

Unionism The Actor Missing From The Stage of Change in Mexico

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Courtesy of the President of Mexico's Press Office

Francisco Hernández Juárez, leader of the powerful Telephone Workers Union, with President Fox.

The changes now taking place in Mexico, many related to the June 2, 2000 federal elections, have involved almost all the country's public actors in different ways. Many signs indicate that the nation is experiencing a series of enormous economic, political and social transfor-

mations. There is, however, little clarity about where many of these changes are heading, something that will become more problematic after the return to economic stagnation in 2001.

With regard to unionism, particularly, the visible signs seem to be contradictory and make for few certainties. In general, in the sphere of work, unionism's main playing field, the situation is not clear, thus creating increasingly risky conditions for the unions. But, in the sphere of politics, former-

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ly a privileged terrain for Mexico's official or corporatist unionism (that still controls the immense majority of the country's slightly more than four million union members)¹ as well as for opposition unionism (a small minority), things do not seem to be going well. It could even be said that Mexican unionism today is playing only a marginal role as a spokesperson vis-à-vis those in power in public-policy-making processes, both in the fields of economic and social policy, which directly affect workers, and more general policy. Even in the discussion about possible reforms to the Federal Labor Law, the positions of businessmen and the government are the two long sides of a not-very-equilateral triangle.

This is the case despite the fact that the corporatist union leaderships have shown enormous willingness to collaborate with President Vicente Fox, who defeated the Institutional Revolutionary Party (PRI), the party of which most Mexican unions have historically been a part. It should be remembered that membership in official PRI unions was automatic, a stipulation of their by-laws. This, however, has gradually been changing since some important unions left the official party: the National Educational Workers Union (SNTE), with about a million members; the Telephone Workers Union (STRM), with almost 50,000 members, which also broke with the Congress of Labor (CT);² and very recently, in November 2001, the Mexico City Government Employees Union (SUTGDF), with more than 100,000 members.

At the same time that this is happening with corporatist unionism, the possible alternative forces like the National Workers' Union (UNT), with about 450,000 members, called by many the

"new unionism," do not look more likely to be able to become a central actor in the current political situation. The UNT, lead in practice by the STRM, includes the unions of the Mexican Social Security Institute (SNTSS), with about 360,000 members; the Volkswagen plant (SITVW), with 12,500; the National Autonomous University of Mexico (STUNAM), with almost 25,000 members; aviation workers (pilots, air traffic controllers and flight attendants); and other, less important sectors.

Now, why has a union structure that had been very powerful in the political system, that had been functional for the import substitution industrial-

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ization, that represented the main means whereby the Mexican state channeled its social spending to the working population, that was very efficient for ensuring the workers' vote for the PRI during the long process of simulated democracy and that was useful in maintaining social order among wage earners gone into crisis? And why, given this crisis, has no force appeared on the scene—for example a democratic, pluralist force, or even a neo-corporatist force—to take the place of that out-of-date, authoritarian, extremely corrupt structure? It would be impossible to answer these questions fully in a brief article. It is possible, however, to cite a few figures and ideas, though to do so necessarily implies making brief mention of the historic characteristics

and sources of power of the unionism currently in crisis.

Most analysts think that the power of Mexican unions depended on a complex conjunction of economic, political, social and cultural elements at the center of which was the corporatist agreement commanded by the state. Inside their organizations, the corporatist leaders took responsibility for maintaining order in production; but outside the companies, they also took responsibility for keeping their members in line in society and turning them into faithful voters for the official party. Their role was almost irrelevant, however, in the field that is most impor-

tant for union action: the negotiation of bargaining agreements with management. This has different causes. One is that the big decisions about labor and wage policy were decided on a macropolitical level by the executive branch through consultations with management in the first place and with the top leadership of the unions in the second place. This meant that the real margin for negotiation of wages and benefits was very narrow at a company, sector and regional level. Another reason is that the issues linked to production itself were the exclusive property of management itself, both in the private sector and in the vast para-state sector, and were not really a realm open to union negotiation. In fact, labor relations were basically imposed unilaterally by

management, although local practices and customs always had an important informal weight in the day-to-day operation of the work place. It is important to relate this to the fact that quality and productivity were actually of minor concern to management, due to the existence of an overprotected domestic market where it sent the immense majority of its output.

This corporatist arrangement compensated union leaders in several ways. Outside the realm of labor relations, they constantly occupied elected posts, having run on a PRI ticket for governor, senator and deputy, as well as city

use groups of thugs and hired killers. In extreme cases, such as the 1959 railroad workers movement or the 1976 electrical workers movement, to name only two very important ones, government repression was used directly to impose union order again. With regard to legislation, Article 123 of the Constitution (1917) and the Federal Labor Law (passed initially in 1931, amended several times and completely revamped in 1976) were originally conceived as instruments to protect workers. However, over the decades they became the weapons of union corporatism due, among other things, to the broad room

The Fox administration has strongly emphasized promoting non-waged employment linked above all to self-employment in small and micro-businesses.

hall. Another privilege was their being allowed to run their organizations in a completely discretionary, authoritarian way. There was practically no democracy in their organizations in selecting and controlling leaderships; accountability for union dues management did not exist; dissidence was prohibited; anyone in opposition was dealt with under the Mexican version of a closed shop, called “the exclusion clause” whereby someone expelled from the union was fired from the company (this clause is still in effect); union officers were not rotated; the by-laws were usually unknown to the membership; and, in an enormous number of cases, the rank and file did not even know they had a union.

To deal with periodic bouts of unrest, authorities allowed the leaders to

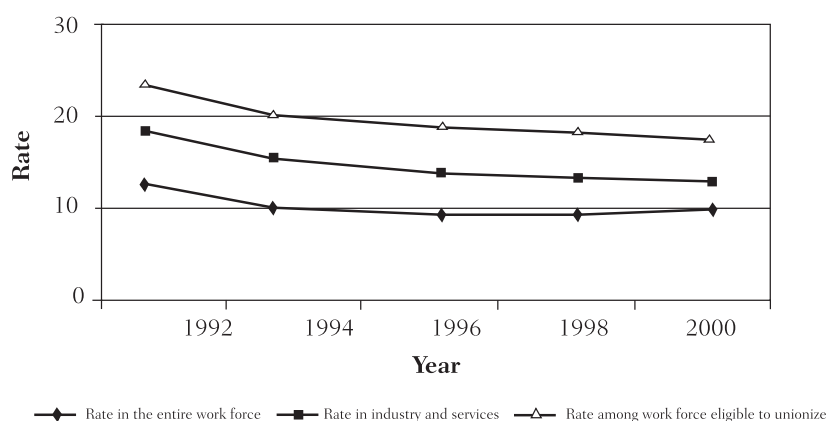
for maneuvering that they have always given to union leaderships in the internal management of their organizations. The Constitution and the law also became instruments for government intervention through forced arbitration. And to this, of course, was added the enormous corruption of administrative agencies, particularly the labor conciliation and arbitration boards.

This does not mean that union leaderships stayed in office simply through violence and imposition, although these elements were present. To understand the current erosion of these leaderships’ power and that of the organizations themselves, we must keep in mind that they developed important bases of something that could be called non-democratic legitimacy. This was linked to the fact that it was these organizations

and their leaderships that channeled all the tangible products of the Mexican state’s social spending to the working population: education, health care, consumer support measures, financing for housing and other benefits of this nature that flowed increasingly over the period of import substitution, urbanization and the growth in services that characterized the Mexico of the 1950s, 1960s and part of the 1970s. In addition, within the confines of their own rules, the unions were the guarantors of annual wage hikes, which grew in real terms from the mid-1950s to the 1980s, job security (for those who toed the line) and different social benefits. It should also not be forgotten that those years in general brought sustained economic growth, a rise in real wages and a substantial increase in jobs in industry, particularly in the para-state sector, as well as in services and the very large government bureaucracy.

Over the last 20 years, this entire scheme of things has altered profoundly. On the one hand there has been a prolonged period of recurrent crises and restructuring of production, including such measures as the privatization of most of the para-state sector (always accompanied by heavy lay-offs), the relocation of industry from central Mexico to the central north and the north and the imposition of—usually unilateral— flexibility in labor relations. This has happened in the context of a macroeconomic adjustment policy that has meant sharp drops in workers’ buying power and important cuts in social spending. On the other hand, in the same period, Mexico has gone through an intense process of political change that many have called a transition to democracy, which has

GRAPH 1. UNIONIZATION RATES



Source: Graph developed by the author based on data from the National Statistics Institute's National Household Income-Expenditures Survey.

brought about the end of the single-party system and opened the door to a diversity of forms of public participation of the citizenry outside the confines of the old official party.

All this has affected the basis for the power of corporatist unionism in several ways. On the one hand, as an effect of the crises and restructuring, the space available to them for action has been considerably reduced. In the few years between 1992 and 2000, union membership in the country dropped in both absolute and relative terms. In absolute terms, it fell from 4,116,919 to 4,025,878 members. In relative terms, the unionization rate dropped from 13.6 percent of the total work force; from 17.86 percent to 12.4 percent of the work force in industry and the service sector; and from 24.02 percent to 17.57 percent of the potential union members in industry and services.

On the other hand, the legitimacy that corporatism achieved from chan-

neling government social spending, from increasing real wages and from being the guarantor of job security has been seriously eroded. From 1982 on, we can say that the corporatist union structure has taken responsibility for unionized workers' accepting the worst consequences of macroeconomic adjustment policies (the fall in real wages, jobs being destroyed and the deterioration of state social institutions).

Together with this, the cost of political change to the corporatist union leaderships must also be taken into consideration. One indicator for evaluating this is the important drop in what was called "the workers' representatives" in the Chamber of Deputies. Between 1979 and 1997, the percentage of PRI deputies that came from any of the corporatist unions dropped from 31.4 percent to 17.28 percent.³ This means that, together with the escalating defeats of the PRI by other parties, the so-called "workers' sector"

has been pushed aside when the time has come to select candidates.

Alternative unionism suffers from structural weakness. This unionism, today represented above all by the UNT, has different origins: the militant unionism of the 1970s that was particularly strong in the para-state sector (with its revolutionary nationalist trend represented by the Galván leadership);⁴ in multinational-owned industry (auto and electrical appliances, etc.); and educational services, above all the public universities (with its Marxist left current). Another strand of today's alternative unionism comes from break-offs from corporatism itself, including as its most significant members, the Telephone Workers Union and Social Security Workers Union. This unionism's weakness is rooted in its being in sectors which are not very strategic (except for the telephone workers), its small size and its inability to formulate projects that go beyond the demands of its own members to include broader sectors of society.

In the first year of the Vicente Fox administration, his signals to the world of labor have been contradictory. The administration has strongly emphasized promoting non-waged employment linked above all to self-employment in small and micro businesses (popularly called "*changarros*" or holes-in-the-wall) and the encouragement of the maquiladora industry. Both cases are kinds of work that make union action problematic. In the first case, they simply cannot be organized in unions; in the second case, one of the comparative advantages offered to investors is precisely low wages, something that crashes head on with effective union action. In the maquila industry, sweetheart contracts, forms of pseudo-col-



Antonio Nave/AE



Courtesy of the President of Mexico's Press Office

Alejandra Barrales, leader of the flight attendants union and representative of the new unionism, and Leonardo Rodríguez Alcaine, head of the formerly official corporatist unionism.

lective bargaining that aim precisely at avoiding autonomous union organization, are proliferating.

The Fox administration has also taken it upon itself to write a new Federal Labor Law (LFT). This has turned out to be quite difficult to do and the dismal economic conditions and the wear and tear on Fox's so-called "democratic seal of legitimacy" seem to have meant it must be put off for a later time. In any case, it is useful to note two important elements in the discussion about the LFT. One is the discourse of Minister of Labor Carlos Abascal. The other refers to the mechanisms through which the government has attempted to promote its proposal for legislation.

The minister of labor repeatedly calls for everyone to forget any reference not only to the class struggle, which he thinks permeates current legislation, but any form of conflict at all between workers and employers. On the contrary, Mr. Abascal constantly calls for

people to recognize that there are no possible grounds for clashes and that there are not even different interests in the world of production, but that what must be aspired to is a situation wherein everyone is recognized as an equal co-participant in a common project, the company. Since Abascal was a leader of Mexican businessmen during the last administration, he has insisted on promoting these positions under the noteworthy title of "the new labor culture."

To promote new labor legislation the Ministry of Labor decided to create a working group which, according to executive branch plans, would come up with a unified legislative proposal to be presented to Congress. It is very interesting to see that this working group was unilaterally formed by the ministry itself, which invited the traditional representatives of the business community and, on the union side, both the most traditional corporatist

leaders and representatives of the so-called "new unionism." But, in addition—and this was a real novelty in Mexico—it also invited the leaders of a different kind of unionism, very small and localized, known in Mexico as "yellow" or company unions, which represent the interests and leadership of the businessmen of the Monterrey Group, the country's most important and powerful industrial group, which in turn agrees with the positions of the ministry itself. An explicit effort has been made to leave the political parties out of these discussions—although, it should be mentioned that they have not shown themselves very interested in the issue—as well as other social sectors. The output of this working group has been very poor and everything seems to indicate that the issue will be postponed.

Once again we find clear contradictions in labor officials' actions in worker-management clashes during this

first year of the administration. On the one hand, during some conflicts such as the movements of two UNT organizations that led to strikes (the Volkswagen workers and the flight attendants), the government did not declare the strikes legally non-existent. However, it has made some rather legally shaky interventions such as denying miners and airline pilots their right to belong to the union of their choice, or refusing soccer players the right to legally register their union, in the grand tradition of PRI government control over union activity.

In addition to all these problems, Mexican unionism must face other challenges in the immediate future, very serious, structural challenges, among which are those related to employment and for which none of the union currents seem to have answers. One of the most important is a product of the course the Mexican economy has taken since the early 1980s: the mushrooming of a never-ending list of kinds of activities including self-employment and non-paid family work totally divorced from formalized, regulated, stable, long-term, protected wage labor, the traditional basis for Mexican unionism. This increase has meant the spread of short-term, part-time, unstable, non-waged work with no regulation at all; of many kinds of dependent jobs dressed up like a market relationship among equals (child vendors on the streets or in the subways, for example); of unstable jobs in long chains of sub-contracting and in segments of the maquila industry that only show part—sometimes the smallest part—of their activities in the light of day. In addition to all of this, borderline illegal activities like prostitution and frankly criminal activities

like drug sales, trafficking in individuals and robbery have increased considerably.

We also have to look at the conditions of the workers who have remained inside the unionized sector in Mexico. After a prolonged period of recurring crises, restructuring of production (which has emphasized flexibility on the job more than technological or organizational innovation),⁵ closings and privatizations, lay-offs in the public sector, declines in public spending, the trade opening and a drop in the domestic market, unionized workers have watched their wages' buying power shrink significantly, their benefits dwindle, public services decline in number and quality and the room for negotiation decrease considerably.

The question that must be asked is extremely important for the future of unionism: What is it people do today in Mexico to earn their living? The answer is that employment has diversified and become flexible in the context of intense social polarization so that the possible room for action for unions is shrinking both inside and outside the work place and union actors are not showing interest and ability to respond to this grave challenge.⁶ As a study of employment in Mexico has shown, the problem is not one of open unemployment, but of the low quality, short duration and paltry wage levels of the jobs available.⁷ It is not surprising, then, that millions of people are emigrating to the United States, despite the growing risks they have to face, particularly since September 11.

As can be appreciated, unionism's prospects leave little room for optimism. Belying the expectations of the combative 1970s, the prolonged crisis of corporatism has not led to the rise of

a democratic, active unionism capable of designing proposals that go beyond narrow work-place limits. On the contrary, from the remains of this corporatism and the incapacity of the alternative forces to offer a broad, unified way out comes a scenario in which workers' lack of protection vis-à-vis the sharpening effects of the economic deceleration seems to dominate. **MM**

NOTES

1 They are members mainly of the Congress of Labor (CT), the Workers' Confederation of Mexico (CTM), the Revolutionary Workers and Peasants Confederation (CROC) and the Regional Confederation of Workers.

2 The CT was the main umbrella organization for the corporatist unions, created in 1966 by government decision in order to solve the dissension in the ranks of different union currents close to the state.

3 Graciela Bensusán and Arturo Alcalde, "Estructura sindical y agremiación," Arturo Alcalde et al., *Trabajo y trabajadores en el México contemporáneo* (Mexico City: Miguel Ángel Porrúa, 2000), p. 170.

4 Rafael Galván was the leader of the democratic electrical workers of the SUTERM.

5 See Enrique de la Garza et al., *Modelos de industrialización en México* (Mexico City: UAM-I, 1998), the research results from a broad project in 14 of the country's industrial areas.

6 One important exception is the Telephone Workers Union which, within the limits of the bilateral relations with the Telephone Company of Mexico, has been able to negotiate the process of modernization.

7 Carlos Salas, "Otra faceta de la actualidad económica: trabajo y empleo precario en el México actual," *Trabajo 3* (Mexico City: UAM-UNAM-CAT), pp. 119-134.