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Mexican Labor Movement Struggles Over New Identity

by LADB Staff

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Several months after the death of long-time labor leader Fidel Velazquez, the Mexican labor movement is energetically seeking a new identity. Under Velazquez, the official labor organizations the Confederacion de Trabajadores de Mexico (CTM) and the Congreso del Trabajo (CT) had a clearly defined working relationship with the governing Partido Revolucionario Institucional (PRI).

In recent years, one of the most visible examples of PRI- labor cooperation was an annual anti-inflation and economic agreement, which was signed in conjunction with representatives of the major labor organizations. However, Velazquez's death in July of this year, plus the PRI's loss of a majority in Congress, have forced the CT and CTM to seek a new direction, including the possibility of withdrawing from the annual anti-inflation agreement.

Unions propose to withdraw from anti-inflation accords

In recent press conferences, CTM leader Leonardo Rodriguez Alcaine called for an end to the annual agreements, charging that such accords prevented workers from seeking wage levels that could bring more Mexicans out of poverty. According to Rodriguez Alcaine, the labor sector is seeking a 23% increase in the minimum wage for 1998, which is eleven percentage points higher than the government's unofficial projected rate of 12% annual inflation for that year. "Only this type of increase will allow workers to recover purchasing power," said Rodriguez Alcaine, who was selected to lead the CTM on an interim basis until elections in February.

A report published by the CTM in November said the inflation rate has increased by almost 705% since the agreements were first negotiated 10 years ago. During the same period, the CTM said, the minimum wage has declined in real terms to 26.45 pesos (US\$3.00) per day, from about 57 pesos (US\$6.95). The report said contractual wages have fallen by 3.6% over the 10-year period, while manufacturing wages have declined about 2.5%. The CTM emphasized the deterioration of wages during President Ernesto Zedillo's administration. According to the report, an increase of between 170% and 180% in the index for the basic basket of consumer goods since 1994 has more than nullified any increases in the minimum wage during the same period. Among other things, the CTM and the CT are demanding changes in Mexico's labor laws to increase the number of days used to calculate the annual Christmas bonus for workers.

In mid-November, the CT also issued a special statement urging the Zedillo administration to take more steps to create jobs, and to address structural problems in the industrial sector. Business sector rejects proposed 23% hike in minimum wage Representatives from the Camara Nacional de la Industria de la Transformacion (CANACINTRA), the Confederacion de Camaras Nacionales de Comercio (CONCANACO), and the Consejo Coordinador Empresarial (CCE), have all rejected the proposed 23% minimum-wage hike, although business leaders said they would accept an increase a few percentage points above the projected inflation rate. "We agree on the need to win

the battle against the deterioration in purchasing power," said CCE president Eduardo Bors Castelo. "However, we reject an increase of that magnitude."

The labor sector's belligerent position may have been influenced by the creation of two independent labor organizations this year, the Foro Sindical Unitario (FSU) and the Union Nacional de Trabajadores (UNT). The UNT, which includes several unions that broke away from the CT and the CTM, officially came into existence in late November. According to UNT founder Francisco Hernandez Juarez, the new organization is fully independent because there are no affiliations with other institutions, such as the government, political parties, churches, or the business sector.

New organization seeks to boost union membership

While much of the UNT rank and file are former members of other labor organizations, Hernandez and other UNT organizers are hoping the organization will help boost union participation in Mexico. According to recent statistics from the International Labor Organization (ILO), the number of workers affiliated with unions has declined by more than 28% since 1986. The ILO said roughly 43% of Mexican workers currently belong to unions. Meantime, other efforts by workers to form independent unions continue to falter, particularly at maquiladora plants near the US-Mexico border. In mid-November, a Baja California state labor board overturned a vote by welders at a South Korean-owned maquiladora plant in Tijuana to end their affiliation with a government-sanctioned union.

In a vote conducted in early October, workers at Han Young de Mexico, which produces parts for Hyundai Precision America tractor-trailers, had opted to join the independent Sindicato de Trabajadores de las Industrias Metalica, Acero, Hierro, Conexos y Similares (STIMAHCS). The welders said an independent union would allow them to seek higher wages and improve working conditions. The Baja California board said the request was denied because the STIMAHCS is not a registered national industrial union. The board also asserted that workers who produce auto parts cannot be represented by a union representing metal, steel, iron, and allied workers. According to labor experts, none of the nearly 2,700 maquiladora plants is represented by an independent workers union.

The Baja California ruling has attracted the attention of US lawmakers, who have asked US President Bill Clinton to investigate whether Mexico has violated its commitment under the North American Free Trade Agreement to respect labor rights. In a letter to Clinton, US Rep. Peter DeFazio and six other colleagues said the firings "suggest an attempt to disregard the results" of the vote at the Han Young plant. The US administration has promised to investigate the matter. "We are very concerned about the serious nature of the charges contained in this complaint," said Irasema Garza, secretary of the National Administrative Office (NAO), which is the US agency created under NAFTA to investigate complaints about labor violations. "This case raises questions regarding freedom of association." The NAO is required to present a formal report on its findings and issue a recommendation within 180 days after a complaint is filed. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Nov. 26, reported at 8.20 pesos per US\$1.00] (Sources: El Nacional, 11/04/97; Associated Press, 11/11/97; El Universal, 11/07/97, 11/13/97; New York Times, 11/04/97, 11/14/97; El Economista, 11/04/97, 11/06/97, 11/10/97, 11/13/97, 11/19/97; Diario de Yucatan, 11/20/97; Novedades, 11/04/97, 11/06/97, 11/07/97, 11/21/97; Proceso, 11/02/97, 11/23/97;

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11/26/97; Notimex, 11/11/97, 11/12/97, 11/24/97, 11/26/97)

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