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LADB Staff

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Government, Business Labor Create New Consultation Scheme to Fight Inflation

by LADB Staff

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After abandoning negotiating an annual anti-inflation agreement this year, the government and representatives from labor, agriculture, and business have developed a new consultation mechanism to control price increases. The practice of negotiating comprehensive anti-inflation pacts was discontinued this year because labor and business felt that such a pact was no longer in their best interest (see SourceMex, 01/14/98).

The new process, announced in late February, lacks the moral authority accorded previous anti-inflation agreements but leaves the door open for the various sectors to work together to fight inflation and ensure that the Mexican economy "follows a correct course." The accord was signed by Finance Secretary Jose Angel Gurria Trevino, Trade Secretary Herminio Blanco, and other Cabinet representatives.

The business sector was represented by the Consejo Coordinador Empresarial (CCE) and the Confederacion Patronal de la Republica Mexicana (COPARMEX). Representing labor and agriculture sectors were the Congreso del Trabajo (CT), the Confederacion de Trabajadores de Mexico (CTM), and the Confederacion Nacional Campesina (CNC). The independent labor organization Union Nacional de Trabajadores (UNT) did not participate in negotiating the new accord, although CT leaders said the omission was not intended to keep the new union out of the process. "I support efforts to bring the UNT, CT, and independent organizations to the same table," said CT leader Hector Valdes Romo.

However, UNT president Agustin Rodriguez Fuentes said his organization was intentionally left out. "We do not yet have the prominence needed to gain a role in crafting the national economic agenda," said Rodriguez, who questioned whether "negotiated" accords actually serve the best interests of workers. Several agricultural organizations also were unhappy with CNC president Beatriz Paredes' willingness to embrace the agreement without consulting small-scale producers. "Paredes entered into the agreement as an individual and not as a representative of the campesino sector," said a statement from the Union General de Obreros y Campesinos de Mexico (UGOCM) and the Union Nacional de Trabajadores Agricolas (UNTA).

UGOCM president Jose Luis Gonzalez Aguilera said these agreements between the government and the productive sectors are harmful to workers and small-scale producers because they impose salary caps and prevent producers from obtaining a fair return on agricultural products. (Sources: Notimex, 02/24/98, 02/25/98; Excelsior, La Jornada, 02/25/98; El Economista, 02/25/98, 02/26/98; El Universal, El Nacional, 02/26/98)

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