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Mexican, U.S., Canadian Labor Sectors Adapting to NAFTA

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The implementation of the North American Free Trade Agreement (NAFTA) is provoking many changes in the mission and structure of organized labor in the US, Canada, and Mexico. The most visible change so far is increased collaboration among trade union federations in all three countries. In January, labor leaders announced a new alliance among Mexico's largest independent federation the Authentic Workers Front (Frente Autentico de Trabajadores, FAT) and two US unions in the US and Canada: the Teamsters Union and the United Electrical Workers Union, (UEWU).

Cross-border alliances

For now, the alliance is focusing on organizing and defending the rights of workers at maquiladora plants along the US-Mexico border. In January, for example, the Teamsters-UEWU-FAT alliance succeeded in forcing the US-based General Electric to reinstate six of 11 workers who had been fired for attempting to organize workers at the company's maquiladora plant in Ciudad Juarez. And the alliance is continuing efforts to force the reinstatement of five other General Electric workers and 20 employees at a Honeywell plant in Chihuahua fired for their organizing efforts.

Analysts suggest that these labor actions in and of themselves are not as significant as the new relationship forged among the unions in the three countries. FAT members, familiar with Mexican labor laws and practices, are conducting most of the grassroots organizing work, while the US unions are offering strategy on how to deal with US companies and are conducting lobbying efforts in Washington on behalf of the Mexican workers.

For example, Teamsters president Ron Carey, in a harshly worded letter to President Clinton, warned that unless labor violations at the Honeywell and General Electric plants were resolved satisfactorily, they could become an "international symbol of the violation of human rights now that NAFTA has passed." The relationship between the unions is expected to serve as a model for other cooperation efforts among US, Canadian, and Mexican workers. "You can expect a coordinated, joint campaign around labor rights in 1994," said Robin Alexander, UEWU international labor affairs director. In fact, representatives from electricians' unions in the US, Mexico, and Canada were scheduled to meet in mid-February in the Mexican resort of Oaxtepec, Mexico, to discuss their common concerns.

According to Alva Senzek, trade columnist for El Financiero International weekly business newspaper, the decision of the three electrical unions to cooperate is much more significant than the FAT-UEWU-Teamsters link-up, since both the US International Brotherhood of Electrical Workers (IBEW) and the Mexican Electricians Union (Sindicato Mexicano de Electricidad) carry much more clout than FAT and the UEWU.

On the domestic level, of the three NAFTA countries the most profound changes in labor organization are likely to occur in Mexico. There, a combination of factors NAFTA, the deterioration of economic conditions for most workers, and union displeasure with the policies of President

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Carlos Salinas de Gortari's administration have begun to erode the traditionally strong alliance between the powerful Mexican Workers Confederation (CTM) and the ruling Institutional Revolutionary Party (PRI).

Harley Shaiken, a labor economist at the University of California, points out that Salinas has taken advantage of the cozy relationship that has existed between the PRI and the CTM since the 1930's to weaken the confederation and its affiliates. This, in turn, has left the CTM one of the strongest advocates for NAFTA in Mexico in a poor position to confront the expected short-term job dislocation that will occur in Mexico due to increased competition from US and Canadian companies.

CTM risks losing rank-and-file members

Shaiken and other analysts suggest the CTM leadership is in danger of losing support from rank-and-file members who have a long list of complaints against the Salinas administration. The complaints include the government's sponsorship of a huge reduction in the public workforce, which has resulted in massive layoffs at the state-run oil company PEMEX, the national railroad (Ferrocarriles Nacionales, FERRONALES), and others. This has been compounded by the privatization of other government enterprises, such as the telephone company Telefonos de Mexico (Telmex).

Many CTM members also oppose the Salinas administration's requirement that workers must negotiate contracts on a plant- by-plant basis, thereby abandoning the previous policy of negotiating a single contract for all workers in a given industry. Finally, many union members complain that workers are being forced to bear the brunt of the sacrifices contained in the Economic Stability and Growth Pact (PECE), which seeks to limit inflation by setting ceilings on salary increases and consumer prices.

In a recent interview with the New York Times, Shaiken predicted that, "What you'll see is a very far-reaching set of changes in Mexico that the unions either are going to have to accept or be run over by the government." In the US, meanwhile, a gradual decline in membership and the inability to defeat NAFTA during the ratification vote in the US Congress last year have created new problems for organized labor. In fact, results of a public opinion poll released in mid-January pointed to the low prestige unions have among the US public.

In the poll, conducted at the end of December, 62% of all respondents said they disapprove of the way organized labor handled the NAFTA issue, compared with 27% who said they approve of labor's stance on the trade pact. On the other hand, 61% of the respondents approved of the way President Clinton handled the NAFTA issue, while 35% disapproved. The weakened position of US unions is one of the factors cited in the decision to forge alliances with unions in other countries. The union coalition that formed in January has already increased the ability of labor leaders to negotiate in favor of workers along the US-Mexico border.

Increased scrutiny in US Congress

Meantime, since the heated congressional debates surrounding NAFTA in late 1993, increased scrutiny has been focused on the transfer of US operations to Mexico. Since Jan. 1, the date

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when NAFTA was implemented, two US manufacturers Nintendo (electronic games) and Zenith Electronics Corp. (television sets) have both announced the transfer of operations to Mexico. The Nintendo decision, announced on Jan. 11 and effective in mid-March, will result in the loss of 136 jobs in the US. According to Nintendo vice president Phil Rogers, the company felt that the growing demand for Nintendo products in Latin America could be best served from plants located in Mexico. He said the company plans to operate the new facility in Mexico as a joint venture with a Mexican partner.

For its part, the US Labor Department announced on Feb. 6 that the 136 Nintendo workers affected by the move qualify for aid under the NAFTA Transitional Adjustment Assistance Program. The workers will receive assistance from the federal government in job search and retraining and will also be eligible for extended unemployment benefits once their layoffs become effective in mid-March. Although the Nintendo workers did not belong to a union, the case has become another rallying point for organized labor. "Here you have non-union workers who have become victims of NAFTA in layoffs that organized-labor groups predicted," said Karen Keiser, a spokeswoman for the Washington State Labor Council.

On Jan. 28, Zenith announced plans to transfer the plastic molding operations from its plant in Springfield, Missouri, to its facility in Reynosa, Tamaulipas state, where plastic cabinets are finished and the final assembly of televisions already takes place. The transfer will reportedly result in the loss of 320 jobs in the US. In explaining the decision, Terry Conner, Zenith's vice president for manufacturing, said the company plans to consolidate all of its molding operations in Mexico during 1995, "which should result in significant reductions in transportation and operating expenses." Mike Yeubanks, business manager of local 1453 of the International Brotherhood of Electrical Workers (IBEW), told the Associated Press that the Zenith plant in Springfield at one time had employed 4,000 workers, but will now be left with just 50 employees. "It's the same as closing it," he said.

On a related matter, the Dallas Morning News reported that the office of the NAFTA Labor Secretariat will be located in Dallas. According to the newspaper, which was quoted by United Press International, the announcement to locate the office in the northern Texas city will be made by President Clinton in the near future. The labor secretariat office was created, through negotiations on the NAFTA parallel agreement on labor issues, to advise the US, Canada, and Mexico on the enforcement of labor laws and to monitor conditions in labor markets, including unemployment, wages, and productivity.

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