

Mexican Trade Unionism in the Face of Political Transition

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Introduction

The results of the elections of July 2, 2000 that defeated the PRI for the first time in history may open a new stage in the relations between trade unions and a State ridden with uncertainties. This is evidenced by the behavior of some of the main trade union leaders in Mexico after July 2: erratic behavior, attempts at alliances that would have been unthinkable in the past and flirting with the future presidency was noted. It is the leadership, the strength of the Confederations, which is at stake. The powerful may weaken and those who have been marginalized may enter the fray. Other actors, the workers, however, have remained in the background for years. Attention must be paid to them. For the workers, since the early eighties, neoliberalism has meant reductions in wages and contract benefits, large personnel cut-backs, the disarticulation of the “old working class”, and the emergence of a “new working class” in the maquila. In other words, Labor has been restructured in part through modernizing production.

The purpose of this essay is to reflect about the crisis of corporativism, which, since neo-liberalism was instated, was foreseen as a crisis that would cause a general labor crisis in Mexico, not due to the lack of work, but to low wages and bad working conditions, which accumulated over time become unbearable. Due to the crisis of corporativism and labor a special situation emerges: the federal government is now in the hands of the PAN (National Action Party) and the PRI (Revolutionary Institutional Party) has been defeated. How are trade union elites reformulating their game? Are they trying to protect themselves or win positions? What scenarios open up for the different lines of trade unionism? What moves might unionists, employers and government attempt to make in the immediate

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future? In the face of leadership readjustments and trade union incapacity to respond to the labor crisis, will the rank and file remain passive or will they become actors that are different from the trade union elites and their interests? These issues will be discussed in the context of uncertainty about the future, as so many core variables are at play at the same time.

1. The Crisis of Corporativism

Although Mexican corporativism was created in the thirties, its roots are in the twenties. It combined the representation of workers' interests subordinated to and intermediated by the State. When representation existed, it was not the consequence of democratic forms of selecting leadership and decision-making. It was more of an authoritarian corporativism subordinated to the State.

Mexican corporativism was an extra-constitutional form of governance parallel to Congress and the citizens' logic. For this governance to work, it was not enough for the State to support the monopoly of corporate union representation through legal and extralegal measures, it also had to be nourished by a broad exchange system within the rank and file in exchange for social order, support for public policies regarding economic, political and social issues and the vote for the PRI. These exchanges were stratified according to the political and laboral importance of worker organizations: the large national industrial unions, particularly the state owned enterprises, were at their peak, followed by large-scale private firms, and the State administration workers, with medium and small firms at the very bottom. Non-organized workers in micro-establishments, the self-employed and those working in the family have always experienced extremely different conditions. These exchanges included wage and economic benefits, which until 1976 were on the increase, and an extension of social security and differentiated favors for workers in the work place. For leaders, it implied popular election positions as well as positions in government at different levels: string pulling, and the possibility of doing different kinds of legal and illegal business using a wide network of relations. Above all, it meant forming part of the power elite together with party, government and businessmen.

Mexican corporativism, however, was not only a partial, hierarchical and authoritarian form of representing interests, a form of governance and control over workers, and an exchange system, but also a part of the Mexican-style Keynesian loop between a Social State and an Economic Model of Import Substitution. Since the fifties, the highest stratum of the working class became important actors in making manufacturing goods geared to the domestic market compatible with the demand for light industrial consumer goods (De la Garza, 1988). The idea was, in part, to close the Keynesian loop between supply and demand by inducing demand through raising the wages of the higher level of workers, as well as through State expenditure in productive investment, and the public administration's current account and social expenditure.

The crisis of the Authoritarian Social State (De la Garza, 1988) and the crisis of Mexican corporativism (De la Garza, 1995) have been discussed in detail in other works. Two factors have contributed to the structural crisis of Mexican corporativism since the eighties and even more clearly during the nineties: The State's gravitation toward neo-liberalism (De la Garza, 2001) in which the neo-liberal State no longer induces the growth of the added demand through its expenditure nor through raising wages. Instead, demand is supposedly left to the free market forces. By no longer inducing demand, the neoliberal State affected some of the main forms of exchange that made it possible for corporativism to reproduce: The State no longer is the means to obtain wage increases and benefits as part of the negotiation policy. In addition, there are other factors: social security's decadence and the underground privatization of health care, pensions and the extension of private life insurance; social expenditure's focus on extreme poverty (that hardly affects waged workers, particularly the sectors that are politically important); direct privatizations, which, excepting Telmex, have translated into personnel cut-backs, a reduction in benefits and prerogatives for unions and unilateral flexibilization of collective bargaining agreements. Neoliberalism has thus implied an exchange crisis for the corporate relation.

On the other hand, since the eighties corporate unions have been affected by the restructuring large firms have experienced in their technologies,

organization and labor relations, in particular. This restructuring has implied the development of a flexible and in most cases unilateral collective bargaining model favoring the firm that has limited the other type of micro exchange between the union and the workers in the workplace. To sum up, since the eighties, the influence that corporativism has on public policies has been in crisis, particularly its influence on social and wage-related policies. Exchanges at micro and macro levels have also been in crisis.

This crisis has not produced a new model of trade unionism, in spite of the fact that at least on one occasion the State elite tried to promote one. On another occasion, more independent initiatives came up with a new model of trade unionism. However, the process was not without conflict. In the eighties, the Confederation of Mexican Workers (Confederación de Trabajadores de Mexico / CTM, the main corporatist confederation) tried to resist its disempowerment and its loss of exchange capacity through an out-dated recapturing of the 1910 Revolution's discourse on social justice. Some leaders, like the telephone workers' leader, as well as government officials linked to the Salinas de Gortari administration in the early nineties, understood that corporativism reduced to the level of an instrument to control workers' claims, would sooner or later generate anti-systemic forces within its domain, which would be difficult to control. It was not a question of going back to state subsidies concentrated among the most highly organized strata of workers, nor of a wage policy to recover the deterioration of worker incomes. If the increase in productivity in practice were not adjusted with increases in real wages, as set forth by the marginalist model, the State would carry out a new induction: from the top, it would pressure both firms and unions to sign productivity agreements including bonuses for the workers who increased productivity.

The strange visible hand of the State-Market would force compliance with theory, even if in an authoritarian way. In 1994, the policy to sign productivity agreements was initiated. A few years later (1995), an agreement for a "new labor culture" was signed. It was the most serious effort to reform corporativism into a sort of neoliberal corporativism. This concept, which might seem a contradiction,

had abstract possibilities to prosper: In the style of State Corporativism, it proposed continuing with the "historic alliance between unions and the State", which translated into normal parlance implied continuing with extra-constitutional governance mechanisms, such as economic agreements between the State, the unions and employers. These agreements mainly translated into trade union support for public policies, particularly the policy to reduce inflation by decreasing the pressure of the demand on prices, i.e., wage contention. They included the possibility of exchanges, tutored but not appointed by the State through productivity agreements, through which the unions would become co-accountable with the firms in the struggle for productivity and markets; material exchange with workers would come through bonuses, a mechanism which with time would replace wage bargaining.

This neoliberal model of corporativism, belonging partly to the State and partly to the firms, soon showed its limitations and we can state that it has widely failed as a union restructuring model implemented from the top of the State. Failure came from the limitations of neoliberalism itself in Mexico. Its policies for economic opening, deregulation, privatization, and the state's withdrawal from productive investment hardly took into account a heterogeneous point of departure regarding wages, trade unions, enterprises and the Mexican workers. Neoliberalism has translated into greater inequalities by making unequal parties compete under conditions which, supposedly, imply no privileges. This favors a minority of firms and individuals with better resources with which to compete. It is a fact that society and firms have become even more polarized (De la Garza, 2000). The other core factor that led to the failure of the neoliberal trade union model was the State's own partial withdrawal from the field of labor relations, leaving the firms to carry out their own restructuring. Under these conditions, the State managed to pressure for the signing of productivity agreements, but not for the amounts of the bonuses being substantial in the workers' income, and far less for the unions to be prepared for and interested in bargaining productivity. The unions' capacity to mobilize the rank and file disappeared a long time ago. It would not be easy for the aging union leaders to lead a productive mobilization within the firms. Perhaps

even more important than the above, is the fact that by the mid-nineties, most employers did not show willingness to share decision-making power in production with unions in Mexico. Most employers had not carried out restructuring processes in their firms. The rest preferred unilateral flexibilization. Common to most firms in which productivity agreements were signed as of 1994, the productivity bonus became an additional percentage to be negotiated and integrated within wage increases without any concern to actually establish it in relation to productivity. As can be seen in Table 1, the number of productivity agreements and the number of workers involved increased in the first and second year they were initiated. After that, the number dropped substantially, recovering during the year 2000 without yet reaching 1995 levels.

Table 1: Wage and Collective Contract Reviews Including Productivity Bonuses (Federal and in the States)

Year	Reviews with Bonuses	Workers
1994	2 629	1 203 071
1995	4 321	621 920
1996	2 870	273 655
1997	2 089	280 197
1998	2 700	314 099
1999	2 699	314 788
2000	3 092	414 210

Source: STyPS (2000) Estadísticas Laborales

In 1995, 56.5% of the total of workers subject to federal bargaining agreements and wage reviews included bonuses. This percentage dropped to 12.1% in 1996 and since then has remained within this range. The importance of the bonuses tended to drop in relation to the number of firms and workers involved in the first two years of its application (1994 and 1995). The importance of bonuses in the workers' income has likewise been small. Most of the agreements with

bonuses correspond to reviews at a state level and not at a federal level. As far as the affected workers are concerned, most of them are at a federal level, although their number has reduced most with time.

Table 2: Collective Contracts and Wage Reviews Including Bonuses

Year	National		Federal		In the States	
	Reviews	Workers	Reviews	Workers	Reviews	Workers
1994	2 629	1 203 071	1 505	1 126 555	1 124	76 516
1995	4 351	621 920	1 913	527 915	2 438	94 005
1996	2 870	273 655	832	216 550	2 038	57 105
1997	2 089	280 197	859	252 555	1 230	27 642
1998	2 700	314 099	1 044	282 916	1 656	31 183
1999	2 699	314 788	932	274 849	1 767	39 939
2000	2 898	414 210	1 183	365 504	1 909	48 706

Source: STyPS (1999) Estadísticas Laborales

Table 3: Wage Increases Obtained in Reviews at a Federal Level (Annual Increases in Percentages)

Year	Direct increase to the wage scale	Per adjustment	Per productivity	Benefits	Per change in the scale
1996	21	0.6	0.4	1.3	0.0
1997	19.5	0.05	1.2	2.1	0.09
1998	17.7	0.05	1.2	1.5	0.08
1999	16.5	0.03	1.0	1.6	0.1
2 000	12.4	0.04	1.8	1.4	0.1

Source: STyPS (1999) Estadísticas Laborales

Table 3 shows the insignificant impact productivity bonuses have had on the workers' total income. This data can be summed up by saying that the employers

have had little interest in turning productivity bonuses into a mechanism to recover wages and a productivity incentive in the firms themselves. The government policy was based on a mistaken principle: an over-simplification of neoclassical economic theory in the face of the empirical evidence that wages and productivity proceeded along contrary trajectories. The weak spot of this view was not that in practice it turned the classical theory into neo-institutionalism, but its attempt to achieve a large productive agreement based on unions with little initiative, knowledge, imagination, representation, and mobilization capacity vis-à-vis employers who did not believe it was necessary to commit power or resources in order to increase productivity. It was not possible to reach an agreement with resource redistribution without the unions' capacity and effective willingness to exercise pressure.

Once the neoliberal corporate strategy had failed to give rise to a new tripartite agreement, and to give unions legitimacy and representation, the unions appeared in the nineties as mere control instruments sustained by a formal and informal political, judiciary and institutional superstructure constructed over workers since the thirties. Although the unions' exchange capacity had been reduced, the State's power continued appearing in the eyes of the common worker as almighty and omnipresent machinery against which nothing could be done. What held unions and corporativism increasingly more subordinated to the state in this decade was the disciplinary and dissuasive role of the State centralized in the President of the Republic. Attempts to carry out reform, coming from outside corporativism, such as the foundation in 1997 of the National Workers' Union (Unión Nacional de Trabajadores / UNT), did not manage to move forward confronting this great superstructure that protected corporate organizations in spite of their structural crisis and the fact that the UNT has incorporated telephone workers' interest in productivity and alliance with the firm into its discourse.

2. *The Labor Problem in Mexico*

In Western Europe during the XIXth century many academics, public officials, religious figures and philanthropists discussed the *Social Problem*, referring to the disastrous conditions of the working class after the industrial

revolution. These social conditions were the ground medium for the emergence of socialist, communist and anarchist ideologies, as well as revolutions and political parties.

In Mexico, the cumulative deterioration of workers' working and life conditions since the establishment of neoliberalism, together with monetary policies to fight inflation, have led to wage collapse. The state policies offering a decisive support to firms in order for them to increase productivity therefore deactivating trade union action are all part of a Labor Problem that can be characterized as a labor crisis.

By labor crisis we do not mean what labor theoreticians forecasting the end of work claim: that there is less employment and there will be even less in the future. In Mexico, the problem is not the lack of jobs in general, but the lack of dignified jobs. This labor crisis is related to the possibility of the survival of a whole class based on their selling their labor force to capital. It is, first of all, a survival crisis. It is also a crisis of labor activity identity that translates into increasingly higher rates of external voluntary turn-over. It is also the crisis of the "old working class" linked to revolutionary nationalism that has lost its ideology and project, yielding to neoliberalism and featuring an accelerated replacement by a younger working class, with more women workers, a higher schooling level, great external mobility, no identity to work, and no trade union tradition. This is the *new working class in Mexico*, similar to the workers in the maquila.

In Mexico, the *Labor Crisis* has not translated into an absolute drop in trade union affiliation, or into the replacement of corporate unionism by independent unions or company unions. The reasons that explain this apparently anomalous behavior are related to the survival of corporativism propped up by the State and entrepreneurs. The State, unions and firms still prefer having fictitious unions ("protection unions") to not having unions. Most collective bargaining agreements still have shop close clauses about joining and leaving a union, association registration and the conciliation boards¹ and are still instruments to eradicate

¹ The Association Registration Board is a government office that certifies trade unions. The Conciliation and Arbitration Boards act as tribunals that solve labor problems, including collective bargaining and conflicts.

organizations and leadership that may be an alternative to the official organizations and leadership. The percentage of unionized workers in relation to those who could join a union has not changed much in the last 15 years.

In 1978, Zazueta (1984) reported 2,667,000 unionized workers in Mexico. In 1998, 3,853,939 actively unionized workers were counted; by actively unionized workers we mean workers who review their collective bargaining agreements. In 1998, the rate of active unionization, estimated as the percentage of workers who review their collective bargaining agreements divided by the total waged workers who are potentially capable of being unionized (over 14 years-old and in a firm with more than 20 workers), was 32.6%. Based on INEGI's survey ENESTYC, it is estimated that in 1995, 42.2% of the workers in the manufacturing industry were unionized actively or passively. If the unionization rate is measured in relation to the economically active population, it was 10.46% in 1978 and 11.68% in 1997.²

Table 4: Trade Union Affiliation in 1998

Jurisdiction	Active Members	Passive Members	Total
Section A: Federal	1 567 955	751 746	2 247 070
Section A: States	741 011	Nd	Nd
Government	1 544 973	Nd	1 544 973
Total	3 853 939		

Source: STyPS (2000) Estadísticas Laborales

Note: Those who review their collective bargaining agreements or their general work conditions on a regular basis are considered to be actively affiliated to a union. Passive affiliates are those who do not review their collective bargaining agreements.

² The highest unionization rate was reached in 1992, it dropped in 1995 mainly due to the great economic crisis and toward the year 2000 it had not recovered that level.

Table 5: Number of Total Collective Contracts and Wage Reviews (Federal plus State Levels)

Year	Reviews	Workers
1994	26 489	2 127 801
1995	31 691	2 208 438
1996	34 940	2 258 029
1997	32 220	2 213 454
1998	35 170	2 308 966
1999	38 747	2 492 762
2000	38 611	2 924 640

Source: STyPS (2000) Estadísticas Laborales

Table 6: Collective Contracts and Wage Reviews at at Federal and State Levels

Year	Federal		States	
	Reviews	Workers	Reviews	Workers
1994	3 170	1 525 739	23 319	602 062
1995	3 633	1 491 367	28 058	717 071
1996	3 686	1 491 454	31 254	766 575
1997	4 074	1 495 224	30 146	718 121
1998	4 525	1 567 955	30 645	741 011
1999	4 671	1 567 936	34 076	924 826
2000	5 358	1 819 022	33 253	1 056 080

Source: STyPS (2000) Estadísticas Laborales

Table 7 shows that the distribution of collective bargaining registration by type of unionism is not so different from what Esteva (1990) found in 1987: 78.9% belonged to the Labor Congress (Congreso del Trabajo), 12.4% to independent unions, and company unions dropped from 8.7% to 2.8%.

Table 7: Distribution of Total Collective Contracts at a Federal Level per Type of Trade Union

Labor Congress	Independent Unions	Company Unions
81.4%	12.7%	2.8%

Source: STyPS (2000) Estadísticas Laborales

Note: The remaining percentage corresponds to unidentified cases.

Although trade union affiliation did not drop because of close shop clauses and the protection contracts, this does not reflect the workers' free determination. It is not easy to measure the size of formal unions, unions unknown by their own affiliates, resulting from the corrupt way in which trade union leaders, employers and labor authorities deal with the law. The association registration zealously keeps this information. In the Conciliation Local Board in Mexico City, where 104,064 collective bargaining agreements are registered, only 8.28 % were reviewed in 1999. This figure is assumed to be even lower at a national level.

In the trade union world, Mexico lives a paradoxical situation: high unionization rates, which compared to most countries in the world have not dropped, although the unions are hardly representative of the workers. And, they are hardly representative of workers because most of them are protection unions, corporate or company unions. The former became increasingly more subordinated to public policies in the nineties, whereas the latter were more and more subjugated to the firms. For this reason, it is not surprising to see a sharp decrease in real wages between 1982 and 1999. Table 8 shows real wage deterioration between 1994 and 1999³.

³ In 2000 and 2001 real wages increased but its real level not yet reach that before crisis of 1995

Table 8: Percentual Changes in Real Wages between 1994 and 1999, baseline 1994

	Percentual Change
Minimum Wages	-24.8%
Wages in Federal Contracts	-24.7
Manufacturing Industry	-18.4
Maquila	-2.7
Formal Construction	-29.6
Retail Trade	-21.9

Source: Zedillo, E. (1999) *Anexo Estadístico del V Informe de Gobierno*

Wage reviews at a federal level in 1996 implied -13.4 percentage points below inflation that year and only 3.4 percentage points above the increase in the minimum wages. In 1998, they were 1.8 points above inflation and 1.8 percentage points above the increase in the minimum wages. In 1999, these figures were 2.2 and 2.5, respectively. In other words, minimum wages in their increase continue being parameters of the behavior of wages established in the bargaining agreements. Besides, the differences in the percentage points on average between minimum wages and the wages established in the bargaining agreements are insignificant. Between 1996 and 1999, this percentage difference was only of 2.5 points on average, which may be an indicator of trade union inefficiency to recover their members' wage levels since an increase in minimum wages implies an increase for all workers regardless of whether they belong to a union or not.

Table 9. Indexes of Labor and Productivity Costs per Unit in the Manufacturing Industry in Mexico, baseline 1993

Year	Labor f cost per unit	Productivity
1993	100	100
1994	93.83	109.91
1995	56.23	115.28
1996	52.29	25.74
1997	57.43	130.89
1998	56.47	136.42
1999	62.69	138.83

Source: Zedillo, E. (1999) *Anexo Estadístico del V Informe de Gobierno*

In spite of such evident wage deterioration, counter to the general trend of increasing productivity, there has been a decreasing trend in the number of strikes that have taken place in the nineties, as well as in the collective conflicts that do not lead to a strike. Individual claims initiated by a worker without a union's support, however, have remained high.

Table 10. Labor Conflicts at a Federal Level

Year	Strikes	Collective Conflicts	Individual demands
1995	95	1 584	22 775
1996	51	922	29 974
1997	39	751	27 141
1998	33	736	19 796
1999	32	623	19 407

Source: STyPS (2000) *Estadísticas Laborales*.

The labor crisis in Mexico started as a wage crisis, was then transferred to working conditions since most collective bargaining agreements are protection agreements and those that are not have tended toward flexibility mostly in a

unilateral way (De la Garca and Bouzas, 1998). The labor crisis is also a crisis of representation of the trade union organizations due to their subjection to public and entrepreneurial policies.

3. Scenarios under the New Government

The labor situation is critical, without any exhaust valves or exchanges. Considering that in 1997, 57.2% of the employed population in Mexico worked as waged workers or by the piece, a likely hypothesis about the results of the elections of July 2, 2000 would be that the PRI's defeat, apart from reflecting the population's general democratic efforts, also reflected labor discontent. The question is, therefore, whether the labor crisis that Mexico has been experiencing since the last decade may become a crisis or challenge to worker organizations and their leaders.

The possible scenarios to note so far may be analyzed under the assumption that the transition toward a democratic regime has just started and is nowhere near ending. The democratic agenda, at least, includes such significant themes like the limits to presidentialism, the liquidation of the State party (PRI) and its conversion to another type of party, the democratic functioning of public institutions and the end of corporativism. As we shall see, particularly with regard to corporativism and internal democracy within the unions, the end of corporativism will not necessarily lead to democracy within the workers' organizations. Besides, the political and economic forces that supported the victory of *Foxism* do not necessarily wish to see corporativism come to an end.

On the other hand, in Mexico we have become used to thinking of the trade union scenarios almost exclusively in terms of the trade union, government and employer leadership because of the rank and file's confirmed passivity. In the future, in the face of the labor crisis and the changes in the relations between the political forces, this assumption may no longer apply.

However, up to now public concern regarding the future of the trade unions and their relations with the State, has been expressed by the leaders of the main trade union tendencies. It would seem these leaders are more interested in survival

or in gaining power than in taking advantage of the situation in order to reorient trade unionism toward non-corporate, democratic and representative paths. The CTM and the UNT thus competed to congratulate Fox upon winning the elections and to start dialoguing with him. The CTM promised the new administration to promote an Agreement for a New Labor Culture with order, peace and harmony. The oil workers' union also acknowledged Fox's victory and demanded respect for labor relations in PEMEX and that it not become privatized. The miners' union likewise recognized the PAN's victory and demanded respect for trade union autonomy. The federation of state workers did the same. The UNT not only congratulated the victorious candidate, but also demanded corporativism be brought to an end and reiterated its proposals to negotiate productivity and an alliance with the employers.

Since July 2, 2000, there have been many open and closed forums, as well as meetings between leaders. The main themes have been the dialogue between the unions and the new government, future labor policies, possible amendments to the Federal Labor Law, owned state companies and Social Security. Within this effervescence among leadership, relations and fronts have been established between old friends, but also between enemies: the oil workers' union with the electricity workers' union (SME), the SME with the teachers' union (SNTE), the telephone workers' union with COPARMEX (an employer organization).

Underlying this chaotic panorama of alliances and counter-alliances, is Fox's presidential platform: to put an end to corporativism, to favor trade union democracy, a rejection of populism, a rejection of neoliberalism, the improvement of working conditions, respect for workers' rights, an improvement of work training and sharing the results of productivity.

The Fox administration faces several alternatives: First, to favor trade union freedom as postulated in his discourse. For this, he would have to launch a campaign against protection contracts and the State's support of corporativism that could lead to a democratic reform of the Labor Law. The second alternative, which is more moderate than the first one, points toward respect for the legal framework in force with honest officials in the Conciliation and Association Registration

Boards. The third alternative would be to not make big changes, such as what happens in the states with PAN governors (such as in Baja California Norte, where a *modus vivendi* with the official confederations has evolved), struggling against the independent unions, tampering with the different centrals and using legal and extralegal springs to create a kind of PAN corporativism with the exclusive interest of satisfying the investors.

Different options open up to the unions in the Labor Congress: The first option is to continue being under the PRI, supporting its election and congressional campaigns, looking forward to new elections. The second option is to create fronts with the independent unions in an attempt to position themselves better so as not to lose trade union privileges and eventually dialogue with the new administration, which some of the large unions, such as the oil workers' and the teachers' unions, have already embarked on. The third option is to join the UNT.

The UNT, however, only seems to have the option it has embarked on: to prove to the new administration that they are the foundations of a new, democratic, pro-active trade unionism with a responsible attitude toward the economy and the firms, interested in productivity. The UNT strategy straddles both becoming a pole of attraction for Labor Congress unions and becoming the center of a social contract based on productivity, the legal framework and democracy.

The large entrepreneurs that control most employer organizations may criticize corporativism for its corruption, low representation and lack of interest in productivity, but pressure the government for things to remain the same (except Labor Law flexibility), or settle accounts with workers by openly promoting anti-union policies.

Not all options are equally likely. Some overlap and create joint probabilities. These joint probabilities can be summed up in the following three scenarios:

I. The Fox administration leans toward greater respect for the legal framework with regard to union registration, collective bargaining, strikes and leader replacement, which mainly favors the UNT. Should the conflict spread, it will cause trouble with the Labor Congress and create discontent among entrepreneurs.

II. The entrepreneurs want to settle accounts with the unions. The law is amended to achieve this. This policy makes all unions clash with the government (except company unions). Broad resistance fronts are created.

III. The government deals with complaints by entrepreneurs who see danger in trade union democracy and in attacking corporativism. The entrepreneurs would rather these organizations remain as they are. It is a question of tampering with the Confederations and partly with the UNT, too, without altering the relation of forces. That means that the possibilities of restoring corporativism are based on three premises: 1) The dangers trade union democracy would represent for the entrepreneurs and labor peace in the face of the cumulative deterioration of working and life conditions. 2) The positive experience of adaptation between PAN governments in some states and PRI trade union organizations with regard to their commitment to sustain the labor *modus operandi*. 3) The existence of a dense network of relations and commitments between trade union leaders, entrepreneurs and government officials at a micro and meso level that currently sustains corporativism now rather than presidential decision. This policy would favor the Labor Congress and not the UNT. It is the option of constructing a New Labor Culture Agreement along the lines of the new administration's labor strategy. The Secretary of Labor, Carlos Abascal, was one of its initiators, together with the CTM. The New Labor Culture is an agreement of a corporate nature: elitist, everything is discussed and decided in the upper echelons and once the decision has been taken, the rank and file and the entrepreneurs are informed about it. Because of the anti-democratic way in which it was created, without the involvement of either workers or common entrepreneurs, and the low representation of the organizations that have signed it, it has had an insignificant impact on the workers well-being or productivity. It is a rhetorical agreement that has mainly led to control over the workers' demands. The alternative that Abascal's line represents would imply a process to restore corporate relations with the official unions that would guarantee worker control in exchange for dialoguing and certain protections by the Labor Secretariat. *Foxist* corporativism would imply a continuity of the old regime in the labor sphere supported by entrepreneurial organizations

with no interest in trade union democracy and fearful of the dangers of the workers surpassing their organizations in order to deal with the *labor problem in Mexico*. Apart from giving continuity to the labor question, the Abascal perspective may provide a new discourse: The discourse of the Christian right wing, which was suspended in Mexico with the defeat of the "*Cristeros*"⁴ in the twenties. It is the discourse that prioritizes the concept of immutable human essence due to its spiritual nature, human essence and dignity versus class struggle. More than a century ago, the different tendencies within the social sciences left behind this concept of human essence in order to counterpose the concept of socially and culturally constructed subject. From this concept of the constructed subject rather than being a product of spirit or nature, follows the idea of the existence of many different subjects that may have contradictory interests, regardless of the different agreements they may reach. The right wing Christian concept opposes Marxist, socialist and Labor currents, such as business unionism, for whom the contradiction of interests between capital and labor cannot be resolved in a definite way. Apparently the concept of the human person, contrary to the worker as a cost, leads public policy down a different path than neoliberalism. This view states that the workers cannot be understood as a cost to be minimized, but rather as a person who should be dignified. This ideology, however, crumbles in the face of *Foxism's* principle of reality since, in neoliberal times, in order to fight inflation, wage increases must be contained. The conservative Christian doctrine in relation to labor relations has thus been unveiled as harboring the labor crisis in Mexico. Its effectiveness is expected to be limited in view of the conditions and traditions in Mexico.

But, in this way in 2001 started again discussion around the New Federal Labor Law directed by the Department of Labor. In this polemic: The UNT favors its democratization and anti-corporate reform, including chapters on flexibility and productivity. The Labor Congress unions accept flexibility in Labor Law but not changes may affect Corporativism and their quasi-monopoly of representation of

⁴ Catholic guerrillas supported by the clergy that fought against the governments emerging from the 1910 Revolution.

workers. Independent unions pertaining to what used to be called the May First Coordination (Coordinadora Primero de Mayo) would be against any amendments to the law. Following their tradition of not getting involved in politics, the company unions would hardly participate. The Fox administration would favor the flexibilization of the Law and very lite democratizing reforms. In the face of the danger of trade union democratization, the entrepreneurs would only bet on flexibilization. The PAN would support the *Foxist* reforms. The PRD would present its own reform. The PRI would tamper with the corporate unions.

However, these are not all the actors that involved. There are also the ordinary workers who have suffered the labor crisis themselves, and who might manifest alternatives outside the combined options presented by the leaders. To what extent would a State that no longer controls labor, trade unions without the support of the State's superstructure, a weakened PRI and divided official leaders generate the necessary trust to initiate such long-delayed struggles? Volkswagen workers, air comptrollers, flight attendants, state workers demanding a bonus at the end of the six-year presidential regime, co-op members of the newspaper Excelsior removing their director and the Kwan Dong maquila workers may be driven by this belief. State action, however, has soon ensued. There will be difficult times; tranquility may now characterize the streets, but not the people's conscience.

Conclusions

In the face of the dramatic situation workers are experiencing, in which unions might play an important role, the Labor Congress, before and after the death of its historic leader, Fidel Velásquez, continued in subordination to government policies. Of course, State corporativism has not died. It manifests in such old issues as support for the government's economic policy, particularly wage limits and the support of the PRI. If anything new could be said about official unionism, it would be the signature of the Agreement for a New Labor Culture, which continues with Salinas's doctrine of new trade unionism, which is meaningless to workers. Official unionism, which throughout the import substitution

period implied authoritarian forms of representing the workers' immediate interests, has been unmasked as a state and entrepreneurial apparatus for control, and, rather than being an intermediary of interests, it is increasingly an instrument of the interests of others. Culturally speaking, little has changed. Trade unionism is still characterized by manipulation, verticalism, lack of democracy, delegating or ignoring the rank and file in the decision-making process, clientelism (although it has been somewhat moderated due to less available resources) and subordination to the State's policies. If we had to highlight some of the changes in official unionism, we would note its significance on economic policy, its role in containing workers' economic demands vis-à-vis a low-wage model, over and above electoral policy. On the other hand, all the large confederations have been generating tendencies, which far from confronting the worn out national leadership, try to take up productivity as a negotiation theme with the firms. These tendencies, however, are minorities and apart from having parameters which derive from the government's economic and labor policy (which they do not dare challenge), their repercussions on the workers' income have been minimal. The deepest reality of the labor problem which pertains to the forms of work, has nevertheless changed. Specifically in the nineties, a new working class emerged. It is younger, more female, with low wages, low skill levels, high turn-over, no trade union background in spite of being forced into mainly fictitious unions, with a labor and trade union culture that differs from that of workers during the import substitution period. This working class without corporate roots has hardly manifested collectively. In any case, it manifests individually, by workers leaving their jobs, migrating, creating new forms of socialization, new forms of dressing, new styles of music, new ways of seeing the country, the government and, in spite of being largely unionized, they are somehow detached from the unions' influence.

The leftist May First Coordinator was created in 1995. A great crisis contributed to its appearance. It brought together the most backward sectors of left-wing trade unionism, with a few notorious exceptions. It specifically became the culture medium for the strange re-emergence of left-wing sects that had sprouted in the seventies. Some of these sects, believed to have disappeared, reemerged.

Others are more recent. Anyway, they attempted to reproduce the more belligerent organizations and tendencies characteristic of the previous two decades. They are the remains of Trotskyism, Maoism, Guevarism and even anarchism. In spite of presenting themselves, this time around, as comedy, they nevertheless reflect the desperate situation broad precarious sectors are experiencing. Lacking both theory and imagination, they take up the most rudimentary and schematic ideas from the militant Marxism of the seventies. All this in the context of the collapse of real socialism, the boom of neoliberalism and globalization. Of course they were unable to come up with alternatives beyond denunciation. The Coordinator became a forum of real regrets, but without proposing alternatives beyond the expression of rage. This resulted in a fierce internal struggle, first against reformists such as the FAT (Autentic Front of the Work) and the Union of the National University. The sects who, without real organizations or workers, started to struggle against each other in search of an imaginary hegemony, like Hydra, they ended eating up their own head. This self-destructive drive of the primitive left was transferred by the very same actors to the last stage of the General Strike Counsel of the UNAM students (CGH). We would nevertheless have to recognize that in an extremely distorted way it expresses the desperation of those without a future in the current system, rage against neoliberalism of the most pauperized sectors, and in this sense the ultra trade unionism, momentarily liquidated, perhaps to re-emerge with renewed energy, as has already happened in the case of the CGH with its phenomenon of Luddism and self-immolation.

The UNT, on which so much hope has been placed, has only forged part of the way. Its original unions represent a very important social and trade union capital: the telephone workers' experience in negotiating productivity and firm restructuring, the social security union's defense of social security, the FAT's new type of international relations, the experience of trade union independence such as the UNAM's union. However, this wealth of experience, synthesized in the UNT's programs, has not been turned into specific struggle tactics.

One reason lies in the real or imaginary relations with the State. Without question, the government did not look favorably upon the foundation of the UNT,

but the UNT has also tried not to be too confrontational. The reason for this lies not only in the personalities and ambitions of the UNT leaders, but also in the fact that the Mexican neoliberal State continues being highly centralized in its decisions regarding trade unions. In this sense, part of the UNT would seem to constantly be making eyes at the State, seeking to become the alternative approved from the top. This attitude is not unwarranted, especially when considering not only the State's centralized role in the economic and wage policies, but also the strong control the government has over trade union registration, the right to strike and collective bargaining. All this takes place in spite of the fact that there are new political actors who are strongly opposed to this system, that there are new international relations of the the UNT unions, there are new social movements, and greater influence of NGOs relating to human and labor rights. In other words, this sort of neo-Lombardism (Lombardo was the first Secretary General of the former leftist CTM in the thirties) of paying attention to the State in order to know what to do and with whom to make alliances continues limiting the UNT potential. In this sense, the disciplinary role played by economic policy and the wage limits also influences the UNT unions and thus contributes to promote the false disjunctive for the workers between keeping their jobs, and wage increases. On the other hand, competition between the leadership of the three large UNT unions: the telephone workers, the social security workers and the National University workers has led the most pro-active parts to postpone their insisting on a new trade union strategy. The UNT thus took up denunciation, the most elementary aspect of independent unionism, as a core aspect of its practice last year. This reduction of trade union strategy to its most rudimentary aspect is partly due to the fact that the trade union cultures coming from official unionism have not been healed within the UNT: the top decides the tactics and strategy, power is delegated to leaders without counterweights and clientelism forms part of the life of many UNT unions. Besides, deep down the power struggle within the UNT is for the leaders' hegemony and not so much between different projects, although the large unions do express different strategic practices. In addition, there are the temptations implied by the alliances with political parties which divide the UNT unions. The reason can be found in the

balance within the UNT (if a specific union stands out over and above the others in any field, this ruptures the balance of the relation of forces and threatens the organization as a whole) and the disjunctives regarding what parties or movements to make alliances with, which presupposes political options and options of change in Mexico that go beyond the trade union realm. Since national politics and the labor sphere are so intimately linked together, the UNT unions that broke away from the Labor Congress and marked its boundaries with the Coordinator, have not done the same, or have not been clear in doing so with the government, the political parties and the main social movements. In Mexico you cannot oppose the Labor Congress and maintain an ambiguous stance in relation to the government and the PRI because presidentialism and corporativism still exist at all levels. The UNT is not determined to become the global opposition.

For this reason, what originally seemed to be the beginning of a post-corporate trade unionism has remained far from it. Here, post-corporate trade unionism means trade unionism that radically opposes neoliberal individualism, not only as the sum of individual interests that would create something "collective" as a mere addition of elements, but also recognizing that different social groups can have different collective interests. Secondly, a trade unionism that defends workers' specific interests, but maintains its autonomy in relation to the State, particularly a State that subordinates the unions, acts as champion of autonomy and of the destruction of this form of State, since a new trade unionism will not be able to be at ease so long as this form of State exists. However, the capacity to represent the specific interests of the post-corporate unions vis-à-vis the employers does not end in worker-employer relations, but rather recognizes the workers' multiple levels of existence, and their nature as subjects. Their possibilities of representation therefore go beyond the classical concept of the working class. Workers, for example, may also be inhabitants of a certain neighborhood or community and divide into subjects demanding public services shoulder to shoulder with others who are not members of the working class. The multiple ways of defining reality or the workers' life universe leads to a flexible definition of who their friends and enemies are, and to define their projects in multiple levels, too.

This also leads to multiple forms of struggle, whereby the workers' strike is a mere reduction. In other words, the post-corporate union is a multiple action union that goes from the productive space to labor relations, from labor relations to industrial relations, to the social reproduction of the labor force and the labor market, to ecological and developmental issues, as well as to the political system, without aiming to always be hegemonic. But, contrary to corporativism, it is not subordinated to the State, party, movement or front. It acts in the spaces marked by a specific situation and, at the same time, helps define new spaces for action. A post-corporate union cannot be exclusively designed by the elite because the complexity of its forms of intervention transcends the enlightened thought of its leadership. It is a union that makes its affiliates intervene on many different levels according to the problem. In other words, it is a decentralized union.

In abstract, by the UNT defining both the production spaces and the need for an alternative to neoliberalism as well as the need to act together with or in opposition to social and political movements, this points toward a new trade unionism of a post-corporate nature. However, the State and the trade union and workers' traditions still have great impact in Mexico and become obstacles that hinder this transition. But, this future can change in the new situation marked by the victory of the PAN over the PRI. This victory opens up the possibility for different scenarios: 1) The most likely scenario is that the PAN government does not aim to affect corporate unions, entering a *modus vivendi* and an accomplice relationship without any organic links to the official unions in order to make capital investment attractive in Mexico. 2) Secondly, the PAN government chooses one of the official Confederations as its favorite (which has happened in some of the states ruled by the PAN) and, taking advantage of the corporate system created by the PRI, tries to favor it by creating a sort of PAN corporativism. 3) Thirdly, the least likely scenario, the Fox administration decides to wage a war against corporativism, specifically regarding the legality of the conciliation and arbitration boards, and the association registration boards, apart from an eventual reform.

The trade union forces, however, would have to take into account the main aspects of the old system that at least may weaken or no longer work as they used to:

1) That the corporate relation between official unions and the State may now be altered by not having a clear decision-making center in the President of the Republic, thus reducing even more their capacity to represent their members and to exchange with them. At this stage, the question is how will official trade unions continue controlling their workers once their capacity to exchange has diminished, especially when they do not appear as part of the all-powerful state apparatus. The deterioration of the working class's life conditions under neoliberalism, the complicity of the official leaders with these types of policies and the image of these official leaders defeated in elections, as well as their not having State protection may, at least in abstract, translate into a workers' rebellion and a new trade union insurgency. 2) Part of the PRI might seek to make alliances with non-official unions and attempt to create a front that may maintain the leadership's privileges for electoral purposes. The disadvantage for the unions that embark on this path is that the PRI is extremely divided, without a clear political line and without recognized leaders. Who would believe that all of a sudden the PRI and the official unions will take up the ideology of the Mexican Revolution and the defense of the workers' interests after 20 years of supporting neoliberal policies? The alliances between independent unions with the discredited leadership of official unionism can only be explained by their desperation to preserve traditional niches of power and not by their defense of the workers against *Foxism*. 3) *Foxism* has very clear pro-entrepreneurial roots and in Mexico most entrepreneurs do not want trade unions participating in decision making of production, but rather demand unilaterality and flexibility in labor relations. The PAN and *Foxism*, however, acknowledge other roots: political liberalism which shows a greater respect for legality and democracy than the PRI. Besides, *Foxism* does not have an answer to the most pressing problems of the labor agenda.

To summarize, as foreseen last year, the possible transformation of trade unionism in Mexico was conditioned by both the change in the political regime with

its corresponding implications for corporate relations, and the fear of the State by the UNT unions. Times are turbulent enough for those who are daring to successfully promote their projects with less structural restrictions. It is true that trends toward trade union restructuring are not unilineal. They may also go against the corporate temptations of both official and independent union leaderships that may help strengthen PRI opposition to the new government and to the PRD maximalism, systematically opposing any *Foxist* reform without evaluating its advantages and disadvantages.

The following principles should be upheld in the initiatives to restructure the unions that aim to create a new situation that favors weakening corporativism:

1. Trade union independence from the State, and in this specific situation, from the political parties, particularly the PRI and the PRD. Rejection of all unprincipled alliances that aim to strengthen the PRI, as well as of the right wing Catholic doctrine that aims to hide the contradictions between capital and labor through the idealistic and abstract concept of the human being.
2. Democracy within the trade union organizations, with its components of respect for the by-laws, the possibility of different tendencies competing for power, leadership rotation, and the construction of a democratic culture among both the rank and file and the leadership.
3. The link between the trade union strategy of labor relations with a new national project including the construction of an economic model as an alternative to neoliberalism and a new industrial relations system to replace the expired system which originated following the 1910 Revolution.
4. A labor and industrial relations system that seeks to support economic growth and income redistribution, but is based on the articulation and modernization of production with the commitment of both workers and trade unions.
5. A policy of multiple and flexible action that recognizes that only a part of the population is waged workers, of which only a minority is unionized, but that the spaces for trade union action must expand from production to the

reproduction of social relations, from the factory to the territory, and to the political system, thus creating different and flexible fronts.

6. Finally, alliances of the elites and potential fronts must be based on democratic principles since it is the oligarchic trade union leadership which is more interested in perpetuating their privileges than in defending the workers and creating a new trade unionism, and must begin to see alliances as more than simple mechanisms to gain power.

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