused through a complex discourse which utilizes both substantive and symbolic strategies of legitimation, and relies on neoliberal ideology for coherence. Substantive change of organizational practices is the most infrequently used strategy, while symbolic management is given the most emphasis. It is not only the material impacts and social relations of the industry that are legitimated. For the United States, the maquiladoras represent the end of an era of blue collar manufacturing employment. This is incorporated into neoliberal ideology, which argues that it is in the best long-term interests of the country to shift away from manufacturing and towards high-tech industry, even if this shift is a painful one. For Mexico the maquiladoras are the showcase for its export-oriented development strategy which, the supporters contend, will enable the country to service its debt and compete head-on in the global economy. The legitimating discourse relies on technical, economic arguments which are presented as apolitical and factual. However, this research reveals a politically-charged discourse that is put forth by State and industry representatives to legitimate a program which has been criticized for favouring certain spatial and social groups over others.

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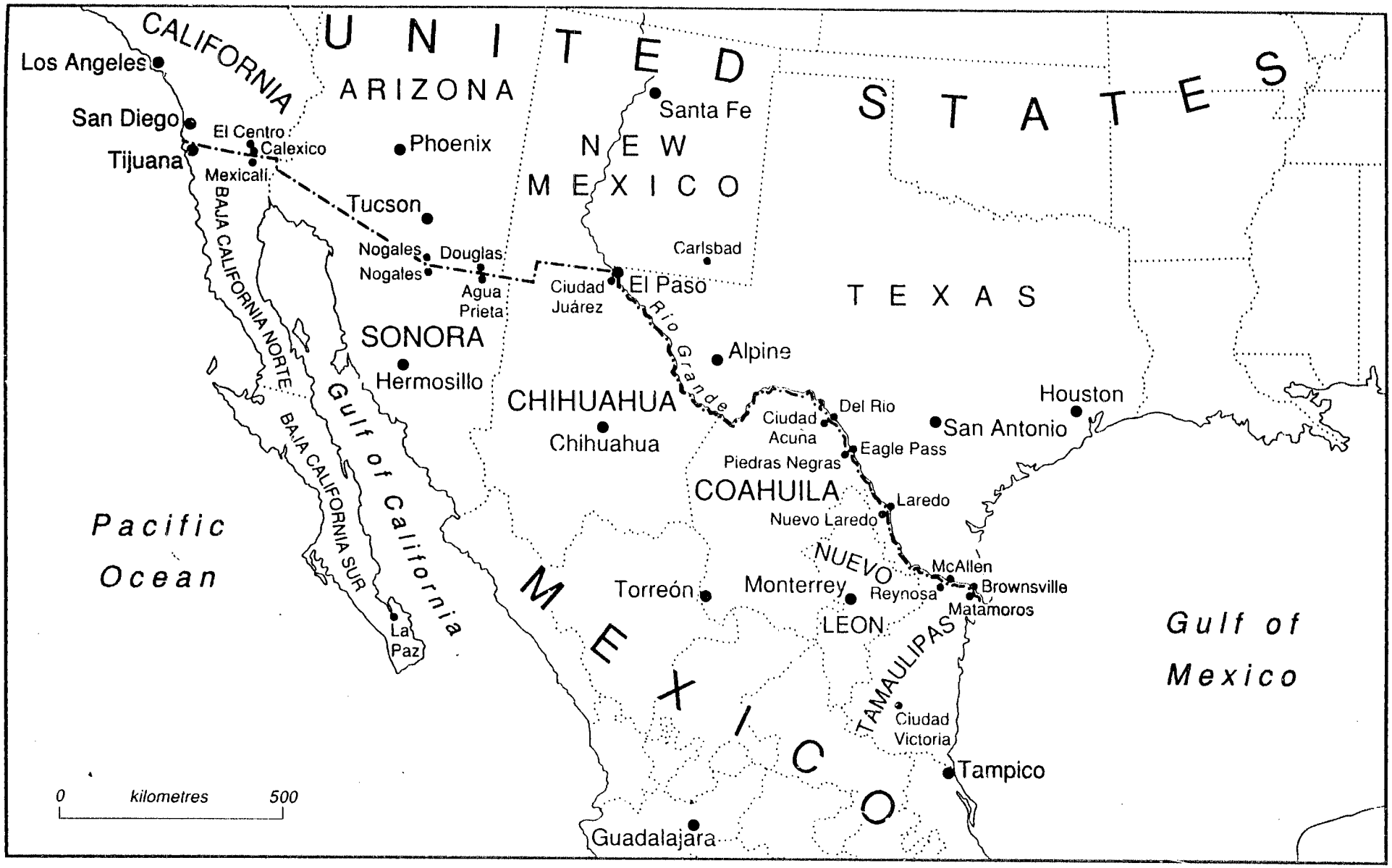

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INTRODUCTION

The central question of this research project is how the Mexican maquiladora industry is legitimated and promoted as a beneficial regional development program. The goal is to document and analyze how the discourse is constructed to promote and defend the industry. This question is pursued through a qualitative content analysis of 79 articles from U.S. newspapers and magazines. The sample of articles is restricted to those from the 1980s and early 1990s because this is a period of rapid growth and development for the industry and lively public debate about it. In 1980 the industry consisted of 620 maquiladora firms employing approximately 100,000 workers and by 1992, there were 2,064 plants with a workforce of 517,629 (BID, 1993). Another reason for this time period restriction is to isolate the discussion of maquiladoras from the larger debate surrounding the North American Free Trade Agreement (NAFTA) which tends to overshadow the former in articles dated after about 1992. Although some say that the maquiladora program itself may become redundant as a result of NAFTA, maquiladora-type assembly industries will likely continue to flourish in this free trade environment. Indeed, some scholars argue that NAFTA will result in the maquiladorization of the entire Mexican economy (i.e. Kopinak, 1993). In any case, as a precursor to, or test lab for NAFTA, the maquiladora industry remains an important subject of study because it may hold some clues as to what the ongoing trade liberalizations will mean for both Mexico and the United States.

The purpose of this research is to investigate the process of legitimation within the context of a regional development program which embodies some of the restructuring processes that the North American economy has been undergoing since the early 1980s. One of the things that

distinguishes this period of restructuring from previous ones is it's geographical scope. Due to advances in information and communications technologies, "restructuring 'internal' to the territorial unit has been combined with spatial (both intra- and inter-national) shifts in investment and a massive expansion of the radii of organisational control associated with the growth of transnational corporations [TNCs]" (Henderson, 1989: 3). The maquiladora industry is a prime example of a regional program designed to facilitate and manage these spatial shifts of jobs and investment by TNCs. As with many processes of restructuring, the transfer of assembly and light manufacturing investment from the United States to Mexico has been hotly contested. The controversy and debate around the industry has necessitated that supporters develop a legitimating discourse to promote their interests and diffuse criticisms levelled at the industry. Thus, the maquiladora program is an appropriate focus for a study of legitimation. Before we can approach the question of how the maquiladora industry is legitimated, it is necessary to first give some background on the industry, the political and economic forces behind its development, and the debate that has surrounded it. This is followed by a summary of the research project and the organization of the thesis.

The Maquiladoras in a Global Perspective

Since its inception in 1964 as the Border Industrialization Program, the maquiladora industry has gone through a dynamic process of development. The program was set up by the Mexican government as a temporary solution to regional unemployment problems caused by the termination of the Bracero Program, which regulated the flow of migrant workers to the United States. But since then, and particularly since the debt crisis of the early 1980s, this export processing industry has taken on increasing importance in Mexico's neoliberal development plans.

This program allows foreign firms to bring component parts into Mexico duty-free, and U.S. tariff items 806.2 and 807 allow these companies to then re-export the assembled product back to the United States, paying duty only on the labour value added. In these plants workers assemble products in a variety of sectors such as the garment industry, electronics (e.g. televisions, electronic harnesses for the U.S. space shuttle), auto and related industries (e.g. windshield wipers), and the toy industry. These are generally 'low skill,' labour-intensive jobs in which workers perform tasks (often the same operation several thousand times each day) such as soldering electronics parts, sewing pockets onto jeans, or sorting manufacturer coupons. The industry now operates about 2,000 plants and employs more than half a million workers in Mexico. The maquiladora industry has a history of hiring predominantly female workers in traditional 'female' assembly industries (i.e. electronics and garment industries). But since the mid-1980s, the industry has begun to incorporate more technologically sophisticated, capital-intensive production processes and to hire more men (Gereffi, 1996; Kopinak, 1993; Pearson, 1990; Sklair, 1989; Tiano, 1990; 1994; Wilson, 1992).

The development of the maquiladora industry has occurred within the context of a world economy that has been restructuring in important new ways. Sklair (1989) argues that the maquiladora program epitomizes the "reformation of capitalism" which has been ongoing at a global level since the early 1950s. He defines this reformation as "the latest readjustment that capitalism has been forced to make to ward off the economic, political, and ideological crises with which it is continually faced" (Ibid: 1-2). In this case, restructuring has been a necessary response to an increasingly globalized economic and political environment which has brought new competitive pressures to bear on firms and countries within the capitalist core and periphery.

Before we can discuss how capitalism has been reformed to cope with and manage these changes in the global political economy, it is necessary to first outline the definition of capitalism that underlies this explanation of restructuring. The perspective employed here draws on socialist feminist theory of capitalism which incorporates the interaction of class and gender relations in capitalist production. Following on Marxist approaches, this theory defines capitalism as "a mode of production based on private ownership of capital (the "means of production"), employment of wage labor, and production for exchange on a free market to earn private profit that is accumulated and reinvested for growth and further profit" (Lim, 1983: 71). According to this perspective, the unequal class and gender relations that are inherent in capitalism are used and manipulated by capital to fulfil its main goal of accumulation. For example, in export processing sectors such as the maquiladora industry, the exploitation[1] of workers on the basis of unequal class relations, is reinforced and coloured by patriarchal relations which place women in an inferior position in the labour market. Capital takes advantage of the sexual segregation of the labour market and differential wage rates between countries in order to increase profit levels (Ibid: 81). Furthermore, I will show in the following discussion of the global political and economic forces behind maquiladora development, that these fundamental tendencies of capitalism affect the way that it has responded to the pressures of globalization.

The internationalization of production and the global restructuring of capitalism in the past few decades have been a necessary response to changes in the global economy. These changes

[1] The term exploitation is used here in a marxist sense to refer to the relation in which waged labour is paid less than the market value for work performed. Under capitalist production relations, regardless of the absolute level of wages,workers are exploited because they are not paid for the full value of their work. The difference between what they are paid and the value of what they produce is the source of surplus value or profit for capital.

involve both developed and developing countries and are manifested differently according to the national and regional context in which they negotiated and carried out. The main player and initiator of this global restructuring has been the United States (Otero, 1996: 4; Sklair, 1989: 7). Advances in communications, information and transportation technologies have had a profound influence on the way the global economy operates. In the developed countries, economic restructuring has been a response to what Lipietz (1982) calls the crisis of Fordism. This crisis is characterized by declining profit levels that are the result of a disjuncture between production and consumption. Whereas there was previously a positive relationship between rising wages and purchasing power and increasing levels of production in countries such as the United States, this relationship has broken down over the past couple of decades. The slowdown in the growth of labour productivity during this period, combined with increasing investments in fixed capital (machinery, mechanization and technology) have resulted in declining profit levels. Thus, "the share of wages in total value-added [has climbed] to the detriment of profit" (Ibid: 35).

In addition to this crisis of profitability, U.S. capital has had to deal with increasing levels of competition within the global economy. The globalization of the competitive arena has exacerbated profitability problems. New competitors from countries such as Japan and Germany and from newly industrializing countries (NICs) in Asia following different regimes of accumulation have made serious inroads into the markets of U.S. firms. This latter group has been left scrambling to regain its competitive position in the global economy. One of the most common responses to these crises has been the transfer of labour-intensive production processes to cheaper wage locations within the developed countries and in developing countries. Before this point, these countries were mainly used as sources of primary products and raw materials, and

most manufacturing was carried out in the developed countries. The transfer of light manufacturing and assembly industries to Third World locations has resulted in a new international division of labour in which workers in these countries have gained industrial employment, often at the expense of workers in the First World (Lipietz, 1982: 37). This has further threatened the balance between production and consumption in developed countries such as the United States. Thus, the restructuring of U.S. capital in the face of global competition and declining levels of profitability has taken the form of downsizing and lay-offs in the home country, and a new insertion into global production for developing countries. The goal of this restructuring has been to restore the profitability of U.S. capital by lowering wage costs and increasing productivity (Lipietz, 1982; Otero, 1996).

At the same time that U.S. and other developed countries have been restructuring to meet the challenges of the new global economy, less developed countries have been pursuing the goal of capitalist development in response to these same pressures. However, these global processes have impacted the economies of these countries quite differently. As indicated above, some Asian NICs have become significant new competitors in the global economy. Furthermore, other developing countries have been attempting to mimic the success of the NICs by encouraging export-oriented industrialization (EOI) which is fuelled by foreign direct investment and technology delivered by TNCs (Sklair, 1989). This type of development is hailed as the solution to development problems in these countries, and has spawned numerous export processing zones throughout the Third World. These zones accommodate the needs of capital to lower costs and the needs of host countries to create jobs and industrial growth. While capitals from the United States and other developed countries have been restructuring to cope with profitability problems,

"the reformation of capitalism is [also] the TNC-led response to the problem of creating development in the Third World" (Sklair, 1989: 13). With the aid of international lending agencies, many of these countries have turned their economies toward EOI, using their pools of relatively cheap labour as a competitive advantage within the global economy.

The rapid growth of the maquiladora industry in the 1980s was greatly facilitated by the restructuring processes that both the United States and Mexico were experiencing during this period. In the United States, firms faced with new competition in the global market have used maquiladora operations (and other "offshore" production locations) as a tool for lowering costs and boosting their competitive position. U.S. firms are drawn to Mexico by its close proximity to the home market, its low wages and abundant supply of unorganized labour. So for the United States, the maquiladora industry is part of the restructuring process that has been necessary in order to cope with the crisis of profitability brought on by increased foreign competition (Otero, 1996).

For Mexico, the maquiladora program has become an important part of the government's new neoliberal development model which focuses on export-oriented development, privatization and decentralization of state services and enterprises, liberalized trading relations, and a policy of keeping wages low (Ibid: 7). This new development strategy was implemented in the early 1980s under the tutelage of international lending agencies, and in response to the debt crisis which culminated in 1982 when the government froze its debt servicing payments. But the maquiladora industry is more than just a means of generating jobs and foreign exchange. It is a visible showcase, or as former president Carlos Salinas described it, the *punta de lanza* -- spearhead -- for its neoliberal program. This industry represents the sharp turn that Mexico has made away

from import substitution industrialization (ISI) which focused on protecting domestic industries from foreign competition. The program sends a clear message to the international economic community that Mexico is open for business and on the path to export-led development. It is clear then that both the U.S. and Mexican governments have supported the development of the maquiladora industry in response to crises brought on by the restructuring of the global economy.

The Maquiladora Debate

The debate around the maquiladora industry is polarized between its supporters who view the industry as a mutually beneficial production sharing arrangement, and its critics who point to job losses in the United States and questionable labour practices in Mexico as evidence of a flawed program. The former is composed of industry representatives and groups, government officials, and other 'experts' and academics such as economists, while the latter includes labour unions, feminists, and scholars. Industry supporters argue that it benefits Mexico by bringing sorely needed jobs, foreign exchange and skills and technology transfer to the country (Sklair, 1989: 156). On the U.S. side, supporters of the industry contend that the maquiladoras help keep U.S. firms and by extension the U.S. economy competitive in the global marketplace. Furthermore, they argue that the maquiladora program saves U.S. jobs that would otherwise be lost if production processes were transferred farther afield to low-wage Asian countries.

Critics of the maquiladora industry raise concerns over job loss and de-industrialization in the U.S., and especially in rustbelt states such as New York and Ohio which were once the industrial heartland of the country. There is a substantial body of socialist feminist literature

which puts forth a powerful critique of the use of female labour in maquiladora plants[2]. This literature raises serious concerns over wages and working conditions, and the benefits of the program to women workers and border communities. Gereffi (1996) points out that another;

> frequently heard concern even in government circles,... is that maquiladoras are primarily a foreign enclave. As such, they are not really integrated into Mexico's industrial structure, except to take advantage of Mexico's low-wage workers, and therefore questions are raised about whether the program should play a key role in Mexico's strategy for national development (85).

South also points to several studies which conclude that the industry is a foreign-controlled enclave and that it raises serious questions about "dependency development and development for whom" (1990: 565). Furthermore, Sklair's (1989) study of the maquiladora industry in which he tests the industry against six development criteria[3], provides a serious critique of the developmental effects on both sides of the border. He argues that some socio-economic and spatial groups, namely the U.S. capitalist class, its Mexican conterparts, and the Mexican state have clearly benefited from the program. However, he also points out that;

> the balance of costs and benefits between maquila owners and the vast majority of the workforce has been inequitable both with respect to the conditions of Mexican labor and with respect to labor in the U.S..... Therefore, it is quite impossible to sustain the argument of the public and private maquila facilitators on both sides of the border that the maquila industry has brought prosperity and economic security to the people of the Frontera norte (Ibid: 223).

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[2] Beneria & Roldan 1987; Beneria & Sen 19821984; Elson & Pearson 1981a; 1981b; Fernandez-Kelly 1983a; 1983b; 1989; Fuentes & Ehrenreich 1981; Jaggar & Rothenberg 1984; Kopinak, 1993; Lim 1983; Mies 1986; Nash 1983; Pearson 1991; Safa 1981; Sklair, 1989; 1990; Tiano 1987; 1991; 1994; Young 1981.

[3] The criteria he uses to measure whether the industry has transformed from an economic zone to a development zone -- has achieved dependency reversal -- include: (1) linkages; (2) retention of foreign exchange; (3) upgrading of personnel; (4) genuine technology transfer; (5) conditions of labour; (6) and distribution. This is the definition of development that I draw on in this research project when I speak normatively.

Thus, there have been important questions raised by critics about the nature of maquiladora development, and its effects on workers and communities in both countries.

It is important to point out that there is considerable variability within each side of the debate. For example the portrayals of the maquiladora industry coming from its supporters range from unequivocal praise to more tempered treatments which argue that it is a necessary tool for both countries for restructuring their economies, even though this process may be a painful one in the short term. On the other side, although many critics agree on the basic limitations of the program and especially the old maquiladoras, that are discussed above, there is considerable internal debate over the implications of the new maquiladoras. The more optimistic critics (e.g. Gereffi, 1996) see the new maquiladoras as a turn in the right direction toward correcting some of these problems and moving Mexico to a higher stage of development. More pessimistic accounts point to the negative impacts of these changes in the industry on female workers (e.g. Kopinak, 1993), and scope and integration of the new maquiladoras (e.g. Wilson, 1992). Furthermore, they argue that there has not been a clean break from the 'old-style,' labour-intensive assembly operations which "still constitute the largest category of maquiladoras and are not expected to disappear" (Kopinak, 1993: 157).

With the above background on the industry, its development within the global political economy and the lively debate surrounding it, we can now move on to addressing the question of legitimation with which this research is concerned. It is from within this public debate over the maquiladora industry that the legitimating discourse of the supporters has emerged. This discourse includes a pro-active component that promotes the industry as a beneficial regional

development program, and a reactive component in which supporters diffuse criticisms of the maquiladoras.

Summary and Organization of the Thesis

This thesis documents and analyzes the legitimating discourse based on the theoretical framework presented in Chapter 1. In this chapter I argue that because there is no comprehensive theory of legitimation specifically pertaining to regional development policies involving TNCs and developing countries, it is necessary to incorporate theory from three bodies of literature. These include: firstly, organization theory which addresses the necessity of legitimacy for business organizations, and strategies for achieving it; secondly, social theory which incorporates the difficult issues of ideology and power within legitimation; and thirdly, regional development theory which is beginning to recognize the important role of discourse in legitimating development plans and policies.

Chapter 2 outlines the method of content analysis employed in this study of legitimation. It also explains the choice of U.S. newspaper and magazine articles as a data source, based on Herman and Chomsky's (1988) propaganda model which points to the importance of these media as purveyors of conventional wisdom. The questions used to guide this content analysis and document the legitimating discourse are as follows: (1) What are the main pro-maquiladora arguments and who are the proponents of these arguments; (2) How do industry supporters deflect criticisms of the industry; and (3) When these arguments are taken together, what is the resulting legitimating discourse -- how are the different strategies of legitimation used, what is the relative weight given to the various issues and themes, how are the issues framed and which connections are drawn out and emphasized. Since this is a Mexican program being represented in

the U.S. press, this research also addresses how the legitimating discourse is tailored to U.S. concerns, and how it accounts for the spatially and socially uneven effects that the industry has been criticized for producing. This chapter also presents a list of questions drawn from legitimation theory which are used (in Chapter 4) to analyze the construction of the discourse.

Chapter 3 documents the legitimating discourse of the maquiladora industry. The chapter organizes the discourse into three main sections: (1) arguments constructed to legitimate the effects of the industry on the United States; (2) those focused on its impacts in Mexico; and (3) those which portray it as beneficial for both countries. This is done to highlight the variations in the discourse for the two countries, and also how these are put together to portray the industry as a 'win-win' situation. My findings indicate that the main arguments used by industry supporters are that maquiladoras save U.S. jobs, enable U.S. firms, and by extension the country, to remain competitive in the global economy, and that it is helping to solve Mexico's economic problems by infusing foreign exchange, jobs, and skills and technology into the country. Charges of job losses in the United States and questionable labour practices in Mexico are diffused through a complex discourse which utilizes both substantive and symbolic strategies of legitimation, and relies on neoliberal ideology for coherence.

Chapter 4 analyzes the discourse based on the theory of legitimation outlined in Chapter 1. This analysis is organized around six theory-based questions which are used to explain the overall strategy of legitimation revealed in my articles. My research findings reveal a conscious construction of the legitimating discourse based on a need for legitimation that is perceived by maquiladora supporters. The need for legitimation comes out of the debate around the industry which has produced a fairly comprehensive critique that supporters have been forced to address.

Evidence from this study indicate that supporters rely mainly on strategies of symbolic management and redefinition of social legitimacy. Substantive change of problematic practices is also employed as a tactic of legitimation, but to a much lesser degree than the previous two strategies. My findings also indicate that the (hegemonic) neoliberal and patriarchal ideologies are important for providing a coherent frame of reference for the arguments and integrating the discourse so that the arguments reinforce and complement one another. This research suggests that the state (along with business firms and associations) plays an important role in legitimating the effects of the industry in both countries, and that supporters from both industry and government have constructed a legitimating discourse that is often highly technical and scientific, but is presented as apolitical and factual. However, this research reveals a politically-charged discourse that is put forth by state and industry representatives to legitimate this program which has been criticized for favouring certain spatial and social groups over others. The discourse in my sample indicates that legitimation both draws on and reinforces the existing spatiality of the maquiladoras. Furthermore, my sample seems to suggest that the legitimating discourse varies spatially to take into account the concerns of its audience. This research reveals a discourse that promotes the national benefits of the maquiladoras for both the United States and Mexico, and defends the industry from criticisms of its regionally uneven employment impacts in the two countries, and the spatial variation of labour practices between the two countries. It is not only the material impacts and social relations of the industry that are legitimated, it is the idea of progress and development in both countries that must be promoted through legitimation

The conclusion consists of a brief summary of the research findings and a discussion of the strengths and weaknesses of this research. Based on this latter discussion, as well as issues that arose during the research process, the thesis ends with some suggestions for future research.

CHAPTER 1
THEORETICAL FRAMEWORK

A LITERATURE REVIEW OF LEGITIMATION THEORY

This chapter focuses on the theory of legitimation adopted in this study. This theory is used in Chapter 4 to analyze the legitimating discourse that has been constructed to portray the maquiladora industry as a beneficial regional development program. Most simply, "legitimation is [the] process of 'explaining' and justifying" (Berger & Luckman, 1966: 93). Business firms and other organizations (i.e. professional organizations, state agencies, the Border Trade Alliance) and governments must engage in this process to varying degrees in order to ensure that they are perceived as legitimate by society. The organization must present its values, norms, goals and practices so that they are, or at least appear to be, in line with, and beneficial to, those of society. It is a central premise of this research project that regional development programs must also be legitimated, especially if they are at all controversial. In the case of the maquiladora industry, a lively and polarized debate has surrounded the program since its inception. Industry critics have raised concerns over low wages and questionable labour practices in Mexican factories which must be defended by individual firms and also by industry advocates (i.e. politicians and border trade groups) that represent the program as a whole. In the United States, concerns over job loss and deindustrialization must be diffused and incorporated into the prevailing rhetoric of global competition.

This Mexican regional development program and the wide-ranging impacts that it has north and south of the border, must be legitimated in both countries. Since this study employs a content analysis of U.S. newspaper articles to explore legitimation, it is a question of how this

Mexican program is legitimated to a U.S. news audience. It is my assumption that legitimation strategies and discourse vary across space according to the perceived concerns of the target audience in any particular location. For example, perhaps it is not surprising that issues of gender are neglected in my sample of articles given that U.S. readers are probably more concerned with job loss in their own country or region than they are with the wages and working conditions of women workers in the Mexican factories. If the project were focused on how the industry is legitimated in Mexico, one would likely see a greater attention to gender issues since this massive inflow of women into a new form of paid employment has had important social impacts in the border region. In both cases, it seems reasonable to expect that industry supporters will tailor their legitimating discourse spatially according to these concerns. Within my sample of U.S. articles, I would also expect that legitimation efforts aimed at rustbelt regions that have lost jobs to the maquiladoras would have to include a strong focus on diffusing these concerns, while those targeting readers in the sunbelt regions could be focused more on the potential spin-off benefits that this region could accrue from maquiladora development. As well, it is perhaps a truism that the relocation of assembly plants "offshore" enables firms to institute new forms of labour relations and to hide questionable labour practices and other negative impacts of this development scheme. In other words, the spatial and social separation of the maquiladora industry from the United States affects how the legitimating discourse is constructed. Some firms may be able to quietly operate without much public exposure (and indeed many firms try to avoid publicity), and thus avoid sticky questions about operations. On the other hand, if a firm is called on to defend its practices, the spatial and social separation between the two countries makes it much easier for it to bend truths or de-emphasize problematic issues. For example, when the average newspaper

reader in Buffalo, New York reads the rationale that the $8.00 per-day wage being paid in a maquiladora by a former Buffalo employer, is actually a good wage in Mexico given the state of the economy and the lack of alternatives, this may sound perfectly reasonable. These spatial aspects of legitimation will be discussed more fully in the final section of this chapter which focuses on incorporating legitimation into regional development theory. Before this can be done however, we must look at more established theories of legitimation, one coming out of organization theory which deals with the level of the individual firm or organization, and another one dderived from critical social theory which addresses the role of ideology and power in the legitimation of capitalism as a system of domination.

Although organization theory could be considered just one offshoot of social theory, I am considering the two separately for two main reasons. Firstly, because the former is mainly concerned with the perspective of the business firm, while the latter includes a wider focus on the use and impact of legitimation in social life. So, for example, while organization theory represents legitimation as a necessary and relatively unproblematic practice that all firms must engage in, social theory takes into account the unequal power relations that pervade the process and outcome of legitimation. The second reason for separating the two perspectives stems from the political implications of each theory. Organization theory presents a pro-business spin on legitimation, while the social theory employed here takes a decidedly critical perspective.

Organization Theory

Organizational legitimacy is the product of a social comparison process which determines whether a business and its mission, goals, practices and indeed its very existence and role in society, are in line with those generally accepted as appropriate by society (Ashforth & Gibbs,

1990; Berger, 1981[4]; Berger & Luckmann, 1966; Dowling & Pfeffer, 1975; Meyer, 1979; Meyer & Rowan, 1977). As well, legitimacy "justifies the organization's role in the social system and helps attract resources" (Ashforth & Gibbs, 1990: 177). Legitimacy is a valuable resource for firms also because it may actually reduce the amount of inspection and questioning of the organization by both external and internal constituents (Meyer & Rowan, 1977: 359). If a firm has well established legitimacy, outside agents such as the State or individual consumers may feel that it is not necessary to monitor or regulate the company as stringently as they otherwise might. Internally, employees are more likely to be loyal or even blindly bound to the culture of an organization that has a high level of legitimacy because by association with the firm, they also gain legitimacy. Thus, individual actors ranging from institutional managers (e.g. maquiladora supervisors) to employees to customers, must at the ideological level of their "symbolic universe" give internal sanction to the organization and its legitimacy (Berger & Luckmann, 1966).

Given the general consensus on the importance of legitimacy for organizational success and survival, there is a need to highlight some broad strategies that firms have at their disposal to manage their legitimacy. Dowling and Pfeffer (1975) point to three basic strategies of legitimation: "First the organization can adapt its output, goals, and methods of operation to conform to prevailing definitions of legitimacy" (127). An example of this within the maquiladora industry would be one in which an assembly firm substantively alters its practices to conform to

[4] Berger (1981:83-86) further defines the concept of legitimacy as: (1) empirical -- it "...refers to a real state of affairs in the real world.... People either believe or do not believe in the rightness of a particular institution, and their beliefs can be known" (83); (2) normative -- it reflects beliefs in what ought to be; (3) plausible -- beliefs about legitimacy are only plausible in the given social context; (4) artificial --it is socially constructed and maintained; and (5) 'interested' -- beliefs about legitimacy are bounded in a reciprocal relationship with vested interests.

the pressures of union or environmental groups. This legitimation strategy closely resembles what Ashforth and Gibbs (1990: 178) refer to as substantive management.

A second strategy for legitimation entails an organization using "communication to alter the definition of social legitimacy so that it conforms to the organization's present practices, output, and values" (Dowling & Pfeffer, 1975: 127). Nielsen (1987) also espouses the value of myths, stories and language in "creating a symbolic universe of meaning that incorporates marginal situations and realities" (528). In the case of the maquiladora industry, an example of this is the neoliberal rhetoric that justifies job loss and 'downsizing' in the U.S. by conflating corporate interests such as competitiveness and profit margins with the public or national interest which lies more in employment.

A third and closely related type of legitimation strategy is "symbolic management" (Ashforth & Gibbs, 1990: 180). The goal of this strategy is for the firm to "become identified with symbols, values, or institutions which have a strong base of social legitimacy" (Dowling and Pfeffer, 1975: 127). For example, drawing on mainstream economics and the entrenched theory of modernization, maquiladora firms are promoted by industry advocates as modernizing catalysts that will help solve Mexico's problems of unemployment and underdevelopment., and bring to the average woman or family prosperity, just as industrialization achieved these goals in the developed world.

The difference between substantive management and the second two strategies of legitimation is quite straightforward -- in the former there is concrete, material change of organizational practices, in the latter two there is not. However the distinction between the latter two strategies needs some clarification. Under both strategies legitimation is achieved through a

process of communication and redefinition but the target of this process differs. The second strategy is to change the social definition of legitimacy to fit organizational practices, while the goal of symbolic management is to redefine practices to conform to the existing definition(s) of legitimacy. Since the second strategy involves the difficult task of changing people's values and attitudes it is reasonable to expect that it would be most effective as a longer-term, on-going solution to legitimacy problems as compared to symbolic management. This last strategy could be implemented more easily in the short term to deal with immediate threats to the organization's legitimacy.

Once an organization's legitimacy comes under scrutiny or a crisis of legitimacy ensues, indirect and subtle forms of symbolic management are generally most effective, assuming that direct substantive change of questioned practices is not possible. For example, Berger (1981:89) points out that;

> Its legitimacy seriously challenged, the American business community need not lack a workable strategy for action. Opponents have vested interests that can be understood and a system of beliefs that can be called into question. Restoration of legitimacy will depend as much on successful competition over ideas as on successful performance in the market....business must learn to speak a new language. It knows economics and politics; now it must address meaning and value (Berger, 1981:89).

It is also important to point out that substantive change also carries an important symbolic message. Maquiladora firms unwilling to forgo the profits of the present form of low wage production, may resort to a symbolic action such as General Motors' recent attempt to divert questions regarding the loss of employment in the United States to Mexican assembly operations. In this case a small number of jobs was transferred back to the United States, thus reaffirming the organization's link with U.S. labour. Further supporting this argument, Richardson (1985)

suggests that the most effective forms of legitimating behaviours are those which "absorb criticism by allowing the transformation of any problem into a form compatible with that system of thought" (144). An example of this is maquiladora supporters responding to questions about the subordination of women in factory production by portraying assembly work as emancipatory for women. Through these subtle legitimation strategies, organizational members learn appropriate behaviours. For example, potential maquiladora employees are well aware of the qualifications for employment because they are circulated informally by the women themselves and by companies through job advertisements. In other words, the symbolic universe "provides the ultimate legitimation of the institutional order by bestowing upon it the primacy in the hierarchy of human experience" (Berger & Luckmann, 1966: 98). Furthermore, Berger (1981) suggests that another useful tactic of legitimation is to appeal to opposition groups with vested interests that coincide with those of the firm.

Social Theory

Organization theory is useful in that it highlights the reasons why organizations must legitimate their activities, and the various ways that this is achieved. However, this perspective does not take into account the unequal power relations that permeate legitimation when it involves the interests of the hegemonic capitalist class, nor does it fully explain the role of ideology in legitimation. For this reason, I now turn to social theory to further explicate legitimation. The theories that I draw on here include Gramsci's theory of hegemony, Dorothy Smith's conception of the "ruling apparatus", socialist feminist theory on women in global production, and Habermas's influential work on legitimacy.

Although this project focuses mainly on the macro level of how legitimation is constructed and by whom, rather than the micro level of how human agents come to believe in the legitimacy of institutions (or in this case, the legitimacy of a regional development program) and give sanction to the legitimation process, this side of the equation must also be recognized. What is needed is an approach that follows Berger and Luckmann's (1966) attempt to incorporate the individual actor, and builds on it to bring together the dimensions of capitalist production, gender and ethnicity (Wittington, 1992: 695). The possibility for human agency within the social structure emanates from the conflict between these dimensions. Because human agents organize their everyday worlds through a multiplicity of organizations and institutions, a vast range of conflicting structural interests influence and are concretized by individuals working towards what they perceive to be their own best interests. Such intersections, combined with actors' participation in a plurality of organizations, opens up the opportunity for collective agency and change (Ibid: 696-697).

Although this research is concerned mainly with the production of legitimacy, rather than how it is received and integrated into the lifeworld or symbolic universe of individuals, this latter part of the legitimation process cannot be completely separated from the former. These issues of human agency must inevitably creep into the question of the construction of legitimacy. For legitimation to be successful, maquiladora supporters must take into account how their arguments will be viewed by the audience in the formulation of the legitimation strategy. Furthermore, the role of human agency should be stressed in order to avoid giving the mistaken impression of people as passive recipients of monolithic structural imperatives. In the end, people run

organizations and governments, and people process and mediate the information sent out by these hegemonic groups.

Gramsci's Hegemony: Ideological domination and consent within the legitimation process.

Legitimacy can also be regarded as the mechanism through which the nature of society and the dominance or hegemony of certain people or institutions within that society are justified (Berger & Luckmann, 1966: 121). Since dominant institutions also influence what is considered appropriate in society, legitimacy serves to morally rationalize that institution's dominance and authority. In the maquiladora industry, for example, transnational business practices have been legitimated on the basis of their efficiency and benefit to the firm - as the only way to conduct business in the competitive global arena. In addition, because factory jobs are relatively high-status positions for women in Mexico, these operations continue to grow.

Although the term hegemony was originally employed by Antonio Gramsci to account for the dominance of the bourgeoisie through the state in politics, it is also relevant to understanding the nature of legitimation in the maquiladora industry if one takes his definition of the state as including both political and civil society (SPN, p.263). This definition allows for the inclusion of multinational business organizations as hegemonic entities. In defining the concept of hegemony, Gramsci draws a clear distinction between direction or leadership and domination. Domination is equated with the use of direct coercion or force against opposing groups by the dominant social group, and is easily recognizable. The function of coercion is generally carried out by political society - the state military apparatus - and can be conceptualized as a tool that can be used when hegemony (legitimacy) falters. Thus the state represents `hegemony armoured by coercion' (SPN,

p.263). Police crack-downs on labour or union activity is an example of coercion at work in the maquiladora industry.

Intellectual and moral leadership, on the other hand, is a much more insidious form of social control:

> Such 'internal control' is based on hegemony, which refers to an order in which a common social-moral language is spoken, in which one concept of reality is dominant, informing with its spirit all modes of thought and behaviour. It follows that hegemony is the predominance obtained by consent rather than [the] force of one class or group over other classes (Femia, 1981: 24).

This type of control is exercised through civil society in the form of societal norms, values, and attitudes that affect the way people see the world around them. These norms and values are supported and manipulated by the dominant capitalist class in order to secure legitimacy and acceptance by the social group. Ideological hegemony is so strong, in fact, that once these values and norms are ingrained, people can often not even conceive of alternatives to the system in place - reification of the status quo takes place. For example, many arguments used to legitimate maquiladora development draw on well-established, ingrained ideas about the benefits of free market capitalism and liberalized trade, to essentially argue that any capitalist development, no matter how low paying, or exploitive, is better than none at all. Similarly, women working under conditions reminiscent of the industrial revolution era, accept these conditions due to social conditioning based on the dominant ideologies of patriarchy and capitalism and the lack of viable employment alternatives as discussed above within the maquiladora literature. As stated earlier, then, consent is the basis of legitimacy and is both integral to and dependent upon hegemony. Thus, individual actors are accorded their key role within the legitimation process and outcome.

The Ruling Apparatus: Gendering the legitimation process.

Within feminist scholarship, Dorothy Smith (1987) has formulated the concept 'ruling apparatus' to refer to the complex system of social control dominated by men. This system is comprised of the institutions that govern and organize society. According to Smith, these structures represent the interests of men, but claim to be representing those of a genderless society. Thus, maleness is the norm and femaleness is the 'other' and male concerns are legitimate while those of women are considered irrelevant, or at best, representative of a 'special interest group.' Basing her theorization on Marx and Engels's concept of ideology, Smith contends that "with the emergence of a class society, ... 'mental production' becomes the privilege of the class that dominates the means of production and appropriates the means of mental production" (Smith, 1987: 55). Thus, she argues that "a ruling class is the basis of an active process of organization, producing ideologies that serve to organize the class itself and its work of ruling, as well as to order and legitimize its domination" (Ibid: 57). In this sense, then, through its hegemony, the ruling apparatus forms "the cognitive and affective structures whereby men perceive and evaluate problematic social reality" and define what is legitimate (Femia, 1981: 24). Agger (1992) draws on this same concept of ideology, to stress that "ideology, which functions to conceal and legitimate domination (Marx and Engels 1947), only ends with domination. Once translated into the discourses and practices recognizable as politically inflected, ideology can be debunked, now as before."

Both Gramsci's concept of hegemony and Smith's ruling apparatus are strong grounding on which to base a study of legitimacy which takes into account the role of both social structure

and human agency. For example, in Smith's problematic, sanction for the dominant group is brought about by the complex interaction of actors in the everyday world. She views:

> the ideas, images and symbols in which our experience is given social form not as that neutral floating thing called culture but as what is actually produced by specialists and by people who are part of the apparatus by which the ruling class maintains its control over the society (Smith, 1987: 54).

Similarly, hegemony is the result of the legitimation of domination which is accomplished through civil and political society.

Socialist Feminist Theory of Women in the Global Factory

Socialist feminist literature on women in the maquiladora industry and other export processing zones is useful to this study of legitimation because it provides insight into the ideological underpinnings of the rationalizations used to explain female predominance in these industries. In general, this theory seeks to integrate the concepts of class and gender in the analysis of gender inequalities and the subordination of women within the realm of capitalist production[5]. This literature analyzes some of the common explanations employed by supporters to legitimate the use of female labour and to diffuse criticisms of wages and working conditions in female plants. By deconstructing gender stereotypes, these writings reveal the patriarchal ideology behind these explanations. Furthermore, Tiano (1994: 228) argues that, "the fact that employers are justifying their hiring practices in ways consistent with dominant cultural beliefs defining women in terms of their domestic responsibilities demonstrates employers' perceived need to gain social legitimacy for their new recruitment practices". Thus, it is clear that this perspective on women in the maquiladoras can contribute to our understanding of the process of

[5] The main contributors to this literature are listed above in note 1.

legitimation. The following is a brief explanation of the insights this theory brings to this study of legitimation.

According to this literature, one of the most common arguments used to defend the industry against criticisms of low wages and other questionable labour practices such as firing and rehiring workers to fit flexible production schedules, is that women are supplemental wage earners. Socialist feminists point out that this is based on the patriarchal assumption that women are primarily responsible for nurturing and reproductive role within the private sphere, while men have the responsibility of representing the family in the public sphere of paid employment. Thus, supporters legitimate labour practices by arguing that women are earning 'extra' discretionary income. In contrast to these stereotypes, this literature points to the economic necessity of factory work for most women (Fernandez-Kelly, 1983; Pearson, 1990; Tiano, 1990). Low wages and other labour practices are also legitimated through an ideology of "cultural relativism that accepts a given condition as inevitable and justifies conformity to retrogressive labour practices in functionalist terms" (Nash, 1983: 24).

Another part of the legitimating discourse that this theory documents and deconstructs is the arguments used to defend the high predominance of women in border factories. The most common explanation given by maquiladora managers and other industry supporters is that Mexican women are naturally predisposed to performing this kind of work by virtue of biologically-determined physical abilities, mental capacities and psychological make-up. Whether these traits are attributed to biological or cultural/social causes, they are framed as being immutable, natural and therefore legitimate as a basis for employment decisions. In short, supporters argue that women are an ideal workforce based on what Sklair (1989: 171-172) calls,

"the litany of docile, undemanding, 'nimble-fingered' women workers uninterested in joining unions or standing up for their rights." Furthermore, he argues that the litany serves two purposes: "first, it serves as an ideological rationale for a course of action; and second, it purports to provide a correct description of a state of affairs in the real world" (Ibid: 172). The socialist feminist literature highlights and debunks the patriarchal stereotypes behind these arguments.

Another contribution of the socialist feminist maquiladora literature to this study of legitimation concerns the development of the 'new' maquiladoras and its implications for women workers. For example, Kopinak (1993) argues that the dualistic conception and labelling of the maquiladora industry as 'old' and 'new' is used by industry supporters to deflect criticisms of the industry as a whole and of the gender composition of the workforce. She maintains that "what is connoted by labelling some industries old is that these maquilas are part of an era that is over, that they are an outdated example that is no longer relevant to industrial policy or politics" (Ibid: 147) At the level of the industry as a whole, supporters point to the new maquiladoras as proof that the industry is modernizing and therefore solving the problems for which it has been criticized in the past (e.g. lack of local linkages and technology transfer, low wages, etc.). Furthermore, she observes that one consequence of this dualism has been a gender blindness by maquiladora supporters who "assume that if the new maquiladoras are going to hire more men, gender no longer needs to be addressed as an explanatory variable" (Ibid). She debunks this dualism by arguing that what has emerged in the industry is a technological heterogeneity in which the old maquiladoras continue to exist and grow alongside the new ones (sometimes in the same location), and that women have been marginalized by the development of the new maquiladoras in that they still tend to occupy mainly labour-intensive, low wage positions.

These insights into legitimation that the socialist feminist literature provides will be used in Chapter four to analyze supporters' arguments about the gender composition of the industry. So far, the social theory examined here contributes to this study of legitimation an understanding of the ideological underpinnings of domination by the capitalist class (hegemony) and gender subordination (patriarchy). We can now focus on Habermas's theory which highlights the role of the state in the legitimation of capitalist domination.

Habermas's Theory of Legitimation

Habermas comes out of the Frankfurt School which emphasizes the role of the culture industry within its Marxist-inspired critique of modern capitalism, and capitalist rationality. According to this perspective, social consciousness and public debate have been quashed by capitalism's reliance on "instrumental rationality [which] leads to impersonal modes of authority with decision making devolved to hierarchies of experts removed from open, public debate" (Swingewood, 1991:290). As a result, the role of substantive rationality -- critical thinking -- which once regulated capitalism, has been eroded by the growth of bureaucracy and technology within a highly centralized state capitalist system whose "institutions which normally function to articulate and communicate public opinion have become commercialised and depoliticised" (Ibid.). Thus, his theory of communicative action calls for the reinstitution of substantive rationality through open public debate in 'ideal speech communities' which focus on free and equal communication and consensus building and will ultimately lead to emancipation.

Habermas focuses on the implications of the dominance of instrumental rationality in terms of the crisis tendencies and legitimation problems in advanced capitalism. These problems spring from the contradiction of "distributing the surplus social product [of a society] inequitably and yet

legitimately" (Habermas, 1975:96). This speaks to what I see as the heart of the legitimation question in maquiladora development -- how to legitimate a regional development program which has been criticized for its socially and spatially uneven impacts.

In *Legitimation Crisis* (1975), Habermas argues that crises in advanced capitalism occur in three main sub-systems as follows:

Point of origin (sub-systems)	*System crisis*	*Identity crisis*
Economic	Economic crisis	--------
Political	Rationality crisis	Legitimation crisis
Socio-cultural	--------	Motivation crisis

Because of the above mentioned contradiction between public production and private appropriation in advanced capitalism, Habermas contends that it is subject to four possible types of crises: Firstly, an economic crisis arises when the economic system can no longer produce the "'requisite quantity' of consumable values" (Held, 1982: 183) or can no longer sustain accumulation. Secondly, "a rationality crisis occurs when the administrative system can no longer reconcile and fulfil the 'imperatives received from the economic system', that is, the allocation of adequate rewards for labour (consumerism) and the necessity for capital accumulation" (Swingewood, 1991:292). A legitimation crisis may occur at this point if the state is unable to secure the support of the general populace, and especially those with power, for the dominant political order and social system. Furthermore, Habermas argues that this will only occur as a result of a motivation crisis -- the inability of the socio-cultural system to provide the motivation for individuals to integrate into appropriate roles and institutions (Ibid: 292-3). While the first two crises threaten system integration, legitimation and motivation crises, threaten social

integration. In essence, he argues that because the state has become increasingly tied with the economic system under advanced capitalism, it also has to take an increasing role in shouldering the costs and crises of the economic system. Part of this role is producing motivational values which will integrate and "secure the loyalty of one class while systematically acting to the advantage of another" (Held, 1982:184). If the state can not accomplish this, a crisis of legitimation may occur. However;

> As long as the welfare-state program, in conjunction with a widespread, technocratic common consciousness (which, in case of doubt, makes inalterable system restraints responsible for bottlenecks) can maintain a sufficient degree of civil privatism, legitimation needs *do not have to* culminate in a crisis (Habermas, 1975:74).

Habermas's theorization of legitimation is useful in that it brings into focus the role of the state in assuming the responsibility for managing legitimation problems that are displaced from the economic system. Because the state is the main means through which the public can challenge the legitimacy of the capitalist imperative, it is forced into the ideological fray. For example, the economic crisis that U.S. firms have experienced due to increased global competition, has resulted in heavy job losses associated with the transfer of labour-intensive operations to low-wage maquiladora locations. This should present a serious challenge to the legitimacy of the economic system, and the firms involved since it indicates that the present system is no longer able to provide adequate material benefits (decent-paying employment) to the working class. However, within electoral democracies such as the United States, it is the state's role to regulate the distribution of the costs and benefits of capitalism. This is not to say, however, that firms and business associations within the economic system do not also play a role in legitimation. Even though capital's main function is to accumulate profits and provide a return to shareholders, this

does not mean it has no responsibility to other organizational stakeholders such as communities and employees. There are societal pressures on businesses to be socially responsible. Based on the organization theory discussed above, as well as the enormous public relations and advertising budgets expended by business firms, it is evident that they too play an active role in legitimation. Individual firms and high-profile business leaders manage the legitimacy of their own organizations, and frequently aren't shy about espousing the benefits of the economic system and economic development programs with which they are associated.

Since Habermas's theory of legitimation was constructed in the early 1970s to deal with the role of the state in legitimating capitalism at that time, it is important to recognize that its relevance in terms of the role of the state in the 1980s may require some reconsideration. Under the dominant neoliberal ideology of development that has characterized this latest period, the role of the state in all areas of social, economic and political life has been called into question. Building on the free market assumptions of neoclassical economic theory, the neoliberal prescription for development and progress is to radically limit the role of government in the economy, and let the market run itself. This has implications for the legitimation of capitalist development. If the government's role in the economy is limited, then it will no longer bear the same responsibility for legitimating the shortcomings of development. Rather, these problems will be legitimated as an unpleasant consequence of market forces. In the case of the maquiladoras, global economic forces which are beyond the control of any one country, are blamed for the negative consequences of restructuring in both the United States and Mexico. Although there is still some responsibility attached to the state for regulating the effects of market forces, its role has diminished, so that one would expect that the legitimating discourse would also point to the free play of market forces in

the legitimation of maquiladora development. According to neoliberal ideology, economic growth through laissez faire policies is the best way to ensure long term success in the global economy, even though this process may be a painful one in the short term.

Legitimation in Regional Development Theory

As I stated earlier, one of the main assumptions underlying this study is that regional development programs and policies must have legitimacy within the public realm in order to be successful. Like organizations, if public support is withdrawn from a regional development program, it could have a significant impact on the program. In the more severe cases, it could, for example, result in the termination of the program or withdrawal of funding by public and private sources unwilling to become associated with controversial projects. An example of this is the Kemano Completion Project in B.C. which was cancelled by the NDP government in 1995 partly due to the public outcry over environmental concerns. In any case, if the legitimacy of a regional development scheme is questioned, it will at least mean that time and money will have to be spent to bring the public on board. The time and financial resources expended by public and private institutions to cultivate support for the B.C. forest industry provides another home-grown example of the legitimation of a regional development plan. In this case, the government implemented a new forest practices code and did a mass mailing of information flyers explaining the benefits of this code and new land use decisions to the B.C. public. As well, forest companies began to run their own advertising campaigns stressing reforestation, and industry groups such as the Forest Alliance of B.C. enlisted the help of multinational public relations giant Burson Marstellar to help it sell the industry to the B.C. populace and overseas clients who were

becoming anxious about the 'Brazil of the North' image with which the industry had become associated.

The extent of legitimation that is required depends on the nature of the development project -- how wide-ranging its impacts are, how controversial it is -- and on the visibility of the project. I would argue that in the case of the maquiladora program, its controversial nature which comes from the loss of employment in the United States, and the charges of exploitive wages and working conditions in Mexico, as well as the publicity generated by the Expo-Maquiladora fiasco (see chapter 3), make legitimation necessary. The visibility of regional development programs quite clearly impacts the extent of legitimation required. High-profile projects are open to more criticism and public debate, while those with little visible impact on the region or community may be overlooked. This point has not been lost on Maquiladora managers, who are reported to avoid publicity which associates the 'good name' of U.S. firms such as General Electric and General Motors, with job losses and images of sweatshop conditions.

This brings us to the second major assumption of this research project; that space, and more specifically spatiality (Soja, 1985), are integral to the legitimation of regional development. Within geography, space has traditionally been defined as either a concrete physical container or material reflection of social systems or as a cognitive idea or meaning assigned by human subjects. But Soja seeks to move beyond these ideas of space with his materialist interpretation of spatiality which encompasses both the material and ideal, but is more than just the sum of the two. Rather, spatiality is conceived of "as a social product and an integral part of the material constitution and structuration of social life" (Soja, 1985:92). In other words, he argues that spatiality is the concretization of society in that "spatial structures and relations are the material form of social

structures and relations" (Ibid:94). Legitimation can be seen as part of the social processes that constitute spatiality and ensure its reproduction. Moreover, "concrete spatiality is a competitive arena for both social production and reproduction, for social practices aimed either at maintenance and reinforcement of existing spatiality or at significant restructuring and possible transformation" (Ibid:99). Legitimation is fundamental to all of these elements of the struggle in the competitive arena and is an inherent part of the processes of social production and reproduction. The maintenance and reinforcement of existing spatiality are the goal of legitimation in the maquiladora industry since it allows for continued capital accumulation and expansion. In addition, the spatiality (the concrete manifestation and constitution) of the industry affects the way that it is legitimated.

This interpretation of spatiality is useful to this research project because it places the maquiladora industry and its legitimation within a spatial context. Just as it is important to provide a historical context for social phenomena, it is also necessary to contextualize these phenomena in terms of their spatiality in order to more fully understand them. As well, Soja's definition of socially produced spatiality "allows for arguments and analysis which confer causal influence to particular spatial configurations and spatial relations" (Soja, 1985: 123). Part of the goal of this research is to highlight the influence of the spatial configurations and relations of the maquiladora industry on the process of legitimation. As the concrete manifestation of the industry, the spatiality of the maquiladoras encompasses the uneven regional impacts of the industry. The basis of this industry is the geographical shifting of jobs and industry from the United States to Mexico. The industry has produced a geographically uneven pattern of development in terms of the distribution of jobs and industry between the two countries and

within each country. Some regions of the United States are experiencing deindustrialization and job loss due to the maquiladoras, other regions in both countries are undergoing unprecedented industrial growth. Furthermore, the spatiality of the maquiladora industry also includes national and regional differences in labour relations, practices and laws that are exploited by capital to accomplish its goal of accumulation. The concrete spatiality of the industry (the changes in the spatial distribution and uneven pattern of development) must be legitimated in order to ensure that these uneven effects do not threaten accumulation. Furthermore, existing spatial changes that the industry has produced are incorporated into the legitimation of the industry as its spatiality continues to restructure and develop. For example, another concrete manifestation of the industry's spatiality is the differences in the gender composition of the workforce between the two countries. The high predominance of female workers in Mexican factories that has characterized the industry since its inception has been legitimated on the basis that within this particular spatial context women are the ideal workforce. But when the gender composition of the workforce began to change, it was necessary to reconcile this change with the previous relations that had been constructed and legitimated. It is within the spatiality of the industry that social struggle and legitimation take place. The spatiality of the maquiladora industry incorporates the physical space of the industry -- the spatial distribution and restructuring of production processes in the various affected regions -- and the way in which this spatial separation of production processes is used to hide or more easily deflect questions about labour practices and conditions.

As well, cognitive space is an important element of the spatiality of the maquiladora industry in that people's subjective ideas about the industry and its spatial configuration and relations affect the way it is legitimated. The legitimation of the industry draws on and reinforces

ideas of what 'development' means within the Mexican (Third World) and U.S. (First World) context. The perception of Mexico as a Third World country desperate for jobs and investment is used to justify wage levels and working conditions that would be considered questionable within the spatial context of the United States. This cognitive aspect of spatiality incorporates issues of class, race and gender in the legitimation of the industry. For example, racist or imperialist ideas about Mexican workers are drawn on and reinforced through legitimation to justify the spatial differences in labour practices. This legitimation draws on the assumption that it is acceptable for poor Mexican women to be subject to one set of labour relations (wage levels and working conditions), while workers in the United States are subject to a very different set of labour practices and relations. Similarly, the perception of the United States as an advanced capitalist country on the road to high-tech production, is used to rationalize the uneven distribution of jobs and investment. The loss of light manufacturing industry and employment to Mexico is legitimated as part of this evolution of the U.S. economy. Spatiality also draws on existing knowledge and 'common sense' ideas about global economic conditions to legitimate the spatially uneven form of development that the industry has produced (i.e. job loss in the United States, questionable labour practices in Mexico). Thus, people's perceptions of the spatiality of the maquiladora industry are both drawn on and reinforced through the process of legitimation.

But it is not only the idea of development that is being sold, it is also the material conditions and relations of the industry that give a concrete form to the spatiality of the maquiladora industry and must be legitimated. For example, in the maquiladora sector, conflicting relations of production and gender relations are concretized as a distinct spatiality that is preserved through legitimation. In this sense, "spatiality is not only a product but also a producer

and reproducer of the relations of production and domina[tion], an instrument of both allocative and authoritative power. Class struggle, as well as other social struggles are thus increasingly contained and defined in their spatiality..." (Soja, 1985:110). It is important to stress that within this theorization of spatiality, the cognitive and material space of the maquiladora industry are socially constructed , and that legitimation is vital to this social process of transforming and reproducing the spatiality of the industry.

In summary, physical space helps maquiladora supporters hide and obscure the uneven regional impacts of the industry (e.g. questionable labour practices in Mexico, deindustrialization in rustbelt regions of the United States); cognitive space -- people's ideas about, for example, women or economic and social conditions in Mexico -- is incorporated into the rhetoric of legitimation and reinforced in the process; similarly, the material social relations and conditions which constitute the spatiality of the industry (i.e. the uneven regional development of the industry) must be satisfactorily explained by and incorporated into the legitimating discourse of the maquiladoras.

Within the field of regional development theory, Gore (1984) puts a similar emphasis on fully incorporating space into the analysis of development. According to this perspective, space should be considered an integral element of social and political processes (i.e. legitimation), rather than just an abstract, geometric container of economic activity. Furthermore, drawing on Habermas's critique of advanced capitalism, Gore argues that because the state has become increasingly involved in regional and national development, regional planning should be examined as an integral aspect of state policy. In developing countries, regional development is used by the developmentalist state to promote the main goals of capital accumulation and the legitimation of

its rule (Gore, 1984:244). For Gore, this inevitably results in a fundamental problem for the governments of these states:

> That problem is simply how to obtain the consent of the people who are ruled. And it is bound to arise, for while the government *claims* to represent the common interest of all the people, and claims to be planning *national* development, the benefits of the increase in material production through private or state capital accumulation are, in the short term, necessarily distributed unequally between social groups and geographic areas. Once 'national development' is actively adopted as a major role of government, the crude and brutal effects of capitalist accumulation, cannot be taken for granted as an unfortunate side-effect of the free play of market forces. In taking on this task, the government becomes visibly identified as a prime agency which determines who prospers and who suffers in society (Ibid:245).

In order to gain or maintain the consent of politically powerful groups within the state, the government can use practical actions to make its policies conform to the concerns of these groups (what I have defined above through organization theory as substantive legitimation), or it can use discourse to symbolically align its policies with these concerns. Although it is a mistake to conclude from this that regional development programs are adopted only because they serve legitimation and accumulation functions, these insights are useful if they are studied within a focus on the sectional interests, power relations and political struggles of the regional territory. Assuming that these power relations and political struggles include those structured around gender, this is particularly important in the case of the maquiladora industry with its complex interaction of gender relations and production relations. It is from this perspective that Gore believes we can get past the rhetoric of development and its non-solutions to non-problems, to better understand the underlying structural mechanisms that drive development. Furthermore, because these social and political relations vary over space according to the historical regional

context, it follows that legitimation must also be varied to fit this context if it is to be successful in maintaining the support of its (powerful) constituents for the development program.

Increasingly, the role of discourse in legitimating 'development' that serves the interests of certain spatial and social groups at the expense of others, is being brought into regional development theory. This is the central question of this research - how discourse is constructed to legitimize as beneficial a regional development program which has been widely criticized for its uneven spatial and social impacts. For example, Slater (1989) discusses the hegemonic discourse of decentralization, and Escobar (1992) reflects on the more general discourse of 'development' as a hegemonic form of representation of the Third World. According to the latter, the discourse of 'development' (a term which has been problematic since its inception) legitimates a wide range of interventions in the Third World, and;

> has ruled most social designs and actions of those countries since the early post-World War II period. This discourse has shaped in significant ways the modes of existence of Third World societies, mediating in a profound sense the knowledge they seek about themselves and their peoples, mapping their social landscape, sculpting their economies, transforming their cultures (Escobar, 1992:411-412).

Gore (1984) deals with the role of discourse in the legitimation of regional development, that is, how it enables the state to fulfil the contradictory roles of maintaining capital accumulation, which is spatially and socially uneven, while at the same time ensuring the support of groups disadvantaged by this process. He concludes that development programs tend to be couched in rhetoric that stresses regional equity, social justice and the 'national interest', as well as the efficacy of technocratic, scientific knowledge. For example, in the case of the maquiladora program, the Mexican government's 1982 decree on the industry points to balanced regional growth and development as the main goals of the program. While in the U.S., government and

industry supporters of the program argue that it is in the best interests of the U.S. because it helps U.S. firms and by extension, the country remain competitive in the global economy. Furthermore the legitimating discourse also draws on the rhetoric of the hegemonic discourse of development to argue that the maquiladoras are the one 'bright spot' in the Mexican economy, and that transnational corporations are the saviours for the underdeveloped countries, pioneers fulfilling the white man's burden or providing employment,industrialization, technology and management skills -- in short, 'development' -- for Mexico.

This chapter presents a theory of legitimation constructed from three bodies of literature: organization theory, social theory, and regional development theory. This understanding of legitimation guides my investigation of the maquiladora industry through the conceptualization of the research question -- how the maquiladora industry is legitimated as a beneficial development program. Ultimately, this thesis is about how dominant maquiladora groups secure their interests in the face of criticism from less powerful groups, and how ideology is used to accomplish this. I have demonstrated that organization theory can contribute to this research an understanding of the necessity of legitimacy to business and other organizations, and strategies used to achieve legitimation. This is useful to the present research project because maquiladora firms and pro-industry groups are very much active in promoting their interests along the border. Following this, I argue that social theory also has a contribution to make to the theorization of legitimacy. The strength of this approach lies in its focus on power relations and ideology within the process of legitimating capitalist domination. Gramsci's theory of hegemony highlights the importance of the hegemonic ideology used by the capitalist class in civil and political society to legitimate its

rule. Dorothy Smith's theorization of a 'ruling apparatus' accounts for the use of patriarchal ideology in shaping societal concerns and legitimating the domination of the ruling class. Socialist feminist theory on women in international production highlights the intersection of class and gender relations in the factory setting, and how the dominant ideologies of patriarchy and capitalism are combined to legitimate the industry's use of female labour, and defend against criticisms of low wages and questionable working conditions. The main contributions of Habermas's theory of legitimation are his emphasis on the use of instrumental rationality, and the central role of the state in the legitimation process. Within the field of regional development theory, Gore draws on Habermas's ideas about the state and applies them to understanding the process of legitimating regional development programs and policies. He argues that because the state has taken an active and visible role in regional planning, it is also responsible for legitimating the impacts of regional policies which are, in the short term, necessarily uneven. Soja's theory contributes an understanding of the spatiality of legitimation, and how legitimation is used to maintain the existing (capitalist) spatiality. These insights are important to this study of a Mexican program that is being legitimized to a U.S. news audience. This is useful because it furthers our understanding of how spatial issues are portrayed in the discourse and how geography affects the legitimation process.

This theory is used to analyze the legitimating discourse documented in this study in order to reveal how the discourse is constructed, what the overall strategy of legitimation is. The following chapter explains the research method used to investigate the legitimation of the maquiladora industry. This includes an outline of the operational questions drawn from these theories of legitimation and used to analyze the legitimating discourse.

CHAPTER 2
RESEARCH METHODOLOGY

CONTENT ANALYSIS

The main question that this research seeks to address is how the maquiladora industry is legitimated as a beneficial regional development program. This question is pursued through a content analysis of articles in popular U.S. magazines and newspapers. The operational questions used to guide this research and document the legitimating discourse of the maquiladoras are as follows: (1) What are the main arguments used to portray the maquiladora industry as a successful development program; (2) How do industry supporters deflect the criticisms that have been leveled at this controversial industry; and (3) When these arguments are taken together, what is the resulting legitimating discourse -- what is the relative weight given to the various issues, which are neglected, how are the issues framed and which connections are drawn out to portray this industry as a generally beneficial type of regional development. The relative weight given to various issues is important because it highlights the way in which the maquiladora debate is bounded within the press, and thus helps to answer the question of how the legitimating discourse is constructed. By looking at the interests behind the industry, and explaining why some arguments are favoured by industry supporters and others are relatively ignored, I hope to reveal the subjective nature of this discourse which promotes a regional development program which has been criticized as a spatially and socially uneven form of development.

Since this is a Mexican program being discussed in the U.S. press, for a mainly U.S. audience, I also hope to shed some light on how geography impacts legitimation in this case. For example, it seems fairly obvious that distance, the fact that these plants are removed from the

view of most U.S. citizens, must make it easier for supporters to "hide" questionable practices and/or deflect questions about labour conditions and practices in the factories. As well, one would expect supporters to adjust their arguments to encompass the concerns of regional audiences, which are shaped partly by their location and the effects that the maquiladora industry has had on their region. Based on the transnational nature of this industry and the effects that it is having in regions far removed from the Mexican border region, the maquiladora program is a good vehicle for exploring how these spatial aspects of regional development are accounted for in the legitimation process.

This chapter outlines my methodology for addressing the question of the legitimation of the maquiladora industry. The first part explains the rationale behind the use newspaper and magazine articles as my data source by pointing to the important role of the media in promoting corporate interests. Following this, is a discussion outlining the type of content analysis that is used in this case, as well as some of the issues that must be taken into account when employing this method. The chapter concludes with a description of the research design used to study the legitimation of this regional development program.

I chose to employ content analysis of popular press articles as my research methodology based partly on practical considerations such as time constraints and financial limitations which made this method attractive because of the relatively inexpensive and convenient access to documents through the SFU library system. But just as important in this decision was my growing awareness of the role of the mass media in reflecting and shaping public opinion. Like many people, I was inspired by Herman and Chomsky's (1988) well-articulated propaganda model, which argues that the popular U.S. media is used systematically by dominant groups in

society "to filter out the news fit to print, marginalize dissent, and allow the government and dominant private interests to get their messages across to the public" (2). The authors argue that due to a series of filters, which are built into the media system and reinforced by individuals working within this system who have internalized the values, the news that we receive is, in effect, censored. This system functions very effectively even though,

> it is much more difficult to see a propaganda system at work where the media are private and formal censorship is absent. This is especially true where the media actively compete, periodically attack and expose corporate and governmental malfeasance, and aggressively portray themselves as spokesmen (sic) for free speech and the general community interest. What is not evident (and remains undiscussed in the media) is the limited nature of such critiques, as well as the huge inequality in command of resources, and its effect both on access to a private media system and on its behavior and performance (Ibid:1-2).

According to this propaganda model, the first filter that affects the production of news is the size, ownership, and profit orientation of the mass media. For example, in the case of the maquiladoras, it is reasonable to expect that because the print media are large corporations governed by the logic of profitability, that they would portray the use of this same logic, by maquiladora firms and supporters as unproblematic, thereby bounding the debate within certain parameters. One would also expect that it would be difficult for small, unorganized groups with alternative perspectives on the maquiladora industry to gain access to, and compete against large mainstream media corporations with their vast resources. Another filter that makes it difficult for critical views to be communicated through the media is the need to attract advertisers. It is difficult for radical publications, which cannot secure advertising to pay their expenses, to compete with mainstream media sources that sell advertising and can therefore offer their product at a cheaper price. As well, the mainstream media is generally reluctant to run stories that are

seriously critical of corporate interests for fear that they will lose advertisers. For example, we would not expect to see newspapers with maquiladora firms as advertisers, printing critical stories about these corporations, or the industry as a whole.

The third filter that Herman and Chomsky (1988:2) discuss is "the reliance of the media on information provided by government, business, and 'experts' funded and approved by these primary sources and agents of power." This tendency springs from the media's need for steady, and credible sources of information (i.e. government and corporate), and contributes to the overall image of objectivity in the news. In the case of the maquiladora industry, employment figures from pro-maquiladora business and government organizations are cited in several of my sample articles (see chapter 3 for a more complete discussion of the use of these data as well as the experts who are cited in my sample of articles). The fourth filter that affects news construction is the ability of large corporations to use their power and substantial resources to produce negative responses, what Herman and Chomsky call "flak", to news that does not promote their interests. This can be direct, as in the case of lawsuits, letters, and petitions against the media organization, or indirect in instances such as the funding of right-wing think tanks that criticize the supposed liberal bias and anti-business sentiments of the media. The threat or possibility of flak is also an effective deterrent to producing news critical of the corporate viewpoint. The final filter that these authors discuss is the use of anticommunism as a control mechanism on news production. This is particularly effective in the United States with its long history of fighting communism, and because the term communism is sufficiently vague that, "...it can be used against anybody advocating policies that threaten property interests or support accommodation with Communist states and radicalism" (Ibid: 29). This bias is woven into the

maquiladora debate in the form of statements about political security in Mexico, and rhetoric about how trade liberalization and free market economics will help the country recover from the devastation of import substitution industrialization (ISI) and its policies of economic protectionism. An example of this is the recognition of poverty caused by the years of ISI, but a relative lack of coverage of the social costs of the new neoliberal model of development. More obvious examples of this bias include an article entitled "Maquiladoras Called Key to Combating Communism", and another in which a maquiladora worker makes reference to former U.S. President Reagan's claim that the industry helps fight communism.

According to the propaganda model, these five filters act to restrict the range of news produced and reinforce the dominant pro-business perspective. The end result is that,

> messages from and about dissidents and weak, unorganized individuals and groups, domestic and foreign, are at an initial disadvantage in sourcing costs and credibility, and they often do not comport with the ideology or interests of the gatekeepers and other powerful parties that influence the filtering process (Herman & Chomsky, 1988: 31).

This view of media operations which stresses the dominance of corporate interests, is in contrast with the mainstream portrayal of the media as an objective watchdog of the public interest. This critical perspective on the role of the media influenced my decision to study legitimation through a content analysis of popular press articles, and underlies my reading of these articles.

In its broadest definition, "content analysis is a multipurpose research method developed specifically for investigating any problem in which the content of communication serves as a basis of inference" (Holsti, 1969: 2). There are many different types of content analysis, ranging from positivistic, quantitative analyses which do sophisticated statistical interpretations of text based on the frequency of certain words, phrases or ideas in the document, to critical qualitative methods

which often seek to draw inferences about the meaning of the document by analyzing the absence and/or presence of various words, issues or themes. The method that I use in this research is mainly qualitative in that I am interested in explaining the main arguments and the context used to portray the maquiladora industry in a positive light. I also discuss why some issues are stressed and others are neglected in my sample of articles. However, my method could also be defined as somewhat quantitative because often the main arguments that I discuss are also the most frequently occurring, and because with each argument, I indicate its relative prominence by providing a list of the articles that address that issue. I chose this approach because both methods have benefits and drawbacks. In the case of my study of the legitimation of the maquiladora industry, it is important to know which arguments are most frequently used because this provides insight into the motives and values of industry supporters who construct these arguments, and their perception of which issues are important to news consumers in the U.S.. However, simply counting the occurrence of the various arguments lacks explanatory value unless the framework and context within which these arguments are placed are also explained. Similarly, describing the arguments without giving any idea of their relative frequency, might give the mistaken impression that an argument which is used fairly infrequently is as important as one that recurs in many articles. Thus, I would agree with Holsti (1969: 11) that the researcher will likely gain more insight into the meaning of the data through a combination of both qualitative and quantitative methods which offsets the limitations of each method on its own.

The method of content analysis that I am using takes its inspiration from critical social theory rather than positivism which dictates that analysis must be objective and based only on observable phenomena. My view of the development of the maquiladora industry and legitimation

theory, as outlined in the previous chapter, impacts the way in which this research has been carried out in fundamental ways such as the selection of topic, analysis and categorization of data, and the interpretation of results. Therefore, I would argue that it is not possible or even desirable for research to be totally objective. One of the most common ways of assessing objectivity is to consider whether another researcher would derive similar results from replicating the project. In this case, I am confident that another researcher would have similar results in terms of analyzing the manifest content of the articles, that is, many of the same pro-maquiladora arguments would be documented. Although, obviously one's subjective views would impact which arguments the researcher sees as important, and how they are categorized. Furthermore, I would expect that the interpretation of these results and of the latent meaning behind the arguments, would vary considerably according to one's theoretical background. The critical form of content analysis that I use also takes into account the power relations behind the production of the news, and "the 'nasty tendency' by which a culture teaches us to privilege some types of information and invalidate others" (Reinharz, 1992: 149).

Having outlined the general type of content analysis employed, I will now turn to describing the specific research design used to study the legitimation of the maquiladora industry. This includes a discussion of the sampling method, category formulation, and the method of analysis and interpretation of results. This research is limited to articles written in the 1980s and early 1990s. I chose this time period because it was one of rapid growth for the maquiladora industry, and because after about 1992, discussions tends to focus more on NAFTA than on the maquiladoras. Although I had initially planned to restrict my research to female-dominated industries (i.e. textiles and electronics) in the Mexican border region, I quickly found that the

articles rarely made the distinction between female- and male-dominated industries. Therefore, the scope of this project is more general than was originally intended. Similarly, the research is focused primarily on maquiladoras in the border region, simply because my sample of articles tends to concentrate on this region where the industry has had its most pronounced growth and development. My sample tends not to recognize diversity within the industry and so treats it as a relatively homogeneous whole, united by the laws that created it and the economic forces that draw firms to this region. Thus, although I try to draw out some of these issues that I feel have been neglected in my sample of articles, my research method could be broadly categorized as inductive in that I let the data found in my sample articles guide the scope of my research.

My sampling of newspaper and magazine articles began with Sklair's (1988) annotated bibliography of the maquiladora industry which includes an entire chapter dedicated to articles from these popular sources. Because my interest is primarily centered on how this industry is portrayed in a positive light, I selected only those articles which Sklair categorizes as mainly positive, or as portraying both sides of the debate. These categorizations were a comfortable starting point because from my readings of his other work on the maquiladora industry, I agree with much of his analysis which is informed by a theoretical framework and view of the industry that are similar to my own. Although there were problems with obtaining articles from some small U.S. newspapers through the SFU library, I was able to secure 29 of the 55 requested articles through interlibrary loans. Other articles from the Sklair bibliography were directly available in the library collection (i.e. larger newspapers such as the New York Times, and magazines such as Forbes and Business Week). The remaining articles in my sample were found through the Infotrac database under the subject headings 'maquiladora industry' and 'Mexican

border industry'. Again, the articles that were selected from this source are mainly positive portrayals of the industry, or so-called 'objective' accounts of both sides. The articles range from one-sided, pro-maquiladora accounts written by ardent industry supporters, to a few which combine pro-maquiladora arguments and a salient account of the main criticisms of the industry. Both of these types of articles provide information on the legitimation of the industry by its supporters. In the process of data collection, the only pieces that were excluded as possible sample articles where those that are classified (either by Sklair in the case of articles gathered from his bibliography, or by myself in evaluating articles found through the Infotrac system) as negative critiques of the industry. My sample includes 79 articles from national publications such as *The New York Times* and the *Wall Street Journal*, small daily newspapers from regions in the rustbelt and sunbelt (e.g. *El Paso Herald-Post*) and business and popular magazines such as *Business Week*.

As I have stated earlier, positive and neutral articles were chosen because the scope of this research project is concerned with investigating how the industry is sold as a beneficial regional development program. Given this scope I do not feel it is necessary to include negative accounts since most of the critiques of the industry are well documented by socialist feminist maquiladora literature and political economy perspectives on the industry. As well, the articles in my sample which portray both sides of the debate, outline many of the more common criticisms of the industry, albeit often in a dismissive tone. It would certainly be useful and interesting in further studies of legitimation to include purely negative press articles in order to evaluate how closely pro-maquiladora arguments correspond to criticisms, or drawing more heavily on Chomsky, how the negative side of the debate is bounded within certain limits.

The representativeness of my sample must be addressed at two levels: firstly, at the level of the entire population of positive and negative maquiladora articles in U.S. newspapers and magazines, does my sample of mainly positive articles adequately represent the views expressed in the larger population; and secondly, at the level of the population of only positive (and/or neutral) articles about the maquiladoras, is my sample an accurate representation of the main arguments used in the larger population of positive articles. In terms of the first level, because I did not keep records during my search as to how many articles in the entire population were positive and negative (this would be a research project in itself), the only things I have to go by are my (unscientific) impressions from the data collection process, which are that there were not many articles that I had to exclude because they were too critical, and an evaluation of Sklair's (1988) sample of newspaper and magazine articles. In his bibliography of 289 articles, only 39 (14%) are purely negative/critical portrayals of the industry. Furthermore, of these 39 critical articles, 28 are Spanish language articles from Mexican newspapers (he lists a total of 86 Mexican sources), which leaves only 11(5%) negative (English language) articles from U.S. magazines and newspapers in his sample of 203 articles from these sources. Along with my impressions of the data, and my view of the media as supporting dominant corporate interests, this evaluation of Sklair's sample seems to indicate that my sample of positive articles is at least somewhat representative of the entire population of U.S. newspaper and magazine articles on the maquiladoras. In terms of how representative my sample is at the level of the population of positive articles, the recurrence and repetition of similar themes within my sample is an encouraging sign. Furthermore, in his (1990) article entitled "Transnationals Across the Border: Mobilizing U.S. Support for the Mexican Maquiladora Industry" Sklair points to many of the

same pro-maquiladora arguments that I have found in my sample. Therefore, I believe that my sample is representative of the larger population of positive articles, that it is unlikely that I have overlooked any of the main pro-maquiladora arguments.

The second main stage of this research project involved reading and analyzing the articles. I began with some general hypotheses as to what would be the main arguments used to legitimate the industry. These arguments would be the preliminary formulation of categories for analyzing the content of my sample of articles. From my background in critical academic literature on the maquiladora industry, I expected that much space would be devoted to defending questionable working conditions and the predominantly female workforce in maquiladora factories. As well, I expected that there would be some discussion of how the industry has impacted the economies of both countries. I anticipated a significant focus on the role of the industry in providing jobs and development in Mexico, and on defending against charges of job loss in the U.S.. Furthermore, based on my knowledge of the legitimation process, I hypothesized that some of the arguments would be defensive reactions to criticisms of the industry, and that others would be proactive arguments about the benefits of the industry.

After my initial reading of the articles, these categories for analysis were reevaluated according to the content data. It became evident fairly early in the process that the articles and thus the discourse, focus mainly on promoting and defending the program's impacts on the United States. The industry's impact on Mexico is also discussed, but is seldom given the same prominence in the discourse. This is attributable to the fact that my sample is drawn from U.S.-based publications. Although the legitimating discourse contains quotes from maquiladora supporters in both countries, it is constructed from a U.S. perspective for a U.S. audience. I will

demonstrate that this has important implications for the overall strategy and process of legitimation. Based on this difference in the focus of the discourse, I decided to divide my analysis of the data between arguments which account for the impacts of the maquiladoras on the United States, and those which legitimate its implications for Mexico. In terms of the United States, the discussion most often revolves around promoting the economic benefits of the program. The main arguments revolve around the industry's role in restoring U.S. competitiveness in the global economy, and saving U.S. jobs. With respect to the impact of the industry on Mexico, the main arguments found in the sample articles are employment, foreign exchange --which is accorded more importance than I originally expected -- and skills and technology transfer. The other group of categories for analysis that emerged from my sample is centered on the defense of questionable labour practices used in Mexican factories. Within this group, low wages is the most frequently discussed issue. Poor working conditions and the female predominance in the industry are addressed in my sample, but not to the degree that I expected. Thus, although I clearly had some preconceptions about which issues are important in the debate over this industry, I let the findings in my data shape the categories for analysis. This method was also chosen because there is no coherent theory or previous studies of the legitimation of regional development schemes, against which the legitimation of maquiladora development could be judged or compared.

After formulating the categories for analysis, the next step was to code the sample articles to document the main arguments put forth in each article, and the context and framing of the issues. The operational questions listed at the beginning of this chapter were used to document the legitimating discourse. Because the distinction between the above pro-maquiladora arguments is in most cases fairly obvious, this stage was relatively unproblematic. In other words, although

there was occasionally some overlap between issues, it was not difficult to decide which arguments each article was putting forth in favour of the industry. The difficulty came more in the following phase of my research which consisted of analyzing each category of argument and attempting to convey the logic employed by maquiladora supporters and the framing of the issue. For example, while it was relatively straightforward to distinguish between arguments that preach the benefits of increased U.S. competitiveness versus those that focus on defending the industry against charges of U.S. job loss, it was more difficult to integrate and contextualize the different arguments about competitiveness so that the overall scope and flavour of this category of arguments could be adequately represented. For this reason, I also decided to use quotations from industry supporters to help distinguish the various arguments in each category, convey the tone of the arguments, and add a personal element to the analysis.

Once the legitimating arguments were categorized and documented, the final phase of the research process was to interpret and analyze my findings. This involves analyzing the legitimating discourse with the theory of legitimation outlined in Chapter 1; and finally, reconsidering this theory in light of the results from my study. The method of data analysis was to formulate a series of questions out of the theories of legitimation which could then be applied to my findings. The purpose of this analysis is to explain how the legitimating discourse is constructed to promote the maquiladora industry as a beneficial program and defend it from criticisms. This will reveal the overall strategy and process of legitimating the maquiladoras. The following list of questions is drawn from the theory of legitimation to analyze my data: (1) Does the legitimating discourse reveal a perceived need for legitimation? (2) How are symbolic and substantive strategies of legitimation (outlined by organization theory) used? (3) What are the

ideologies behind the pro-industry perspective and how are hegemonic class and gender ideologies used in legitimation? (4) How is instrumental rationality and scientific knowledge used to legitimate the maquiladoras? (5) Does the state take on the important role that Habermas and Gore theorize it must in the legitimation of capitalist domination and regional development? (6) How does the legitimating discourse help to maintain and reproduce the existing spatiality so that capital accumulation can be continued, and how does the discourse use the existing spatiality to legitimate the industry? These questions are used to analyze my findings in Chapter 4.

In summary, the purpose of this research is to investigate how the maquiladora industry is legitimated, through a qualitative content analysis of 79 U.S. newspaper and magazine articles. Although no single pro-maquiladora argument is enough on its own to legitimate the industry, when they are put together within a comprehensive ideological framework and advanced by prominent and credible sources such as business leaders, politicians from every level of government and academics, the message is quite convincing. Since the question of legitimation is essentially one of the construction and communication of discourse that seeks to promote the interests of the group involved, media communications are an appropriate data source. Furthermore, because the media is, by virtue of its very structure, generally aligned with corporate interests, it is an important source of pro-business propaganda. I approach the analysis and interpretation of the legitimating discourse from a critical perspective that not only explains the main arguments and how they are framed, but also seeks to address the power relations and interests that drive the promotion of this regional development program. The following chapters present these findings and analyses.

CHAPTER 3
RESEARCH FINDINGS

DOCUMENTATION OF THE LEGITIMATING DISCOURSE

This chapter documents the legitimating discourse that is constructed by maquiladora supporters to promote the industry as beneficial for both the United States and Mexico, and defend it against criticisms. For the United States, industry supporters argue that it increases U.S. competitiveness on the world market and helps preserve U.S. jobs. They contend that the program is also beneficial for Mexico because it brings jobs, foreign exchange, and skills and technology transfer -- in short, 'modernization' or 'development' -- to the country. In response to criticisms of labour practices in Mexican plants, industry advocates argue that wage levels and working conditions may seem questionable, but compared to the other options available to maquiladora workers, these plants are actually better, or at least no worse. In terms of the high predominance of female workers in this industry, supporters argue that women are predisposed to performing this kind of work based on biologically- and culturally-determined physical abilities, mental capacities, and psychological make-up. Thus, supporters argue that the industry is a mutually beneficial, complementary arrangement for the United States and Mexico. The purpose of this chapter is to document these arguments, who the industry's main supporters are, the relative weight given to the various issues and themes, how the issues are framed and which connections are drawn out and emphasized in the legitimating discourse. In this chapter the legitimating discourse is organized into three sections: firstly, arguments that account for the industry's impacts in the United States; secondly, those which focus on the effects in Mexico; and thirdly, arguments that bring the two together to present it as a "win-win" scenario.

The Legitimating Discourse: Promoting and defending the impacts of the maquiladoras on the United States.

Competitiveness

> "We really have not gone to Mexico to make more money. We've done it to remain competitive."
>
> George Schreck, GM's manager of international public relations. [Templin, 1987][6].

> "That guy with the toy company in Iowa didn't go to Tijuana just because he thought it was a neat idea. He did it because of what the global market dictates. Industries are having to go where they can find the lowest-cost labor."
>
> Teri Ritter Cardot, vice president of a California firm that helps companies establish Mexican operations. [Erb, 1986].

> "GM and all the manufacturers are really under a cost gun from foreign competition. And it is necessary to do whatever possible to reduce costs."
>
> David Cole, automotive industry expert at the University of Michigan [Templin, 1987].

In my sample of articles, supporters of the maquiladora industry point to increased competitiveness as the main benefit of the industry to the United States[7]. According to this view, the maquiladoras help boost the competitive standing of U.S. corporations and the U.S. economy more generally, by allowing manufacturers to compete with firms from other countries which are using offshore sourcing to cut costs. According to this view, global economic factors which are beyond the control of any single firm or country, dictate the options open to firms struggling for a competitive edge [Lueck, 1987]. Supporters contend that in the face of increased global competition and rising production costs at home, U.S. industry has no choice but to cut labour

[6] Citations in square brackets refer to sample articles.

costs. As well, it is argued that other locational diseconomies such as strict environmental laws, high land costs, and congestion which impinge on corporate competitiveness, can be avoided by moving production south of the border [Sturtz, 1991].

> "For some businessmen maquiladora can be the difference between profitability and going out of business."
>
> [Seifullah, 1987].

> "Self-sufficiency is a noble experiment but one that requires some modification in the face of cutthroat international competition for survival in the marketplace."
>
> Jim Kolbe, republican congressional representative, Arizona
> [Kolbe, 1987].

> "Japan is going to use cheap labor in Taiwan, Thailand, Singapore and Malaysia. The European community uses cheap labour in Spain, Portugal and Greece. Without cheap labor, we won't be able to compete internationally. They're competitive in our market and we better compete in their market or pack up our marbles and go home."
>
> Trade policy analyst for the Oregon Economic Development Department [Sturtz, 1991].

While many supporters in my sample argue for the benefits of increased competitiveness, others point to the negative consequences of falling behind in the global economy. Maquiladora supporters contend that firms will be forced out of business if they can't compete, and that this would have grave implications for the U.S. economy. They argue that the United States is at risk of losing its position as the world's industrial leader.

> "Without our new border operation, we would have been wiped out by competition from Japan, Germany, Korea and Brazil."
>
> President of Trico, a producer of windshield wipers from Buffalo, NY [Beebe, 1987]

> "Our plant in Mexico is really keeping our plant in Kane going. If I had to compete with the Japanese with our high labour here, I couldn't."

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[7] Articles that discuss competitiveness include: Beebe,1987; Blonston, 1984; Christman, 1984; Erb, 1986; Klein, 1991; Kolbe, 1987; Lueck, 1987; Mack & Greenbaum, 1983; O'Reilly,1986; Perez & McCarthy, 1988; Sturtz, 1991; Tempest, 1982; Templin, 1987.

> John Launtz, president of Houston Electronics in Kane, Pa. [Beebe, 1987].

Japan is singled out most often as the main source of competition for the United States. Several articles focus exclusively on Japan's use of the maquiladora program to evade import duties and take advantage of cheap labour and geographic proximity to the U.S. market[8]. These articles draw on, and contribute to, U.S. insecurity about its competitive position vis-à-vis Japan. Although many of the articles simply describe Japanese operations and investment patterns in the maquiladora industry, when placed in the context of the overarching concern with competitiveness, they take on a different tone. In this context, these articles complement the competitiveness argument, and contribute a sense of urgency by painting a scenario of the looming Japanese threat on the back doorstep of the United States.

U.S. Job Loss

Another main issue that the legitimating discourse focuses on is the impacts of the maquiladoras on U.S. employment[9]. These arguments are usually accompanied by the competitiveness argument, and draw on many of the same assumptions about the limited scope of choices facing corporations and the U.S. economy more generally.

> "Maquiladora assembly plays an important role in helping improve the competitive position of many American companies, maintaining endangered manufacturing jobs in this country and in creating new jobs where none existed."

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[8] Cole, 1987; Flynn, 1986; Middleton, 1990b; Mirowski & Helper, 1989; Nowicki, 1988; Pascall, 1987; Peterson & Yoshihara, 1987; Waller, 1988.

[9] Articles that discuss the impact of the maquiladoras on US employment include: Beebe, 1987; Benac, 1986; Blackstone; 1986; Blonston, 1984; Copeland & Harmes, 1987; Deforest, 1987; 1991; DeWyze, 1981; Erb, 1986; Field, 1984; Flaherty, 1988; Klein, 1991; Kolbe, 1987; LaFalce, 1987; Langewiesche, 1992; Mack & Greenbaum, 1983; Mejia & Romero, 1992; New York Times, Jan 5, 1987; Nowicki, 1988; Perez & McCarthy, 1988; Seifullah, 1987; Tempest, 1982; Templin; 1987.

Alexander H. Good, director general for the U.S. and Foreign Commercial Service of the Commerce Department [Seifullah, 1987].

"We're competing in a global market. It's not the people in Juarez who are taking the jobs. It's the marketplace that is saying that we have to be more efficient. It's difficult for someone without a job to understand, but if you are not making a competitive product that the market wants to buy, you're working on borrowed time. If the job doesn't go to Juarez this year, it'll go to Taiwan next year."

Charles Dodson, an El Paso businessman who operates a maquiladora in Juarez [Seifullah, 1987].

"A point that I think is lost on Americans is that the jobs that come here are going to go somewhere. It's not a question of Juarez taking jobs from Bismark, N.D....Our competition is not Bismark or Pittsburgh or Cleveland. Our competition is Taipei...Bangladesh...Lagos, Nigeria."

Fred Mitchell, vice president of Elamex, a Juarez contractor [Blonston, 1984].

"What is happening along the border, like what is happening in the Orient, confirms economic analyst Peter Drucker's forecast that U.S. assembly-line jobs inexorably will be moving by the thousands and millions in the next few decades, out of the United States into cheaper labor markets abroad, as U.S. companies seek to keep up with global price-competition."

[Blonston, 1984].

The arguments about the employment impacts of the maquiladora industry are an essential part of the legitimating discourse because manufacturing job loss has been one of the primary criticisms leveled at the industry by unions and other critics of the industry. Supporters contend that if jobs were not transferred to Mexico, they would be lost to automation or to other low-wage countries (primarily in Asia). Many of the arguments which assert that maquiladora firms have no choice but to move operations, have a defensive tone. Others focus more on the positive effects that the program has in terms of saving and creating U.S. jobs.

"...The strongest argument in support of the maquiladoras [is that] if the products were not assembled in Mexico, the program's devotees contend, they would be made in some other country where the raw materials are less likely to come from the United States, or, even worse, they would not be made at all."

[Tempest, 1982].

> "Labor organizations in this country have bemoaned the loss of jobs to Mexico. That view is blind to the real choices faced by American companies today. The choice is frequently not just between keeping jobs in the United States or moving them to Mexico. Rather, it is between keeping a percentage of our manufacturing operations in Mexico, moving an even more extensive percentage to the Pacific Rim, or going out of business altogether. The choice, very simply, is whether American companies want to be competitive and, indeed, survive against foreign rivals."
>
> [Kolbe, 1987].

To further the argument that the maquiladoras save and create more U.S. jobs than it costs, supporters argue that if some jobs are not transferred to Mexico, even more would be lost to locations even farther away. In this view, it is better to move jobs to Mexico rather than Asia[10] because at least some U.S. jobs can be maintained at the technical and managerial levels, and others can be maintained or created in supply and services industries because of geographic proximity to the United States. They argue that if production is shifted to Asia, these spin-off jobs would also be lost to cheap foreign suppliers closer to the assembly operations.

The so-called "twin plant" concept reinforces the argument that the maquiladora industry has a positive effect on U.S. employment. The term is used interchangeably with 'maquiladora' extensively in articles from the early 1980s, but is later abandoned. This terminology implies that for every labour-intensive assembly operation in Mexico, there is supposed to be warehousing, quality control, packaging and/or supplier facilities on the U.S. side of the border [Pascall, 1987]. Senator Lloyd Bentsen (Democrat, Texas), a cautious supporter of the maquiladora industry, argues that if the twin plant system is implemented properly it can be beneficial to border states,

---

[10] Asia (the 'Far East' or the 'Orient') is the most commonly referred to alternative location for maquiladora jobs. cf. Perez & McCarthy, 1988; Nowicki, 1988; Valley Morning Star, Dec.11, 1986.

"but if you just put up a billboard on our side and a plant on the other, that won't work" [Richter, 1986].

> "The maquiladora operations support 1.07 million U.S. jobs, including 131,886 at 426 American parent plants; 772,957 employees of 550 direct U.S. customers; and 171,103 employees at 780 major U.S. suppliers."
>
> Figures from a U.S. Department of Labor study [deForest, 1991].

To consolidate the argument that the maquiladoras save U.S. jobs, several articles cite employment data that are produced by border trade groups and pro-maquiladora government institutions. For example, a study by the U.S. Commerce Department which estimates that 500,000 U.S. jobs are supported by the maquiladoras is cited in articles by deForest [1991], Kolbe [1987], and Nowicki, [1988]. It is important to note that the Commerce Department was the main sponsor of the Expo Maquila 1986 before it was forced to withdraw funding, and this statistic was most likely produced as a response to the furor that erupted around this event (since none of the articles before 1986 make reference to this figure). Another example of these data is a study produced by Bill Mitchell, pioneer and long-time supporter of the industry (and marketing director for Grupo Bermudez Industrial Parks), which reports that for every job in Mexico, 2.5 U.S. jobs are created [Christman, 1984; Kolbe, 1987; Nowicki, 1988]. Perez and McCarthy [1988] make reference to a Border Trade Alliance (BTA) study which shows that the industry directly or indirectly supports more than 3,500 businesses employing 2.5 million U.S. workers plus thousands of smaller suppliers.

> "America is too advanced an industrial nation, they [industry proponents at the Expo Maquiladora] said to support low skilled jobs that can be done cheaper and better in Mexico."
>
> [Beebe, 1987].

> "While individual workers may suffer in the short term, there is no evidence that trade destroys more jobs than it creates....Trade does, however, influence the sort of work Americans do, typically, in positive ways. Few people would happily make a career of the low-productivity jobs being exported to Juarez."
>
> Anonymous editorial in the New York Times [Jan 5, 1987].

> "According to research by the U.S. Bureau of Labor Statistics and the Flagstaff Institute, American jobs are indeed lost to maquiladoras. But these are mostly low-tech manufacturing and assembly jobs. On the other hand, retail, service, and high-tech jobs have been created in the U.S., as Mexican workers spend part of their disposable income on American products."
>
> [Nowicki, 1988].

Another argument that adds to and significantly colours the debate over the impacts of the maquiladoras on U.S. employment is that the loss of low-skill manufacturing jobs is in the long-run best interests of the country. According to this line of thought, the long-term economic health of the nation depends on U.S. firms competing successfully in the high-tech, information and service industries. So even if some articles do concede that U.S. jobs are being lost to the maquiladoras, it is framed as being somewhat more acceptable because these are *only* blue-collar jobs.

Rustbelt vs. Sunbelt discourse

In order to demonstrate how the legitimating discourse varies spatially, this section concludes with a focus on how newspapers from the two main regions in the United States being affected by maquiladora development -- the rustbelt and sunbelt[11] -- differ in their emphasis on the various issues. Although articles from the two regions contain many of the same pro-maquiladora arguments, the legitimating discourse is framed and constructed quite differently.

"Mallory Plant is Long Gone; Some Say it Left Grim Legacy."

"Trico Move Is Loud Warning: Other Plants Could Go, Too."
Selected article titles from a five day series on the maquiladoras in the *Buffalo Evening News* [Beebe, 1987].

"Have these women stolen your jobs?"
Title of article in the *Cleveland Plain Dealer* [Seifullah, 1987].

"Cheap Mexican labor drains jobs from Iowa."
Title of article in the *Des Moines Register* [Erb, 1986].

"Basically what we are saying, guys, is that we are helping to maintain those jobs up there in the Northeast, in Cleveland and Detroit and New York and all those areas."
Oscar Gonzalez, manager of Eaton Corporation's Condura assembly operations in Matamoros [Seifullah, 1987].

As the above article titles from rustbelt publications indicate, the discourse from this region often includes a critical perspective on the maquiladoras that is not usually found in sunbelt (or national) publications[12]. As outlined in Chapter 2, my sample is composed of mainly positive articles as well as those which attempt to give a more objective account of both sides of the debate. Many of these more neutral articles are from rustbelt newspapers. This is most likely because the region has lost jobs and industry to maquiladoras, therefore a purely positive portrayal of the industry might seem naive to the rustbelt news readership. For example, in defending the industry against charges of U.S. job losses, supporters must concede that some jobs have been lost. However, most often they tend to focus on rustbelt jobs that are being saved by

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[11] The rustbelt region is composed of northern states such as Iowa, Missouri, New York and Ohio, which have lost manufacturing employment through economic restructuring. The sunbelt region encompasses the southern states, in this case especially those bordering Mexico (i.e. Arizona, California, Texas), which have recently seen growth in manufacturing employment.

the program, the lack of other options available to companies to remain competitive, and the long-run necessity of moving the country towards high tech industry.

> "Maquiladoras alone may not be enough to propel either Juarez or El Paso into the industrial forefront. But one thing is clear: If the plants closed down tomorrow, both border towns would be in deep trouble."
> [Field, 1984].

> "Twin Plants. Maquiladoras essential for area's economic recovery."
> Article title in *El Paso Herald-Post* [Carracino, 1987].

> "Border business: Twin plants give boost."
> Article title in *El Paso Herald-Post* [Skodack, 1983].

> "More twin plants urged to help border economy."
> Article title in *El Paso Herald-Post* [Ortolon 1986].

> "Maquiladoras can benefit U.S. and Mexico, Bentsen claims."
> Article title in *San Antonio Express-News* [Richter, 1986].

> "We expect El Paso to become the high-tech production center of the free world."
> Samuel Drake, executive director of El Paso Industrial Development Corporation [Field, 1984].

Articles from the sunbelt region[13], especially from publications that originate in border cities such as El Paso and Brownsville, tend to focus more on the potential benefits of the maquiladora program to that region, and to the United States as a whole, rather than on the loss of jobs and industry in the rustbelt. These publications tend to emphasize the 'twin plant' concept which implies that jobs are created on the U.S. side of the border. For example, Field [1984] argues that the maquiladoras in Ciudad Juarez have helped improve El Paso's industrial potential.

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[12] Rustbelt articles include: Beebe, 1987 (Buffalo, New York); Copeland, 1987 (rustbelt region); Erb, 1986a (Missouri), 1986b (Iowa); Lueck, 1987 (Buffalo, New York); Nowicki, 1988 (rustbelt region); Seifullah, 1987 (Cleveland, Ohio); Sturtz, 1991 (Iowa).

[13] Sunbelt articles in my sample include: Aulthaus, 1986; Blackstone, 1986; Blonston, 1984; Caraccino, 1987; Cole, 1987; DeWyze, 1981; Field, 1984; Garza-Trejo, 1986; Moskos, 1980; Ortolon, 1986; Richter, 1986; Sedeno, 1986; Skodack, 1983; Templin, 1987.

He also quotes employment spin-off figures which estimate the direct an indirect creation of jobs in El Paso. The discourse in this region also stresses the potential for increased cross-border shopping by Mexican maquiladora employees spending their factory income in U.S. border towns.

> "From all perspectives, the maquiladora process was one that was valuable for the U.S. economy, U.S. workers, U.S. firms, U.S. profitability, and percentage of market share for U.S. firms."
>
> Alexander Good, commerce director general for U.S. and foreign commerce service [Benac, 1986].

This section has documented the main arguments used to portray the maquiladora industry as a positive economic force for the U.S., and defend it against charges of job loss. The following section focuses on the discourse about the industry's effects on Mexico.

The Legitimating Discourse: Promoting and defending the impacts of the maquiladoras on Mexico.

This section has two main parts: the first documents the discourse used to promote the program as economically beneficial for Mexico; and the second part focuses on arguments used to defend the industry against charges of questionable labour practices.

Economic arguments

> "For Mexico, the program is a badly needed Bonanza."
>
> [Copeland & Harmes, 1987].

> "Maquiladoras have made the difference for the border. There is no doubt about it. For the first time in history there is a solid strong middle class here."
>
> Gonzalez Baz, Attorney , whose Juarez law firm is now the largest in Mexico outside of Mexico city, handling legal work for most of the maquiladora factories [Tempest, 1982].

"Years ago, Juarez was a city of cotton pickers and prostitutes. Today it has 150 industrial plants, new hotels, good restaurants, and a red-light district that is becoming harder and harder to find." Maquiladoras are the bright spot in Mexico and the No. 2 foreign exchange earner after oil. They have softened the blow of the crisis for Juarez."

William L. Mitchell, marketing manager at Grupo Bermudez Industrial Parks, the largest privately-owned industrial park in Mexico and the largest maquiladora park in Ciudad Juarez [Field, 1984].

"For Mexico, the in-bond industry means jobs , foreign exchange earnings, and technology transfer -- all critical elements of the country's economic recovery and development efforts."

Leon Opalin, senior economist and sub-director of international trade for Banco Nacional de Mexico [Christman, 1984].

Although Mexico is not the main focus of attention in most of the articles in my sample, many do, however, make some attempt to explain why the industry is flourishing in Mexico and the impact of the maquiladoras on the Mexican economy and especially on the border region. In many cases this is just a short statement of "facts" regarding the benefits that this country derives from the maquiladora industry. The most commonly cited benefits for Mexico are employment, foreign exchange earnings, and the transfer of skills and technology. In short, supporters claim that the maquiladoras are an industrial revolution of sorts that will help bring Mexico into the competitive world economy through industrial growth and development [i.e. Kuzela, 1987]. In several of my sample articles, supporters claim that the maquiladora industry is the only "bright spot" in an otherwise bleak Mexican economy [Field, 1984; O'Reilly, 1986; Perez & McCarthy, 1988; Tempest, 1982]. Other articles support this contention with a more in-depth discussion of the context within which the maquiladoras have been thriving -- Mexico's economic crisis of the 1980s. For example, Federico Barrio, president of Elamex, a firm that produces electronic

memory boards in Ciudad Juarez, sums up the general argument succinctly; "What we are seeing today are falling oil prices, the foreign debt and the overall slowdown of the Mexican economy. Maquiladoras bring desirable things - foreign investment, technology and jobs" [Bilello, 1986].

Jobs

> "There is no question that the maquiladoras have benefited the Mexican economy, and the money is benefiting Mexican nationals. If they didn't have those jobs, they probably wouldn't have jobs."
>
> Oscar Martinez, director of the Center for Inter-American and Border Studies at the University of Texas at El Paso [Erb, 1986].

> "Mexico doesn't have to give anything to it and gets everything back, employment and such."
>
> Bill Mitchell [Skodack, 1983].

> "For the last four of five years there has been hardly any unemployment. Any man or woman that wants a job can find a job here."
>
> Jaime Bermudez, mayor of Juarez [Seifullah, 1987].

> "If I didn't work here I don't know if I would have a job. Maybe I would be a maid."
>
> Juarez maquiladora worker [Skodak, 1983].

The maquiladora program was originally implemented to alleviate border unemployment problems stemming from the termination of the Bracero Program. The issue of employment continues to be a major focus in the discourse. Many of my sample articles boast of employment gains along the border, and supporters argue that the industry is helping the plight of the Mexican worker [Beebe, 1987].[14] This is an important argument because it conveys the idea of progress and development, and of the industry benefiting working people.

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[14] The following articles discuss Mexican employment in some depth, while many others make some short mention of it in a list of the benefits Mexico derives from the maquiladora industry. Beebe, 1987; Copeland & Harnes, 1987; Erb, 1986a, 1986b; Klein, 1991; Kuzela, 1987; Mack & Greenbaum, 1983; Meislin, 1984; Skodack, 1983; Sturtz, 1991; Tempest, 1982.

Foreign Exchange Earnings

> "Its one thing for the maquiladoras to be booming in the country's northern reaches and enriching the national treasury, but its quite another thing for them to help pull the nation's industrial base into the 1980s. Yet that is what some enthusiasts say they should be able to do. Mexico needs to overhaul its economic development strategy if it is to pay back its foreign debt. With oil prices falling, it must open up its economy, after decades of protection and isolation, and create a non-oil export sector."
> [Williams Walsh, 1985].

One of the main goals of Mexico's neoliberal economic plan is to pay off the $100 billion foreign debt that it has accumulated since 1982 when oil prices plunged [Crevoshay, 1992]. Export-oriented industrialization, along with the currency devaluations which spurred the growth of the maquiladora industry are key neoliberal strategies for promoting growth and earning foreign exchange to service this debt. In my sample of articles, the maquiladoras are promoted as one of Mexico's most effective strategies for achieving these goals[15]. Several of my articles boast that the industry vies with tourism to be the second largest source of foreign currency -- about $1.5 billion per year -- after oil [Bilello, 1986; Christman, 1984; Perez & McCarthy, 1988; Williams Walsh, 1985]. However, only Bilello [1986] puts this figure into context by also providing the figure for petroleum earnings -- $14.8 billion per year. Thus the maquiladora industry is a very *distant* second to oil in foreign exchange earnings.

Skills and Technology Transfer

> "Mexican authorities hope to increase the percentage of locally made parts, along with improving local entrepreneurial skills, technology, employment, and export receipts."
> [Nowicki, 1988].

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[15] The following articles discuss foreign exchange earnings (and many others mention it as an important benefit of the maquiladora industry). Bilello, 1986; Christman, 1984; Copeland & Harmes, 1987; Crevoshay, 1992; Elliott, 1987; Erb, 1986; Field, 1984; Klein, 1991; Mack & Greenbaum, 1983; Williams Walsh, 1985.

> " Even if Mexico industrializes rapidly, it will face increasingly stiff world competition. That is a major reason why the most practical approach for Mexico may be to avoid head-to-head competition with America on finished goods and instead become an ally, providing low-cost components. If the two countries develop better telecommunications and transportation links, American marketing and manufacturing know-how will inevitably flow south."
>
> [O'Reilly, 1988].

> "We find an incredible niche as a component supplier. We should push that hardest That allows the easiest transfer of technology."
>
> Antonio Villarreal, owner of a maquiladora that produces steering wheels [O'Reilly, 1988].

Along with jobs and foreign exchange, the transfer of skills and technology is listed in several of my sample articles a one of the main benefits of the maquiladora program to Mexico[16]. Perhaps because this variable is more difficult to measure than employment or foreign exchange, the discussion in my articles rarely goes beyond vague, unsubstantiated statements about the role of the maquiladoras in promoting skills and technology transfer, and fails to provide convincing evidence that this has occurred. More often, the transfer of skills and technology is framed as a goal, as yet unfulfilled, that the industry is striving to meet in the future. Indeed, the president of the Association of Maquiladoras concedes that "The industry here has not had enough time in the country for us to share our skills with the rest of the country" [Meislin, 1984].

Only two articles make any reference to the development of the new maquiladoras and its implications for skills and technology [Bilello, 1986, Christman, 1984]. In Bilello [1986], it is Christman, an ardent supporter of the industry associated with several large industrial parks, who argues that "you're getting more companies that tend to be more capital intensive where workers require higher skill levels." Similarly, in the latter article, Christman quotes a General Electric de

Mexico manager who argues that the industry "... has evolved into a new, increasingly sophisticated ball game -- well beyond the simple table-top assembly process so prevalent in the industry 10 to 15 years ago."

Local Linkages

> "Maquiladoras are now integrated into the Mexican economy. Now they (government officials) say, 'The maquiladoras are the first step toward industrialization, and we can take advantage of what they're doing. Let's learn what they're doing and buy their products.'"
>
> Fernando Cervantes, an attorney with the Tijuana law firm of Cervantes, Pareyon y Bustamante [Middleton, 1990].

Another issue that is often combined with discussions of skills and technology transfer is that of domestic economic linkages to the maquiladora industry. Industry supporters claim -- in contradiction to their other claims that maquiladoras save U.S. supplier jobs -- that one of the main goals of the program is to increase forward and backward linkages to the industry. Similar to the above arguments which tout the transfer of skills and technology, economic linkages are often described as a future goal of the industry which has yet to be achieved [Erb, 1986; Peterson & Yoshihara, 1987]. Even Christman [1984], admits that, "at present, less than 1.5 per-cent of the industry's total inputs (raw materials, components, subassemblies, packaging, etc.) come from Mexican suppliers." However, other supporters argue that in order for Mexico to modernize and enter into the global economy, the industry must become more fully integrated into the Mexican economy [Greenbaum & Mack, 1983; Williams Walsh, 1985]. To correct this, they point to

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[16] The following articles discuss skills and technology transfer: Bilello, 1986; Christman, 1984; Erb, 1986; Mack & Greenbaum, 1983; Meislin, 1984; Middleton, 1990; Nowicki, 1988; O'Reilly, 1988; Peterson & Yoshihara, 1987; Williams Walsh, 1985.

further trade liberalizations which would enable maquiladora firms to buy from, and sell to Mexican industry, is prescribed as part of the solution to Mexico's economic problems.

In my sample of articles, the maquiladora industry is promoted as being beneficial for Mexico on the basis that it helps the country to become integrated into the global market and provides jobs, foreign exchange, and skills and technology transfer -- in short, development. The next category of arguments to be documented are those which defend maquiladora labour practices.

Labour Practices

The discourse used to rationalize questionable labour practices in Mexico is organized around three main issues -- low wages and questionable working conditions, and female labour. The arguments are documented below in this order. While it is probably safe to assume that many of these arguments are constructed to defend the industry from criticisms since these are problematic issues which supporters are likely to avoid bringing out on their own, not all of the arguments have a defensive tone. As we shall see, some also have a more positive, promotional flavour. These are important issues for the supporters to account for since they call into question some of the arguments documented above regarding the economic benefits of the maquiladoras to Mexico, especially the employment argument.

Wages and Working Conditions

> "Even though wages are low, that's the structure. We didn't develop that structure. That's how it was. We are not taking advantage of these people; we are helping them with permanent jobs."
>
> Manager of a small maquiladora that produces garage-door openers. Crevoshay, 1992.

> "In my work in the Mexican maquiladoras, I have yet to hear any complaint about wage rates."

> Mariah deForest, Vice-president, Mexican Division of Imberman and deForest a management consulting firm in Chicago. [deForest, 1991].

> "Wages always lag behind inflation in Mexico. Eventually they will catch up, but I don't think in the near future."
>
> Jeff Brannon, economics professor, University of Texas, El Paso [Skodack, 1983].

As the above arguments about Mexican wages indicate, the discourse varies from denial that there is a problem with wage levels, to arguments which concede problems, but then rationalize them according to one (or more) of the following three arguments. The main arguments about wages are divided into three categories: relativist rationalizations; employee expectations; and minimum wage[17]. As well, I will show that most of the arguments that justify poor working conditions are also relativist in nature[18]. By relativist, I mean that the argument hinges on the assumption that standards for judging the adequacy of wages and working conditions are relative to the prevailing milieu.

> "There is no question that the maquiladoras have benefited the Mexican economy, and the money is benefiting Mexican nationals....If they didn't have those jobs, they probably wouldn't have jobs"
>
> Oscar Marines, director of the Centre for Inter-American and Border Studies, University of Texas, El Paso [Erb, 1986].

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[17] The following sample articles include a discussion of low wages: Beebe, 1987; Beel, 1990; Berman & Mack, 1980; Copeland & Harmes, 1987; Crevoshay, 1992; Deforest, 1989; 1991; Erb, 1986; Flaherty, 1986; Flynn, 1986; Groff & McCray, 1991; Hayes, 1982; Klein, 1991; Langweise, 1992; Meislin, 1984; Moffet, 1984; Moskos, 1980; Muller, 1988; O'Reilly, 1986, 1988; Satchell, 1991; Seib, 1980; Seifullah, 1987; Skodack, 1983; Solis & Williams Walsh, 1986; Sturtz, 1991; Templin, 1987a, 1987b, 1987c; Williams Walsh, 1985.

[18] The following articles in my sample discuss poor working conditions: Berman & Mack, 1980; Copeland, 1987; DeWyze, 1981; Hayes, 1982; Langewiesche, 1992; O'Reilly, 1987; Satchell, 1991; Stinson, 1989.

"Are these people better off with me or without me? The small wage gives them the ability to enjoy a decent lifestyle. They may not be living in the lap of luxury, but they aren't starving."

Alfred Rich, trade association chief [Satchell, 1991].

"Is it exploiting them to give them a 14-cent-an-hour job? Or let them go hungry?"

Richard Bolin, author of original Arthur D. Little Co. study carried out in the 1960s, which first proposed maquiladoras [Beebe, 1987].

"If I didn't have this job, I wouldn't have a job probably. I might try to find a job in a store Downtown or at a gas station. But there aren't any jobs out there. This is really the only place to work."

Warehouse worker for RCA in Juarez [Skodak, 1983].

"To me this job is an opportunity. I couldn't have found work anywhere else."

Tijuana electronics worker [O'Reilly, 1986].

In their most simple form, relativist arguments about wages contend that given the lack of employment alternatives in the Mexican economy any wage is better than none at all. These arguments also suggest that if the maquiladoras had not developed, these workers would likely not have a job at all. The fact that maquiladora workers are quoted to this effect is significant because it supports and lends credibility to the argument about low wages. Again, some supporters may concede that wages are low, but argue that they are better than nothing.

"$3 to $6 [per day] does seem to be below our poverty line. But it is not below the Mexican poverty line. Banco de Mexico estimates that Mexican wage rates are equivalent in purchasing power to about $3 an hour in the U.S. Since most employees in maquiladoras come from poor, rural, hard-scrabble communities with unemployment rates of about 50 percent, the purchasing power of $3 an hour far exceeds what they would live on without such employment opportunities."

Mariah deForest, Vice-president, Mexican division, Iberman and deForest management consulting firm [deForest, 1991].

"It's much better here on the border. Here there is a hopeful sense that there are a lot of opportunities for progress."

Worker in a Tijuana Scripto Tokai maquiladora [Crevoshay, 1992].

"My workers are the highest-paid workers in Mexico. You can quote me on that."
Oscar Gonzalez, manager, Eaton Corp.'s Condura assembly operation in Matamoros [Seifullah, 1987].

These arguments draw on the same logic to argue that maquiladora wages are better than the alternatives available in border communities. Both these arguments and those in the previous category (better than nothing) contend that if nothing else, maquiladora workers are no worse off than other Mexican workers.

"To be sure, the beleaguered Mexican border workers are suffering from the economic difficulties faced by their country. Still, analysts contend that border jobs are more plentiful and working conditions better than elsewhere in Mexico."
[Hayes, 1982].

"I've been in plants from A to Z along the border. I would say 95 percent of them are not sweatshops. The ones run by North American companies are clean and healthy, with work environments comparable to American plants.
Antonio Zavaleta, Brownsville city councilmember and anthropologist [Beebe, 1987].

"You see, it isn't any dirt-floor donkey shed."
Patrick Mulcahy, factory owner in Tijuana [DeWyze, 1981].

"Their windowless interiors can be dreary and are often filled with little more than smudged plywood tables, chairs, and countless bins jammed with things for workers to crimp, sort, or shove together. But hardly any of them qualify as outright sweatshops. A few factories are surprisingly modern and complex."
[O'Reilly 1986].

The same rationality is used to defend the industry from charges of questionable working conditions. The response of supporters to the 'sweatshop' image for which the industry has been criticized, varies from outright denial to arguments that admit the image is somewhat true, but

that it is Mexican-owned factories that are the problem, not U.S. maquiladora plants. In the first case, supporters will often make some general, "I ask you, does this look like a sweatshop?" [Langeweische, 1992] statement. The latter type of argument is exemplified by the comments of a Brownsville city councilman and anthropologist; "I've seen sweatshops, but the majority of them are run by Mexican companies"

> "Though unthinkably low for a U.S. worker, this sum enables her to live what by Mexican standards is a middle-class life."
>
> Brian O'Reilly, Fortune Magazine [1986].

> "We're in a foreign country and it's a big mistake to impose U.S. values."
>
> John Riley, Vice-president Verteck, a Tijuana-based electronics firm, responding to charges of worker exploitation [Satchell, 1991].

> "It's not our job to put U.S. standards in Mexico. I'm all for seeing Mexico improve, but it's not my job to make it happen."
>
> Head of Nogales Maquiladora Association [Crevoshay, 1992].

> "Is pay dirt-cheap or pretty good? Depends on which side you live on"
>
> Article title, the El Paso Times [Templin, 1987c].

Another type of relativist argument frequently employed to justify low maquiladora wages is that because Mexico has a very different economic, social and/or cultural environment than the United States, it would be unfair to judge its wages by U.S. standards. This argument has two possible iterpretations. First, because Mexico is a less developed country, workers there can not expect to be paid at the same standards as U.S. workers. Second, because the cost of living is lower in Mexico, workers do not need as much to live a comfortable lifestyle.

> "Managing a maquiladora is like running a high school...It's very different from managing a stable, mature work force. You have to create a package of incentives and family-oriented social activities to make them feel they belong."

Angelica Becker, Manager Mexhon, an electronics maquiladora and subsidiary of Honeywell [Flaherty, 1988].

"A plant manger, like the president of Mexico, fills an authoritarian and fatherly role, rather than a mere organizational function....The Mexican is not just working for a paycheck. Employees tend to expect, as the 'extended family' of the boss, a much broader range of services and benefits than is provided in the US."

Mariah deForest, Vice-president, Mexican division, Iberman and deForest management consulting firm. [deForest, 1989].

"Every worker and his immediate family is entitled to free medical care, complete surgery, prenatal, eyeglasses, teeth. The worker is entitled to free day-care service. They get low-cost housing. They pay no taxes. So if you lump these all together, its not quite as exploitive as it sounds."

William L. Mitchell, industrial park manager, and leading spokesman for the maquiladora industry [Seifullah, 1987].

The second main type of rationalization for wage levels can be seen as a form of cultural relativism. According to this line of reasoning, low wages are necessary in the maquiladora industry because workers have different expectations regarding employment than U.S. workers do, and expect a higher level of benefits to be provided by the employer [deForest, 1989]. Benefits such as uniforms, meals, attendance bonuses, transportation and Christmas bonuses are either customary or required by law (and are tax-deductible for the employer) [Groff & McCray, 1991]. For these reasons, supporters argue that it is unfeasible or unnecessary to increase wage levels.

"Mexican law prescribes the minimum wage throughout the country with different zones having different pay levels. The minimum wage figures are revised every January. And, just as in America, good workers are rewarded with higher salaries."

Harry Moskos, Executive Editor, El Paso Herald-Post [1980].

"Like most maquiladora owners, Flowers [manager of an electronics maquiladora] pays his workers considerably more than the minimum wage."

Easy Klein, D&B Reports [1991].

"Trico is paying the prevailing maquiladora wage in Mexico, upholding its end of the contract with workers."

Michael Beebe quoting spokesman for Trico [1987].

"It would help if they (maquiladoras) were paid more, but workers are paid the same all over Mexico. You can't blame the maquiladoras for that. The Mexican government sets the wage scale."

Raul Posada Pompa, Juarez journalist [Seifullah, 1987].

Another way of rationalizing low maquiladora wages is to make reference to the government-mandated minimum wage. The crux of this argument is that factory owners are expected to do no more than comply with minimum government standards . This usually takes the form of a maquila manager or owner protesting that his/her plant pays at or above the minimum wage, or the author of the article pointing to a specific case of a firm whose wages are above the minimum standard as proof that the industry as a whole is complying with (or exceeding) standards.

Thus, it appears that the preceding arguments used to defend low wages in the maquiladora industry are variations on the same relativistic theme. According to industry supporters, it is unfair to judge Mexican wages by U.S. standards because: (1) Some wages, no matter how inadequate, are better than none at all. (2) Mexico is at a different level of social and economic development, therefore workers can not expect, and indeed do not require, U.S.-level wages. (3) Mexican employees have different expectations regarding employment and fringe benefits than U.S. workers do, therefore wages must be adjusted accordingly. And (4) firms fulfill

their end of the bargain by paying minimum wage regardless of how low the mandated level is relative to U.S. wages.

Female Predominance

In my sample of articles, the treatment of labour issues is, in most cases, rather gender-blind[19]. No connections are made between the issues of low wages or poor working conditions and female predominance in the maquiladora industry. For example, in only two articles are low wages and female dominance correlated or even directly mentioned together [Greenbaum & Mack, 1983; Seifullah, 1987]. In these cases, women's acceptance of low wages is cited as a reason for hiring them, however, none of the articles point to female predominance as a reason that wages low.

> "It is often said that women are more docile or more dexterous than a man, that they can perform better than men with the more routine and repetitious jobs, that they are better and more efficient. But, these plants are hiring more men in areas such as metal workings, setting up tool and dye and machinery. It is getting better."
>
> Sam Drake, executive director, El Paso Industrial Development Corp. [Skodak, 1983].

> "At least in the South-west, the Mexican-American male has to preserve his macho image and sitting behind a sewing machine doesn't do much for it. But she hands him the check on payday."
>
> Jack Morris, executive director of the El Paso Chamber of Commerce [Berman and Mack, 1980].

> "Mexican women, for the first time, are finding themselves with earning power, sometimes more than men....It's causing them to delay marriage, defer childbirth....It's creating a certain amount of power, sometimes going to their heads. Some are able to handle it. Some are not."
>
> Dr. Antonio Zavaleta, anthropologist, Texas Southmost College and city councilmember in Brownsville Texas [Beebe, 1987].

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[19] The following articles in my sample discuss female employment: Beebe, 1987; Berman and Mack, 1980; DeWyze, 1981; Erb, 1986a; 1986b; Greenbaum and Mack, 1983; Langewiesche, 1992; Meislin, 1984; O'Reilly, 1986; Satchell, 1991; Seifullah, 1987; Skodak, 1983; Tempest, 1982.

Although the issue of female employment in the maquiladora industry was given less space in the U.S. press than I would have expected, the fact that it has been a predominantly female industry is at least mentioned in many articles, and the articles that do attempt to address this issue provide some good insights into how female predominance is explained by industry supporters. As well, these explanations may help to explain why the issue of gender is perceived as unproblematic and thus, why it receives relatively little attention in the U.S. popular press. Many of the explanations of female employment in my sample of articles are based on some form of biological or cultural determinism. According to this line of thought, women are better suited to assembly work than men are simply because they are women. These types of arguments are based on gender stereotypes which attribute the skills and abilities, and even the psychological disposition of women to biological causes or cultural conditioning. Thus, most of this section will focus on these biological and cultural rationalizations, but space will also be given to the argument that female dominance is no longer an important issue because the industry has been hiring an increasing number of men in the last few years.

> "The women workers, who constitute by far the majority of line workers, know they have been hired because, in the words of maquiladora managers, they're 'better at hand work' and 'not interested in higher pay.'"
>
> [Greenbaum and Mack, 1983].

> "Concentration and dexterity."
>
> Philips Personnel director's response to the question 'Why women?' [Langewiesche, 1992].

> "Until a few years ago, it was the type of industry that traditionally anywhere you go attracted women. It wasn't designed. When we first started, we talked about clean, labor-intensive, non-polluting industry. We didn't realize it, but we were spelling out women's work."
>
> William Mitchell, manager of Ciudad Juarez industrial park [Seifullah, 1987].

Biological rationalizations are used to naturalize women's position in the labour market and their predominance in the maquiladora industry. According to this argument, women are predisposed to performing this kind of work by virtue of biologically-determined physical abilities, mental capacities, and psychological make-up (Tempest, 1982). Often these traits are not explicitly attributed to biological causes, but rather to social conditioning and Mexican culture, but regardless of their origin, they are framed as being equally immutable, natural, and therefore legitimate as a basis for employment decisions. In terms of physical abilities, manual dexterity is most often given as an explanation for the industry's preference for female workers. Similarly, women's ability to concentrate on repetitive, routine tasks is portrayed as a uniquely female mental capacity which predisposes them to assembly work. Finally, in terms of their psychological disposition, it is argued that women are docile, unconcerned with advancement or higher pay, and generally more reliable and well-disciplined than their male counterparts. In some case these sexist rationalizations about gender are combined with the following racist stereotypes which imply that *Mexican* women are particularly well suited to this kind of work.

> "It's just difficult to keep a gringo female doing that....It's like stoop labor"
>
> Patrick Mulcahy, co-owner of Electrol de Mexico. [DeWyze, 1981].

> "Lets face it, this is a monotonous job -- sitting behind a sewing machine and doing the same thing a thousand times. But these women are very good with their hands. Down in Mexico they've been making those baskets for generations. They've just got a natural dexterity."
>
> Owner of four blue jeans factories in El Paso [Berman & Mack, 1980].

The following type of arguments deal with the implications of the new maquiladoras, and their gender composition. For the past decade or so, there has been an increasing proportion of

men hired in the maquiladoras. Proponents point to this fact as proof that the industry is "getting better," that the issue of female employment is no longer problematic. According to this line of thought, the industry can no longer be criticized for exploiting women, or contributing to the social imbalance in the border region.

> "In the early days, the industry basically attracted companies involved in the apparel industry. Then electronics firms discovered the world of the maquiladora. And women traditionally do the sewing and the kind of assembling of small electronics components. But now the industry is changing where more of the products require men."
>
> William L. Mitchell, industrial park manager [Seifullah, 1987].

It is clear from this documentation of the discourse, that the arguments about the benefits of maquiladora employment focus on Jobs, foreign exchange, skills and technology transfer, and local linkages. The arguments about wages and working conditions, and female labour are structured around a complex web of relativistic and deterministic ideas to diffuse criticism of these labour practices. Now that the discourse used to promote and defend the industry's effects in each country have been documented, we can now turn to discussing how these arguments are combined to produce a rhetoric or mutual benefit and complementarity for both countries.

The Legitimating Discourse: Promoting and defending the impacts of the maquiladoras on both the United States and Mexico.

> "I believe the evidence is overwhelming: The maquiladora program helps both the United States and Mexico."
>
> Rep. Jim Kolbe. Concluding words of the article. [Perez & McCarthy, 1988].

> "Critics of the maquiladoras, who prate about U.S. companies exporting jobs, do not or will not understand the situation. But wiser people on both sides of the border know how much, now more than ever, we need each other."
>
> [Mack & Greenbaum, 1983]. (These are the concluding words of this article).

"Business gets people together. The maquiladoras help the U.S. and Mexico overcome differences by doing business."

Angelica Becker, manager for Mexhon, Honeywell's subsidiary in Tijuana [Flaherty, 1988].

With the exception of a handful of the more neutral articles in my sample which engage in some serious discussion of the negative effects of the maquiladora industry, most of the articles present the maquiladora industry as a positive economic force for both the United States and Mexico. While the majority of my articles focus mainly on the impacts of the industry on the United States, very often some statement is also made about the benefits of the industry for Mexico, usually in the introductory or concluding paragraphs which are meant to contextualize the main discussion within a broader outlook. This outlook, which is also expressed in articles with a significant discussion of the impacts on Mexico, is that the maquiladora industry is a mutually beneficial or "win-win" situation for the two countries. Supporters argue that for both countries, the industry is a step in the right direction toward becoming a successful competitor in the global economy. Even articles that are slightly more critical of the industry's performance have titles like "Mexican Factories Along the U.S. Border Succeed Despite Criticisms on Both Sides" [Williams Walsh, 1985] and "Labor system aids Mexico, U.S. Firms" (Erb, 1986). The overall portrayal of the maquiladora industry as a mutually beneficial economic arrangement contributes to the legitimacy of the industry and obscures important social, political and environmental considerations that call into question this kind of development. Similarly, regional inequalities that the industry has been criticized for are ignored in favour of positive aggregate macroeconomic indicators. So, regardless of how critical or supportive an article is, or how many criticisms it concedes and/or tries to justify, when the discussion is framed within this "win-win"

scenario, with economic progress as the most important goal, a similar, positive tone is established.

> "Together, the United States and Mexico can make cheaper and better cars than either Japan or Korea. Instead of competing, we can be complementary and face the rest of the world together."
>
> Mario Rodriguez Montero, commercial counselor at the Mexican Embassy [Kolbe, 1987].

> "It's in the interests of both countries to create a regulatory framework -- not totally free trade, but not the levels of protection we have now -- for a step-by-step pooling of markets."
>
> Clark Reynolds, director of the U.S.-Mexico Project on Economic and Social Relations [Greenbaum & Mack, 1983].

> "The experts also say Mexico should put aside its prideful insistence on making everything from toiletries to television sets at home. The country should concentrate instead on becoming the low-cost source of parts and subassemblies for U.S. companies, helping both nations find bigger world markets. In addition, Mexico must set aside its traditional mistrust of foreign business, and attitude that has kept major segments of Mexican industry in the hands of wealthy families and languishing in inefficiency."
>
> [O'Reilly, 1986].

In light of increased worldwide competition, supporters preach the benefits of economic integration and argue that the U.S. and Mexico can be complementary partners in the new global economy through "shared production[20]". According to this line of thought, the two countries have competitive advantages in different areas, and should follow these market impulses and collaborate to become more efficient competitors in the world market. Supporters argue that Mexico should concentrate on low skilled, labour-intensive assembly operations, geared to supplying U.S. producers who then finish, package, market and distribute the final good in the United States. This scenario reinforces the argument that high paying, high skilled U.S. jobs are

being maintained and created by the maquiladora industry, but contradicts the argument that the new maquiladoras are providing these kinds of jobs for Mexico.

> "The United States has found itself involved in a program that makes brilliant economic sense. The program helps our industries compete against manufacturers from the Far East, protects, promotes and creates jobs for American workers and contributes to the economic stability of a neighboring nation of vital importance."
>
> [Beebe, 1987; Kolbe, 1987].

> "Either way, the program serves America's long-term interests: it reduces the cost of manufactured goods to consumers and shores up the faltering economy of a strategically important neighbor."
>
> New York Times editorial "Hecho en Mexico." [1987].

> "Mexico is inextricably linked with the United States, both geographically and historically; its political and economic stability is a unique concern for Americans. Destabilization in Mexico, a nation with some 85 million people, would inevitably spell great problems for the U.S.. A flourishing maquiladora program will go a long way toward helping Mexico deal with its internal problems and, indeed, profit the American economy and its workers."
>
> [deForest, 1991] (Concluding words of article).

The general economic and political stability of Mexico is another issue that is used in my sample of articles to contextualize discussions of the maquiladora industry and help portray it as mutually beneficial situation for both countries. Supporters argue that the maquiladora industry benefits the U.S. by providing jobs and income for Mexico, which contribute to demand for American goods, and help to ensure political stability. As well, they claim that if the industry was shut down, it would prompt more illegal immigration of Mexicans into the U.S. (Valley Morning Star (AP), 1986). Several articles draw links between the two countries' shared border, their history of illegal immigration and the importance of helping Mexico develop. Industry advocates say that the maquiladoras are an important step in this direction.

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[20] According to Tiano (1994, 17), this concept was popularized by Peter Drucker in his articles in the Wall Street Journal in the late 1970s. See above for quote that references him.

Maquiladora Supporters

In my sample of articles, the main supporters of the maquiladora industry include pro-maquiladora private groups such as the Border Trade Alliance, sunbelt politicians, state agencies, industry representatives, and other experts such as economists and academics. Both the state and private business firms and organizations play important roles in the legitimation of this regional development program. Critics of the program include union groups, women's groups, scholars and rustbelt politicians. See Appendix I for a more detailed list of some of the more prominent maquiladora supporters and critics cited in my sample of articles.

In this chapter I have shown that the legitimating discourse revolves around the following arguments: Supporters argue that the maquiladora industry is mutually beneficial for the United States and Mexico because it provides the former with a competitive edge in the global economy and creates and preserves U.S. jobs, and for Mexico, it brings jobs, foreign exchange, skills and technology transfer, and local linkages. In response to questions over wages and working conditions and female labour, supporters have constructed an array of discourse based on relativist rationalizations and biological/cultural determinism. The following chapter analyzes the legitimating discourse according to the theoretically-inspired questions outlined in Chapter 2.

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

THE STRATEGY AND PROCESS OF LEGITIMATION

This chapter analyzes the legitimating discourse for the maquiladora industry. The analysis is structured around six questions derived from the theory of legitimation in Chapter 1. The goal of this analysis is to reveal the overall strategy and process of legitimation and an understanding of how the industry is promoted and defended as a beneficial regional development program. The discourse documented in the preceding chapter is analyzed with these questions in order to highlight the strategies of legitimation employed and the power relations and ideologies behind the legitimation of the maquiladoras. This analysis should also provide insight into the role of the state in legitimation, and the spatiality of legitimation -- how the discourse draws on the existing spatiality for legitimation of the industry, and in turn reinforces this spatiality. See pages 49-50 for an outline of the questions which will addressed one by one below.

The Perceived Need for Legitimation

Within organization theory, legitimacy is defined as an important resource that firms and other organizations must have to ensure survival, growth and success. My research supports this contention in that I found many instances of maquiladora firms, executives and business groups actively involved in promoting the program and justifying their decisions to use Mexican assembly operations. I also found evidence which suggests that some maquiladora firms avoid publicity and exposure, presumably to protect the name and legitimacy of companies involved in operations that are somehow questionable.

My sample indicates that there is a perceived need for legitimation on the part of maquiladora supporters. The first indication of this is that the discourse is quite standardized. There is a fairly limited repetoire of arguments that are used repeatedly throughout the sample by many different supporters with varying interests. This suggests not necessarily that supporters have conspired in their legitimation of the industry, but that as individuals and groups with complementary agendas and interests, they have consciously constructed a strategy to deflect criticisms and promote the industry. A prime example of this process that is evidenced in my articles is the united response of supporters to the debate over the Expo Maquila 1986[21]. This was a promotional trade show for the maquiladora industry from which the U.S. Department of Commerce International Trade Administration was forced to withdraw its funding. The Expo energized the debate around the maquiladora industry which would continue in the form of subcommittee hearings in House of Representatives, vigorous debate in Congress, a study by the General Accounting Office into the role of the Commerce Department in promoting the export of U.S. jobs, and a study by the U.S. International Trade Commission (ITC). Furthermore, supporters of the industry were galvanized by the Expo to fight the "congressional attack" and growing protectionism that this event represented to them[22]. This indicates an understanding of the need for legitimation by supporters.

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[21] Articles in my sample that discuss the debate surrounding the Expo include: Beebe, 1987; Benac, 1986; Blackstone, 1986; Garza-Trejo, 1986; Henshaw, 1987; Kolbe, 1987; LaFalce, 1987; Richter, 1986; San Antonio Express-News, Dec. 30, 1986; Seifullah, 1987; Valley Morning Star, Dec.5, 1986. Other information (chronology of events and US government departments and officials involved) in this section on the Expo and the ensuing debate come from Sklair, 1990.

[22] For example see: Garza-Trejo, 1986 "Brownsville Delegation Unites behind Maquiladora Program. Businessmen Vow To Fight Growing Protectionist Mood"; Valley Morning Star,Dec.5,1986 "Twin Plants Manufacture Border Competitiveness. Congressional Assault Predicted on Maquiladoras; Thousands of Jobs at Risk"

Further evidence of the perceived need for legitimation is the industry practice of avoiding publicity. In general, managers are reluctant to link the name of their firms with issues of job loss in the United States. Some maquiladora firms avoid exposure and publicity by declining to be interviewed or refusing to release information even on basic things such as the size of their operations [DeWyze, 1981; Field, 1984; Langewiesche, 1992; O'Reilly, 1986]. Another way that American firms avoid publicity is through the use shelter companies, Mexican operations that produce for U.S. manufacturers under a Mexican name. These strategies for avoiding publicity indicate that firms understand the value of legitimacy and actively try to protect it.

Substantive and Symbolic Legitimation Practices.

In terms of the strategies used by organizations to secure legitimacy, my research shows that industry supporters employ a variety of tactics which correspond to the strategies outlined by organization theory. Substantive management or change of organizational practices to conform with societal definitions of legitimate business practices is the most infrequently used strategy in my sample of articles. The majority of the arguments used to legitimate the maquiladora industry fall into the second and third strategies outlined by organization theory -- using communication to alter societal definitions of legitimacy so that they are in line with organizational practices, and symbolic management or associating the firm's practices, goals and impacts with ideas and values that have legitimacy. Although the discourse exhibits a strong reliance on symbolic strategies of legitimation, there are also examples of substantive changes in the industry that are made, at least in part, to manage the legitimacy of the industry. An example of this in the case of the maquiladora is Trico Products Inc., a Buffalo manufacturer of windshield wipers which relocated assembly operations to Mexico in 1987, but before doing so went though extensive negotiations

with the United Auto Workers union which had a vested interest in ensuring the survival of the company [Lueck, 1987]. The union produced a report detailing other options for improving profitability, but alas, it was too late. Construction on the new plants in Mexico had already begun. The company made an 'historic' agreement to keep 894 jobs in Buffalo, but also eliminated 1,100 others. The decision to maintain some U.S. jobs also sends an important symbolic message that the company is sensitive to the needs of its employees and the community.

Evidence of this strategy is also found within legitimations of labour practices in Mexican plants, in which industry supporters argue that their firms, or U.S. firms in general have substantively different or better wages and working conditions than many Mexican firms. Within the relatively scarce discussions of female predominance in the industry, a couple of my articles make reference to various firms which are beginning to hire more men in the maquiladora factories.

The strategy of altering societal definitions of legitimacy in order to conform to existing organizational practices is essentially one of trying to change the way people assess and judge the legitimacy of the organization. In this case of legitimating a regional development program, many of the arguments about competitiveness are aimed at influencing the definition of a successful development program. Supporters argue that because the global economy has changed, it is no longer relevant to question the loss of U.S. jobs to maquiladoras because firms, and the nation as a whole, have no choice but to move labour-intensive production to more competitive locations. Supporters argue that critics should quit complaining about job losses and focus instead on the long term benefits the industry will have for the United States. such as saving and creating high-tech, capital-intensive jobs. According to this line of thought, the public and national interest is

best served by corporations pursuing their interests. These arguments are trying to convince the reader that it is more important for firms to remain competitive and profitable than it is for them to provide stable employment, and thus that it is legitimate for firms to pursue profit even if it is at the expense of jobs.

Similarly, industry advocates argue that criticisms about labour practices in Mexican factories are irrelevant given the economic climate of the country in which they argue maquiladora jobs are better than the alternatives available. These arguments are attempts to influence the societal definition of how the legitimacy of labour practices should be assessed in Mexico. That is, they suggest that practices should be judged not in absolute terms but relative to the prevailing social, cultural and economic practices and environment of the location in question.

Symbolic strategies of legitimation draw on and reinforce the above strategy of redefinition. Maquiladora supporters use symbolic management to draw connections between the industry and ideas and values that have a strong base of social legitimacy, while it is these very ideas and values that supporters are attempting to redefine in the previous strategy. For example, maquiladora supporters who draw on patriarchal stereotypes such as female docility, to explain the gender composition of the workforce are also contributing to the mythology of the submissive Mexican woman. The most pervasive example of symbolic management in my sample is the use of neoliberal ideology to legitimate the economic impacts of the industry. This ideology gives the various arguments coherence and sets a pervasive tone in the articles. For example, the loss of low-skilled manufacturing employment (if it is acknowledged) is rationalized as a necessary, short-term casualty in the progression of the U.S. economy towards service industries and high-technology production in the global economy. Furthermore, the neoliberal approach to managing

this process of restructuring prescribes the spatial relocation of labour-intensive production to more competitive locales. Based on this, supporters argue that if the jobs are not relocated to Mexico, they will inevitably go somewhere else which could mean an even larger loss of jobs if industry goes to countries even further afield. For Mexico, industry advocates argue that the it is helping Mexico to modernize and fulfill its neoliberal goal of debt servicing through export-oriented development. Furthermore, they argue that it is bringing important skills and technology transfers and linkages in the local economy which are all essential to Mexico's economic survival and success. Symbolic management is an important strategy of legitimation in my articles. Supporters connect the effects and practices of the maquiladora industry with ideologies such as neoliberalism and patriarchy which have an established base of social legitimacy.

Thus it is clear that supporters are attempting to influence how the audience evaluates the legitimacy of business practices (i.e. pursuing profit over employment), and the success of this regional development program.

In summary, while there is some evidence of substantive strategies of legitimation in my sample, the second and third strategies of symbolic management are the most prominent. Furthermore, many of the substantive changes that are implemented also carry an important symbolic message. For example, maquiladora firms that pay slightly above the minimum wage are sending a message that they are fair, well-meaning employers, regardless of whether or not this 'extra' income makes a marked difference in workers lives. Similarly, in the case of Trico, the Buffalo windshield wiper manufacturer which agreed after intensive negotiations with the union to keep 894 jobs in Buffalo (while transferring 1,100 others to Mexico), made a substantive change to manage their legitimacy, but this exercise also has an important symbolic function. Just the fact

that the company was willing to undergo negotiations in order to save jobs in Buffalo, shows a commitment to the community. Furthermore, the concession to keep some jobs in Buffalo presents the image of a company that is sensitive to the needs of the community and employees, and is willing to do everything that is possible, within economic limits, to save jobs.

Ideology

My findings illustrate the importance of ideology in the legitimation process. In this case the hegemonic ideology is neoliberalism. It has been incorporated into redefining notions of development, and its prescriptions are drawn on to legitimate the existing practices and effects of the maquiladora industry. The strong focus of the legitimating discourse on competitiveness in the United States, and modernization and development in Mexico indicates that industry supporters use the hegemonic ideology to bound the debate. This ideology sets the prevailing tone of the discourse and connects the various arguments within a coherent framework which enables supporters to promote the benefits of the industry and defend it against criticisms.

Because the neoliberal approach has become so influential in the public realm it has gained the status of an ideology with the power to shape policy, political action and public debate. For instance, Clarkson (1993) argues that U.S. mainstream (neoliberal-inspired) economics has become "the new hemispheric fundamentalism" for the power elite of the Americas within which:

> the Invisible hand has the aura formerly enjoyed by the Holy Spirit in the popular mind; the Market has acquired the quality of Providence; and achieving secure access to the U.S. market is the baptism through which a state can gain entry into the heavenly kingdom (Clarkson, 1993: 67).

This economic focus comes through very clearly in my sample of articles with their overwhelming focus on the benefits competitiveness and economic integration and industrial growth.

The relatively sparse attention to gender issues in my sample of articles seems to support Smith's (1987) contention that the ruling apparatus, male dominated institutions in business and government which govern and organize society, represent the interests of the male power structure but claim to be representing those of society in general. With the exception of the few articles that do address issues of gender, my sample illustrates a blindness to these issues which bounds the debate and delegitimizes concerns centered around female predominance in the industry. Due to the lack of coverage of these issues, readers may get an inaccurate portrayal of the industry as one in which is gender issues are unproblematic or irrelevant in the larger debate. We can only speculate as to the reasons for this lack of coverage. Either supporters genuinely believe that this issue is unimportant and unproblematic, or that other issues are more important in the minds of the U.S. news audience, and thus pose a more immediate threat to legitimacy. Or perhaps they avoid the issue because they know it is problematic. In any case, the agenda of the legitimating discourse is set by male dominated interest groups such as maquiladora executives and border trade groups. Furthermore, the articles that discuss female predominance fail to connect this issue with other issues such as low wages and poor working conditions. This gives the impression that female predominance is incidental to the development and success of the maquiladora industry. However, critics point out that there is a reason that women are targeted for export processing work in so many countries, and that certainly in Mexico, the industry would have developed quite differently, if at all, without the pool of cheap, unorganized female labour. The male dominated group of supporters has disconnected the issue of gender relations from other issues and generally de-emphasized its importance. The legitimating discourse is structured around male concerns which claim to be representative of society at large. When gender issues

are addressed in my sample of articles, the discourse shows a reliance on patriarchal stereotypes which draw on ingrained ideologies about gender roles and women's skills, abilities, and psychological disposition. In response to criticisms of the use of female labour, the discourse tends to focus on a positive, beautified images of happy, efficient female workers, rather than on the discrimination against men in access to maquiladora jobs.

The sparse coverage of gender issues pertaining to the maquiladora industry is significant because it illustrates the ways in which geography shapes the discourse. Supporters' arguments are constructed around the perceived concerns of the target audience in any specific place and time. Thus, the strategies that are used and issues that are addressed will vary according to the geographical target of the article, and the effects that the maquiladora industry has had on that locale. It would be interesting to examine the discourse coming out of the Mexican popular press to see if gender issues are given more consideration based on the fact that they have an immediately visible impact on the social fabric of border communities.

The socialist feminist literature on the legitimation of female predominance is supported by the findings of this research. As the literature suggests, maquiladora firms' preference for female employees is explained based on patriarchal stereotypes of uniquely female qualities and skills which are a product of biological and cultural factors. However, my data does not show a strong reliance on pointing to the new maquiladoras as proof that gender issues are no longer problematic. Industry supporters use this argument to dispel criticisms about the gender composition of the maquiladora workforce in only a few articles. This can be partly attributed to the general lack of coverage of gender issues, but also highlights the relative neglect of promoting the benefits of the new maquiladoras as an improved form of integration and employment for

Mexico. One possible explanation for this is that it could imply more loss of U.S. jobs to the U.S. news readership. For example, if the new maquiladoras are providing more capital-intensive, high-tech employment in Mexico, it would be reasonable to expect that some of these jobs have been transferred from U.S. locations. Because the supporters are addressing a U.S. audience primarily concerned with the effects of the industry on that country's economy, supporters might reason that it is more important for the legitimating discourse to diffuse criticisms of U.S. job loss, than to promote the benefits of the industry for Mexico.

Instrumental Rationality and Scientific Knowledge

Furthermore, both Gore and Habermas stress the importance of instrumental rationality and scientific knowledge in legitimating the domination of the many by the few. My research shows a strong reliance on highly technical, economic arguments to legitimate the inequalities produced by the maquiladora industry. These arguments are advanced by experts and rely on a scientific body of knowledge (economics) which has been elevated to the level of ideology through neoliberalism. In this case the instrumental rationality of neoliberal ideology bounds the debate and shapes the tone of the legitimating discourse in significant ways.

The discourse about the economic effects of the maquiladoras on both countries provides evidence of a heavy reliance on technical, scientific arguments. Many of the industry supporters are 'experts' (i.e. economists, social scientists, government officials, and industry leaders), which lends to their arguments increased credibility, based on their status and legitimacy within society. These experts use their knowledge and power to direct the debate and diffuse criticisms. For example, in my sample of articles there appears to be a consensus between maquiladora experts that based on the state of the world economy, it is not a question of whether firms will have to

search out cheaper labour, but when and where this can be best achieved. Building on this, they argue that in the long run, what is best for the firm is also best for the U.S. economy which will progress to a higher stage of development. Clearly, a fairly in-depth knowledge of both micro- and macro-economics is necessary to fully understand these arguments.

At this point, it would be wise to emphasize the extent to which the economistic nature of the neoliberal approach to development has seeped into the debate over the benefits of the maquiladora industry. This economism stems from translating abstract economic (neoclassical) theories and models into development theory and practice in the real world. The assumptions of neoclassical economic theory of economically rational actors and efficiently functioning market forces become problematic when they are translated into policy without accounting for social, political, and ecological factors. In this case, criticisms of the industry in terms of job loss, industrial decline, poor labour practices and the declining power of unions and workers are either ignored or are rationalized away using highly technical economic arguments and institutional rationality. As one industry proponent put it,

> we, the Foreign Trade Association, would like to defuse an otherwise highly emotional issue. Discussions and dialogues on the maquiladoras should be conducted quietly and with facts rather than emotions. We believe the community should know more about it as well [Carracino, 1987].

Obviously, one's definition of the "facts" depends on how one views the industry, but in this case, he is most likely referring to the abundant statistics produced by border trade groups such as his own to show that the maquiladoras have a positive impact on U.S. employment. Economic factors, at both the micro- and macro-level, are stressed in the majority of articles as causes and solutions for development problems. At the level of micro-economic functioning, the profit-

driven logic of corporations is assumed to be unproblematic, and is the basis on which the social costs associated with production decisions are rationalized or dismissed. At the macro-economic level, industrial flight to Mexico is often framed as being merely a response to the highly competitive global economy which is beyond the firm's, and even the country's, control. In this way, criticisms of the social costs associated with maquiladora production are obscured and the focus is shifted to the economic concerns of the company, the region or the country. The economism of the legitimating discourse is a form of instrumental rationality which relies on experts and promotes and defends impersonal modes of decision-making.

The Role of the State

Because Gore's (1984) theory of legitimation in regional development draws heavily on Habermas's (1975) theory of legitimation and the state, the evaluation of these theories against my research findings will be combined. According to Habermas, legitimation problems arise because of the prime role of the state in "distributing the surplus social product inequitably yet legitimately" (Habermas, 1975:96). Gore builds on this insight and applies it to the case of regional development projects, which he contends are inevitably socially and spatially uneven (especially in their early stages) in terms of the distribution of their benefits. Furthermore, because the government has taken an active role in development planning, he argues that the burden of legitimating this unevenness also falls on the shoulders of the state. In the case of the maquiladoras, my research illustrates the important role of the state in legitimation. Many of the industry supporters referred to and quoted in my articles are U.S. politicians and representatives of state agencies. In fact, a couple of the articles in my sample are written by these very supporters [Kolbe, 1987; Perez and McCarthy, 1988]. Evidence of the U.S. state's role in

legitimation is provided by the use of government studies as proof of the industry's success. For example, U.S. employment figures from several state agencies are used in the discourse to diffuse criticisms of maquiladora-related job loss in the United States. Both the Mexican and U.S. governments are actively involved in promoting maquiladora development and legitimating the uneven socio-economic and spatial impacts of the industry. In the United States, the government narrowly escaped a crisis of legitimacy when the contradiction of government support for this project came to a head with the Expo Maquiladora 86 conference. In order to avoid such a crisis, the U.S. commerce department used substantive legitimation, it withdrew financial support from the conference when unions and other maquiladora critics pointed out the contradiction of using taxpayers' dollars to promote the export of U.S. jobs. The events surrounding the Expo debate exemplify the active and visible role of U.S. state agencies in the legitimation process. Furthermore, Sklair suggests that the legitimacy of the industry within the United States was altered the debate in that:

> Although the maquila industry has no legal standing in the USA, the events of late 1986... may, in an ironic fashion, have given the industry a certain quasi-legal standing to the extent that discussion in congress conferred upon it an active role in the destruction of the U.S. economy, according to its opponents, or in the survival of the U.S. economy, according to its supporters (Sklair, 1990: 173).

Part of the reason for government involvement in legitimation is that government policy (Tariff Items 806.2 and 807) has made maquiladora production an attractive option for U.S. firms. Since the industry is aided by these policies and the state is responsible for the effects of its policies, it must take on the role of defending the industry against criticisms. To the extent that the state itself has legitimacy, the participation of these agencies lends credibility to the legitimating discourse. The debate over tariff items 806 and 807 which allow firms to re-import

assembled goods while paying tariffs only on the labour value-added, is another example of the state being forced to answer for the decisions of corporations. In this case, rather than questioning the decisions of firms to abandon the workers and communities that helped their businesses grow and prosper, industry opponents shifted the debate towards the issue of these tariff items and therefore necessitated that the state take an active role in legitimation. Similarly, maquiladora firms displace their responsibility for wage levels in the maquiladoras over to the Mexican government which is responsible for setting minimum wage levels. According to this argument, corporations need only comply with government-mandated minimums, regardless of their inadequacy.

Although Mexican state officials are referred to and quoted fewer times than U.S. agencies in my sample, there is evidence of their active role in the legitimation of the maquiladora industry. The Mexican government created the maquiladora program therefore it must take responsibility for its impacts because the legitimacy of the program reflects back on those who have created it and continue to support it. A good example of state involvement in legitimation is the 1983 Decree for the Promotion and Operation of the In-Bond Exporting Industry which was issued with the "objective to promote the establishment and to regulate the operation of companies dedicated totally or partially to export activities, which contribute to a greater attraction of foreign currency, create employment and promote a balanced regional development" (Rubin, 1988). As the Mexican government continued in the mid to late 1980s to follow its neoliberal economic program aimed at paying off its mounting debt by opening the economy, the maquiladoras took on a new importance. In 1989, the government issued a new decree on the maquiladora industry which eased regulatory restrictions further and simplified the application

process, while allowing maquiladora firms to sell up to fifty percent of their product in Mexico. According to Alejandro Bustamante, president of the National Maquiladora Council,

> the objectives of the new regulations...include increasing industrial growth, involving more Mexican companies in servicing the twin-plant industry, opening Mexico's economy, further integrating Mexican products into the foreign manufacturing operations, creating more jobs for Mexicans, improving the level of worker training and developing a higher quality of technology for Mexican industry" [Middleton, 1990].

In addition to these practical considerations, according to one industry proponent, this decree is significant because it represents an "acknowledgment of the new administration (Salinas) of just how important the maquiladora industry is for the country" [Ibid]. Thus, as the industry grew in the 1980's it also gained legitimacy with the government and became a visible showcase, or as Salinas described it, the *punta de lanza* -- spearhead -- for its neoliberal development plan. Thus, the state has taken an active role in promoting and legitimating the industry in both countries.

Spatiality

My research indicates that it is the entire spatiality (Soja, 1985) of the industry that is controversial and therefore must be legitimated -- the export of jobs and industry from one region to another, and wages and labour practices which vary from place to place. But it is not only the material impacts and social relations of the industry that are legitimated in my sample of articles. For the United States, the maquiladoras represent the end of an era of blue collar manufacturing employment in regions such as the rustbelt which have lost industry to cheap labour havens. This idea must be incorporated into the hegemonic ideology in order to legitimate the reproduction of the existing spatiality. In this case, neoliberal ideology is useful for diffusing questions deindustrialization in the U.S., for according to this theory, it is in the best long-term interest of the United States to shift its economy away from manufacturing and towards high-tech industry,

even if this shift is a painful one for certain spatial and social groups. For Mexico, the maquiladoras are the showcase for the idea of its new export-oriented development strategy which will supposedly enable the country to service its debt and compete head-on in the global economy. In this sense the existing spatiality is drawn on and reinforced in order to secure the smooth accumulation of capital.

Just as the industry would be very different if its history were changed, the very nature of the industry would also be altered if its spatiality was constructed differently. The spatiality of the industry allows firms to hide questionable labour practices in Mexico and establish new forms of labour relations that would likely be considered unethical and illegitimate in the United States. Many of the arguments that are used to diffuse criticisms of maquiladora wages are aided by the spatial separation of production from the U.S. news audience which enables the discourse to draw on U.S. perceptions of social, economic, and cultural conditions in Mexico which cannot be easily verified. This spatial and social separation allows supporters to de-emphasize issues that would otherwise be problematic or at least questioned. As well, the spatiality of the maquiladoras enables supporters to de-emphasize the regionally uneven impacts of the industry by drawing on ideas of development which prescribe solutions that vary spatially.

This research project reveals a complex discourse employed to legitimate the spatially and socially uneven impacts of maquiladora development. Gore's contention that the legitimation of regional development is a political process which is focused on promoting the 'national interest,' and 'common good' of regional policies is supported by my findings. Furthermore, as he predicts, much of the discourse is aimed at diffusing criticisms of the uneven impacts of regional

development on the nation. In this case, legitimation focuses on criticisms of the program's eneven effects on U.S. employment and questions over spatial variations in labour practices.

In summary, this research has documented and analyzed the legitimating discourse of the maquiladora industry. The discourse presented in my sample of articles illustrates a perceived need for legitimation, and a reliance on symbolic over substantive strategies of legitimation. These findings also show that hegemonic class and gender ideologies have an important function in legitimating the industry, and giving individual arguments a coherent frame of reference. Furthermore, the arguments tend to be promoted by experts and rely on highly technical and scientific knowledge. The discourse also demonstrates an important role for the state in assuming responsibility for the legitimation of regional development. Finally, it is clear that the spatiality of the industry is both drawn on and reinforced by the legitimating discourse.

CONCLUSION

The central question that guides this content analysis is how the maquiladora industry, a regional development program which has been criticized for benefiting certain social and spatial groups at the expense of others, is legitimated in my sample of U.S. newspaper and magazine articles. The rhetoric used to legitimate the maquiladora industry and its regional impacts is focused around two main areas: firstly, legitimating the economic impacts of the industry or promoting it as an equitable, beneficial form of regional development for both countries; and secondly, defending the industry against concerns over lost employment in the United States and questionable labour practices and conditions in Mexico. In terms of the economic impacts of the industry, supporters argue that the program is a win-win situation for both countries. For the U.S., the maquiladoras are a positive tool that can be used to help the country regain its competitive edge in the world economy. According to this view, the answer to the problematic questions of job losses and deindustrialization in the United States lies in the changes in the global economy which have left firms with no option but to 'automate, emigrate or evaporate'. Furthermore, supporters argue that if firms were to relocate to areas further away from the U.S., even more jobs would be lost. Thus, supporters claim that the maquiladora industry actually saves and creates more U.S. jobs than it costs. I found this argument quite surprising. I expected that industry advocates would try to avoid this issue as much as possible, but would be forced to deal with it because employment is such an important issue, and because the loss of jobs is the most visible impact of the maquiladora industry on the U.S.. I thought that the discourse would be structured mainly around defensive arguments stressing the necessity for firms and the country to remain competitive in the new global economy. While these assumptions are

supported by my research, I did not anticipate this claim that the maquiladoras save U.S. jobs. In retrospect, perhaps this argument is not so surprising, but just a more brazen way of avoiding the issue of job loss and obscuring or de-emphasizing the regionally uneven impacts of the industry on U.S. employment by drawing on (questionable) figures of aggregate employment in supplier industries which are difficult to verify or assess.

For Mexico, industry advocates argue that maquiladora development is helping to integrate the country into the global economy by providing jobs, foreign exchange and the transfer of skills and technology. These findings are not particularly surprising given that these are generally in line with the main goals of the neoliberal economic plan that the Mexican government has been pursuing throughout the 1980s. For both the U.S. and Mexico, the rhetoric draws on neoliberal ideology for coherence, and the arguments favoured by supporters tend to rely on technical economic reasoning that is difficult to unpack without an in-depth knowledge of economics. In the case of labour practices, industry supporters argue that although wages are low and working conditions sometimes questionable, maquiladora employment is better than the alternatives available, or at least better than no job at all. One of the most surprising findings in my investigation of the legitimation of labour practices is the relative lack of attention paid to the issue of female predominance in the industry.

My research indicates that the legitimating discourse varies spatially according to the perceived concerns of the target audience. As one of the social struggles that takes place in concrete spatiality, legitimation must be adapted to fit the prevailing social, economic and political relations, conditions, and ideologies in order to ensure the reproduction of the existing spatiality. Industry supporters tailor their arguments to the concerns of the target audience, and newspaper

reporters and editors compile information and arrange the discourse to sell papers to their readership. The predominant emphasis in my sample of U.S. newspapers, on the impacts of the program on the United States seems to support this contention. Furthermore, newspaper articles from rustbelt regions that have lost industry and employment to Mexico tend to focus more on the costs to the United States, than do articles from the sunbelt regions. This latter group concentrates on the potential benefits and spin-off development that could accrue to these regions as a result of the maquiladoras. This difference can be attributed to the visible impacts of deindustrialization and job loss as well as the activities of politicians and other critics in rustbelt states which have necessitated that the issue of job loss be addressed. This seems to support the contention that the discourse must incorporate and diffuse problematic concerns that call into question the legitimacy of the maquiladora industry both in terms of its impact as a regional development strategy and as a production decision pursued by individual firms.

In summary, my research findings reveal a conscious construction of the legitimating discourse based on a need for legitimation that is perceived by maquiladora supporters. The need for legitimation comes out of the debate around the industry which has produced a fairly comprehensive critique that supporters have been forced to address. Evidence from this study indicate that supporters rely mainly on strategies of symbolic management and redefinition of social legitimacy. Substantive change of problematic practices is also employed as a tactic of legitimation, but to a much lesser degree than the previous two strategies. My findings also indicate that the hegemonic neoliberal and patriarchal ideologies are important for providing a coherence frame of reference for the arguments and integrating the discourse so that the arguments reinforce and complement one another. This research suggests that the state (and

business firms and associations) plays an important role in legitimating the effects of the industry in both countries, and that supporters from both industry and government have constructed a legitimating discourse that is often highly technical and scientific. The discourse in my sample indicates that legitimation both draws on and reinforces the existing spatiality of the maquiladoras. Furthermore, my sample seems to suggest that the legitimating discourse varies spatially to take into account the concerns of its audience. This research reveals a discourse that promotes the national benefits of the maquiladoras for both the United States and Mexico, and defends the industry from criticisms of its regionally uneven employment impacts in the two countries, and the spatial variation of labour practices between the two countries.

Although this project focuses on the systematic construction and dissemination of information in the legitimation of maquiladora development, it is also important to re-emphasize the role of human agency and consent within the legitimation process. Gramsci's theory of ideological hegemony which stresses the role of the dominant ideology in securing consent through intellectual and moral leadership, is useful in this regard. In this case, it is clear that legitimacy is necessary, but what is not clear (and not within the scope of this project) is how successful the legitimation process is. I have documented and analyzed the main arguments used to legitimate the industry, but do people actually believe these arguments? How is it that in a democratic country such as the U.S., a production system which has been criticized for favouring certain spatial and social groups over others is allowed to operate and grow without regard for the disadvantaged groups? Although some of the pro-maquiladora arguments are fairly convincing, clearly people do not believe everything they read in the newspaper. But regardless of whether or not people actually believe all of the arguments, the propaganda works. The

continued growth of the maquiladora industry and the implementation of NAFTA which is just a further step in the same direction , point to the efficacy of the propaganda. Because many of the arguments are based on ingrained ideologies, they are easily integrated into existing belief systems that draw on these same ideologies. For those people in the U.S. who are not directly affected by the industry, the arguments may sound reasonable, or they simply may not care about these issues. It is understandable, especially in an individualistic culture such as the U.S., that people in their everyday worlds devote most of their time and energy to securing the happiness and economic prosperity of their own families. For people who question the pro-maquiladora propaganda, the other information is there, but it is more difficult to find. If we believe Chomsky (and my impressions outlined in Chapter 2 regarding the relative scarcity of critical accounts in the U.S. popular press), then the media's role within this dynamic is to marginalize dissenting opinions and bound the limits of the debate. Furthermore, those people who do try to question maquiladora development are working from an inferior position vis-à-vis maquiladora supporters who have considerable political and economic resources behind them. The propaganda is also effective because the legitimating discourse provides for the politically and economically active groups which have a stake in the industry's success, an arsenal with which to fight maquiladora critics[23] Thus, it is clear that U.S. readers are not just passive, unquestioning consumers of news. Rather, people choose to believe the arguments based on their coherence within accepted ideologies, and symbolically give sanction to the legitimation process (whether or not they believe the arguments), if only through non-participation in the debate. And finally, those people and groups that question the legitimacy of the maquiladora industry will find it very difficult to make changes, or

[23] This is especially true for the large agenda setting newspapers such as the New York Times and the Wall

even have their voices heard, because of inadequate resources and systemic structures which favour hegemonic groups.

I will now conclude by pointing to the strengths and weaknesses of this project and some implications for future research. The main goal of this research is to explain how the maquiladora industry, a regional development project which benefits dominant social and spatial groups at the expense of others, is legitimated as being a mutually beneficial economic arrangement. The strength of this research is that it systematically explains and evaluates the main arguments that are used in legitimation, and connects these arguments with the ideologies and power structures that make them effective. In doing so, the political nature of these arguments and of the entire legitimating discourse, becomes evident. This is important because in order to fight the inequalities caused by the maquiladora industry, it is necessary to first understand how supporters explain away these inequalities. The arguments used by maquiladora supporters could be targeted by maquiladora critics as strategic points for organizing resistance based on the specific interests of the groups. For instance, women's groups in the U.S. and Mexico could focus on debunking the arguments around female predominance and connecting the issue of female employment with other issues such as low wages and poor working conditions in Mexico and the loss of jobs in the United States. Unions and other labour groups could focus on exposing the uneven impacts of the program on employment, and the interests driving corporate decisions to relocate production. Another strength of this approach is that it could be applied fairly easily to export processing industries in other countries in order to compare the legitimating discourse with the maquiladora discourse. As well, because of the important role of discourse in shaping social and economic

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Street Journal which have a fairly elite readership.

reality, this kind of research could also be usefully applied to completely different kinds of regional development projects.

One of the main weakness of this research is that it gives a fairly one-sided account of the legitimation process in that it focuses mainly on how the discourse is constructed by the dominant interest groups within the social system. To more fully understand the legitimation of this industry, it would also be necessary to explain how people as cognizant actors process this information and give sanction to the legitimation process.

These weaknesses point to some fairly obvious areas where more research work could be done in order to more fully account for the legitimation of maquiladora development. In order to further highlight the political nature of legitimation, a comprehensive critique of the legitimating discourse based on empirical evidence would be useful. For example, empirical work to assess the employment impacts of the industry on the U.S., and qualitative fieldwork which documents material wage and working conditions in Mexico would be useful in this regard. Similarly, further research focused on specific firms and their decisions to relocate would also be helpful in that it would help to evaluate the argument that firms must move across the border in order to remain competitive. Of the firms that have moved operations to Mexico, were they actually losing money, or was it merely a decline in the *growth* of profit levels that precipitated the move. Do other maquiladora firms resemble the Vancouver extension of the sportswear manufacturer, Jantzen, which was the most profitable operation in North America for the last two years, but was transferred to Mexico and other places further south (after 40 years of operation) as a result of a

strategic decision by management to "reduce their reliance on Canadian and U.S. sourcing[24]." The mediating role of the press could also be examined through fieldwork that tracks the sources of information in the newspaper articles and the process of how that information is interpreted and put together by reporters and editors. Furthermore, other media sources of legitimation such as the promotional material of pro-maquiladora groups could also be examined to see how the findings compare to those from newspapers and magazines. The final area of future research that I suggest has particular relevance for geographers. In order to further examine how legitimation varies spatially, it would be very interesting to do a similar project to this one which focuses on newspapers and magazines in Mexico. Similarly, a study that compares the discourse in both countries and in key regions within both countries would more fully expose the spatial variations in the legitimating discourse. This could be achieved by a systematic selection of articles from both the United States and Mexico and from key regions within each country, which could then be qualitatively and quantitatively analyzed to highlight the similarities and differences between the countries and regions.

[24] Bolan, Kim. (1996). "With pride, tears, staff say goodbye to Jantzen." *The Vancouver Sun*, April 30, pp. A1, A4.

APPENDIX I

Maquiladora Supporters: Trade Organizations and Corporate Representatives

Jimmy Beaman - Port of Brownsville's director of trade development and spokesperson for a Brownsville business community delegation that attended and reported on the Border Trade Strategies Conference held in El Paso in 1986.

Jaime Bermudez - Owner, Grupo Bermudez industrial parks and Mayor of Ciudad Juarez.

Richard Bolin - Director of the Flagstaff Institute, a research Centre for the maquiladora industry, and author of first official maquiladora study in 1964.

Border Trade Alliance (BTA) - Formed in response to the ban on funding the Expo Maquiladora 86, and composed of Southwest business and public officials to promote their interests in the maquiladora program. Produced influential study showing positive employment impacts of the industry on US. "The vehicle through which transnational capital along the US-Mexico border chose to express its interests" (Sklair, 1990:174).

John Bruton - Executive Vice President, American Chamber of Commerce of Mexico.

Alejandro Bustamante - President of the National Maquiladora Council.

John H. Christman - Director of International Business Development at American Industrial Parks, Inc. El Paso, Texas and Parques Industriales de Chihuahua, S.A. in Chihuahua.

Committee on Production Sharing - an interest group that helped organize the BTA.

Sam Drake - Executive Director, El Paso Industrial Development Corporation.

Peter Drucker - Professor of Social Sciences and Management at Claremont Graduate School, Claremont, California.

Charles Dodson - maquiladora owner.

Oscar Gonzalez - Manager, Eaton Corp. assembly operations in Matamoros.

Dilmus James - Economist, University of Texas at El Paso. Participant, Task Force on Border Economic Development.

Bill Mitchell - Marketing Manager, Grupo Bermudez Industrial Parks (the largest industrial parks firm in Mexico). Produced study showing positive employment impact of the maquiladora industry for the US.

Fred Mitchell - Director of industrial development for the "nonprofit development group, the El Paso Industrial development Corp. , with membership from both sides of the border, pushes the maquiladora program relentlessly, conducting seminars on the advantages of the 807.00 and 806.3 tariff provisions for American companies and tours of the Juarez industrial parks" (Tempest, 1982)

George Schreck - Manager of international public relations, General Motors.

Don Shufstall - Senior vice president M Bank and vice president of the El Paso Foreign Trade Association.

Richard Wolf - Buffalo attorney and spokesperson for Trico Corp.

US Government Supporters

Senator Lloyd Bentsen - (Democrat-Texas).

Commerce Department International Trade Administration (ITA) - the US government agency most responsible for promoting the maquiladoras.

Raphael Fermoselle - Director, US Trade Center in Mexico City and initiator of Maquiladora Expo 86.

Rep. Sam Gibbons - (Democrat-Florida) Chair of House Ways and Means Subcommittee on Trade.

Alexander Good - Director General, US and Foreign Commercial Service of US Commerce Department.

International Trade Commission (ITC) - Produced a study of the global production-sharing industry showing positive impact on the US of the maquiladora industry.

Rep. Jim Kolbe - (Republican-Arizona) Member of the subcommittee hearings on economic stabilization gave supporters and opponents an arena to bandy about statistics. Produced survey showing positive employment impacts in the United States from maquiladoras.

Donald McCarthy - Head of Economic Information, American Chamber of Commerce of Mexico.

Jose Antonio Perez - Associate Director, Maquiladora Services for the American Chamber of Commerce of Mexico.

Jonathan Rogers - Mayor, El Paso, Texas.

Mollie Shields - US commercial attaché and initiator of Maquiladora Expo 86.

Antonio Zavaleta - Brownsville city Councilmember and anthropologist who has studied maquiladora workers.

MAQUILADORA CRITICS

Steven Beckman - International economist with the Untied Auto Workers in Washington, DC

Mike Boggs - Assistant director of the AFL-CIO international affairs dept.

Bob Carr - (Democrat-Michigan).

Donald Ephlin - United Auto Workers vice president for the union's General Motors section.

Rep. James Florio - (Democrat-New Jersey).

Frank Joyce - UAW spokesperson in Detroit.

John LaFalce - (Democrat-New York).

Raymond Marshall - former Secretary of Labor

Victor Munoz - President, AFL-CIO Council in El Paso.

Rep. Ralph Regulo - (Republican-Ohio).

John Rogers - AFL-CIO

Antonio Sanchez - Amalgamated Clothing and Textile Workers Union.

United Auto Workers Union

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