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Mexico

# Mexican Labor Year in Review: 2011

- Features -

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**Felipe Calderón's six-year term as president, which began to come to an end in 2011, represents one of the worst periods in modern Mexican history. The war on the drug cartels has taken 50,000 lives while failing to win a decisive victory against the cartels. The economy continues to experience very low growth while workers suffer unemployment or labor in the informal economy. The government's war on the workers continues unabated, with no resolution of the earlier attacks on electrical workers, miners, and airlines employees. The failure of Calderón and the National Action Party (PAN) to successfully resolve the country's most pressing problems while aggravating other issues has led to a decline of the PAN and the resurgence in recent years of the former ruling party, the Institutional Revolutionary Party (PRI), known for its powerful political machine based on patronage and corruption.**

At the same time, despite the ferocious attacks on the electrical workers and miners, workers continue to fight for their unions, for their jobs and their contracts. Throughout the country activists protest against the drug war and army and police human rights violations. A new social movement, the Movement for Peace, Justice, and Dignity led by the poet Javier Sicilia, has challenged Calderón's drug policy, condemned the state's violence, and demanded justice for the indigenous and freedom for the country's political prisoners. The populist leftwing presidential candidate, Andrés Manuel López Obrador, has spent the last six years building a grassroots organization throughout the country and speaking out against the neoliberal policies of the Calderón administration, hoping to win the coming presidential election. We will learn this coming summer whether López Obrador's organization can defeat the PRI and turn Mexico in a new direction. We look here in greater detail at these developments.

# I. Calderón's Failed War on the Drug Cartels

Calderón's war on drug dealers has taken 50,000 lives, while an estimated 10,000 people have disappeared, and thousands of others have been displaced. Although the administration argues that the strategy has put leaders of the cartels in prison and resulted in the seizure of large quantities of drugs, many Mexicans believe the price is too high. The toll this past year in the drug wars has been almost 12,000 killed or 33 per day. On the northern border, Ciudad Juárez had 3,000 killings in 2011, or more than 8 per day (providing the title of the new documentary "8 Murders a Day.") The killings include 174 government officials, 83 of them police officers. [\[1\]](#) The Calderón administration has dispatched 50,000 troops as well as Federal police to states along the border and most recently to Veracruz on the Gulf Coast, leading to a militarization of much of the nation.

Everywhere the troops have gone there have been charges of human rights violations from ordinary people and from a variety of human rights organizations in Mexico and abroad. For example, in 2011 Human Rights Watch issued a report on human rights violations by the government in its war on drug traffickers. The report details the government authorities' routine use of torture, disappearances, and extrajudicial executions. [\[2\]](#)

U.S. State Department reports on Mexican human rights over many years had documented these same issues even before the drug wars. The wars between the drug cartels and between the cartels and the Mexican government "a real war involving military mobilization, campaigns and attacks, high power fire arms, torture, disappearances, rapes, murders, beheadings, and massacres" has made the country a living hell for those affected and a nightmare of anxiety and fear for those so far untouched by the brutality of the conflict.

When human rights organizations and activists have spoken out about these flagrant violations, they have

themselves become the target of attacks leading to their kidnapping and murder. Similarly with journalists, many of whom have been assassinated while covering the drug wars. [3]

### **The Role of the US in Mexico' Drug Wars**

Many Mexicans from a variety of social classes and political positions have also been shocked and appalled by the way that the war on the cartels has facilitated an expansion of the role of the United States in Mexico's internal affairs. U.S. President Barack Obama has continued his predecessor's policy of assisting the Mexican government's war on drug traffickers, despite the notorious human rights violations and the widespread corruption in the government, the military and police agencies. The United States has earmarked US\$1.8 billion for military equipment for the drug wars through the Merida Initiative, of which US\$750Mexico has so far been delivered. In pursuing its drug wars, Mexico has become increasingly dependent on not only on American money and weapons, but also, trainers, advisors and most important political direction.

U.S. government leaders, top military officials, police organizations, and border and customs agencies have all become more deeply involved with the Mexican state while at the same time their activities in Mexico have increased and intensified. Mexicans were shocked to learn that the U.S. government had sent drones to conduct surveillance over Mexico and that U.S. agents were operating in their country. Some Mexicans believe that the growing net of American intelligence, police and military operations in their countries represents more than a violation of their sovereignty, constituting a kind of cryptic conquest of their country. All of this might be more acceptable if the government's military approach to the drug dealers had proven successful. But, in fact, it has failed.

### **Drug Wars Impact on Workers, Society and Politics**

President's Calderón's campaign has not only failed to defeat the drug lords, but it has also lost the confidence of the Mexican people. The drug war has affected people of all walks of life, from the wealthy who have been kidnapped to the poor who have been caught in the crossfire and killed, but it has had a particular impact on all sorts of working people from farmers and factory workers, to migrant workers and teachers, to doctors, and reporters. Drug dealers, for example, shake down school teachers, demanding a part of their wages, and threatening to kill the teachers if they do not pay. The government's military occupation of the border states and other areas, has had a chilling effect on labor organizations and social movements, some of whom have become victims of repression. Yet despite the atrocities, politicians in the United States will not seriously discuss the legalization of drugs—which would bring about the collapse of the cartels and an end to the drug violence just as the end of Prohibition brought an end to gangster violence in the United States—because rightwing and religious parties object.

Interestingly, this is a more widely accepted alternative in Mexico, endorsed in 2010 by former President Fox.

Irrespective of their parties or politics, Mexicans from the elite to the middle classes, from the working people to the poor believe that the government's military approach is failing. The perceived failure of what has been the major project of Calderón's administration, together with the tremendous cost in terms of human life, is largely responsible for the decline of the National Action Party (PAN). The eclipse of Calderón, whose party will surely be defeated in the coming election, will put an end to the twelve years of the PAN in power since the election of Vicente Fox in 2000. The century that opened with a bang as the PRI's "perfect dictatorship" ended, has now fizzled out. The failure of the drug war will mean the end not only of Calderón, who under law must step down after one six-year term, but will also close a short, sinister and sad chapter of Mexican history.

### **Doubts about the Mexican State**

The drug wars over the last five years have raised serious doubts about the Mexican state, which, if not necessarily a failed state, is a state with serious and critical structural strains. The Mexican government under Calderón has been forced to disband various police forces, terminating thousands of officers, as it did recently in Veracruz State on the Gulf, because state and municipal police have proven to be so corrupt and so controlled by the drug cartels. Where state and municipal government and police officials were not corrupt, they have shown themselves to be vulnerable to the superior organization, intelligence, and firepower of the cartels who have assassinated them by the dozens. These issues led the Calderón administration to substitute the army for the police along the border states and in other areas, but that also proved to be problematic as the army engaged in a strategy of confrontation and violent tactics that led not only to tens of thousands of deaths but also to widespread human rights violations.

The cartels have responded by engaging in the kidnapping and murder of high level Federal government, army and police personnel, including in the nation's capital, Mexico City. The head of Mexico's Federal Police, Edgar Millán Gómez, was shot outside of his home in Mexico City in May of 2008. A Federal prosecutor, the eighth, was murdered in Tlaxcala, Mexico in November of last year. A recently retired Mexican Army General, Jorge Juárez Loera who was a central figure in the war on the drug lords, was murdered in Tlanepantla in Central Mexico in May of last year. Not only local and state governments, but the Federal government as well, are vulnerable to attack by the kings of contraband.

The killings of such important figures in the government's war on drug dealers, has raised suspicions about the death of Mexico's Secretary of the Interior, Francisco Blake Mora who perished in a helicopter crash near Mexico City on November 9. He was the second Interior Secretary in this administration to die in such a crash. Juan Camilo Mouriño died in a similar crash on November 5, 2008. Both accidents have so far been declared to be accidental. The Secretary of the Interior of Mexico is historically the country's number two leader after the president himself, heading up the country's security agencies and handling most high level political questions. As Secretary of the Interior, Blake Mora was the top official responsible for the country's war on the drug cartels and his death raises suspicions that he was a victim of assassination, despite the government's claim that the death was accidental. The lingering questions "despite the authorities' assurances" indicate the persistence and deeper doubts about the state and its solidity.

## **II Economic Crisis Continues; Unemployment, Poverty Grow**

While his war on the drug dealers has been a catastrophe, Calderón has also failed, despite a year or two of some modest growth, to get Mexico out of its economic stagnation. The worldwide economic crisis that began in 2008 continues to affect Mexican workers. Mexico, which sells 80 percent of its products to the United States, will continue to experience low economic growth rates as long as U.S. problems continue.

During the last decade, all of it under the conservative National Action Party (PAN), the Mexican economy grew at a rate of just 2 percent. While the Mexican economy grew at a rate of almost 4 percent last year, it is projected to slow to 3.2 percent next year. The Bank of Mexico estimates that it will only add 620,000 formal jobs in 2012, about what it created last year. Mexico needs to create more than one million jobs per year to keep up with the growth in its population, but creates only a little more than half that many, and most of those jobs are in the informal sector where workers do not enjoy the health benefits of the Mexican Institute of Social Security (IMSS).

### **Precarious Employment and Unemployment**

As his six-year term as president comes to an end, Calderón can point to no significant improvements in the

economy benefiting Mexico's working people. Mexico's total population is over 112 million, while the total work force of Mexico, called the economically active population, which includes both private sector and government, agricultural, industrial and service workers, is 46.8 million. The Mexican Institute of Statistics (INEGI) reported in Nov. 2011 that, among non-government workers, the informal sector was growing more rapidly than the formal sector, so that today some 13.4 million Mexicans work in the informal sector while only 13.2 million work in the formal sector. Of those working in the formal sector, 61 percent earn less than \$14 per day. Mexico's unemployment rate rose during the last decade from 2.5 percent in 2000 to 5.6 percent in 2010 and is now hovering around 5.5 percent.

The Mexican government's persistent problem, the inability to provide jobs for its population represents the most serious issue in the society. Traditionally it has been solved by encouraging the mass migration of millions of Mexicans to the United States. The plan of Calderón, the PAN, and the business class to provide jobs through an expanding economy has proven unworkable in the light of the 2008 economic crisis and the subsequent low growth in the United States; nor are jobs available in the United States, another factor severely slowing migration.

### **Low Wages and Poverty**

Mexico is among Latin America's five low-wage nations, together with Guatemala, Honduras, Panama and the Dominican Republic, according to a report of the Economic Commission for Latin America (ECLA/CEPAL). The ECLA report indicates that 20 percent of Mexico's working people receive a wage below the poverty line. Workers in Mexico, said the same report, lack contracts that guarantee them benefits.

Wages are so low in Mexico in part because of the low minimum wage which sets the standard for employers and for labor union contracts. A recent study by the Wage Observatory of the Iberoamerican University of Puebla reported that since 1976 the minimum wage had fallen to one-quarter of its former purchasing power. The minimum wage would have to be raised from its current 1,700 pesos to 6,500 pesos to recoup the loss over the last three and half decades. Thirteen percent of all Mexican workers are paid the minimum wage and 22 percent earn two minimum wages.

Poverty in Mexico has grown constantly since the economic crisis, with no significant attempt by President Calderón to resist the trend. Between 2006 and 2010, the number of Mexicans living on 2,100 pesos (US\$150) a month or less jumped from 45.5 million to nearly 58 million, according to CONEVAL, the government agency that measures the impact of development policy. The government changed its definition of poverty in 2008, removing millions from the official count. Still, even using the government's new method, the number of poor rose by more than 3 million to 52 million between 2008 and 2010. That is, about half of all Mexicans now live in poverty.

### **Economic Inequality**

Mexico, historically always one of the most economically and socially unequal societies in Latin America, has become more unequal since 2008, according to the Organization for Economic Cooperation and Development (OECD) of which Mexico is a member. After Chile, it is the most unequal nation in Latin America. While Mexico was more unequal in the 1990s and improved somewhat in the 2000s, since 2008 the country has again moved in the direction of increasing inequality.

While on the one hand its narrowly focused, means-tested poverty programs—Opportunities, Progress and Popular Insurance—have improved the situation of some of the very poor, the continued growth of the informal economy with its precarious and low wage jobs has led to increasing poverty and inequality. Mexico's wealthiest tenth earns 27 times what the bottom 10 percent makes on average, the OECD found. By comparison, in the United States, which also suffers from growing inequalities, the top 10 percent are 14 times better off than the bottom bracket.

### **Closing the Emigration Safety Valve**

Mexico has historically used the exportation of many of its workers to the United States as a way of reducing unemployment and thereby the danger of social upheaval at home. More strict enforcement of U.S. immigration law combined with stepped up immigration authority activity has led to a large increase in deportations under President Barack Obama. While there have been fewer deportations at the border, there have been many more than before from immigrant communities and workplaces in the U.S. In the fiscal year which ended in Sept. 2011, the United States deported 393,000 people, half of whom were considered by the government to be criminals. Deportations have averaged about 400,000 a year since Obama took office. This is roughly 30 percent more than the number of deportations under President George W. Bush. Some 97 percent of deportees were Latino and 73 percent Mexican. Nevertheless, hundreds of thousands of Mexicans attempt to enter the United States without documents each year despite the increasing number of deportations and decreasing number of jobs in U.S.

The United States has, under Obama, closed part way the escape valve that for years has allowed Mexico's economic and political system to survive despite devastating depressions by exporting the unemployed. The rise in the deportation of Mexican immigrants from the United States to their homeland will no doubt contribute to rising social tensions in Mexico where it will be difficult for returnees to find jobs. The further impact in Mexico remains to be seen. Will the anger and desperation of the deported immigrants contribute to a rise in radicalism in Mexico? Or will they come to work for the drug cartels as one of the few paths open to them to earn a living?

### **Mexico's Capitalist Class**

While most Mexicans suffer the effects of the economic crisis, the wealthiest in Mexico have during the Calderón and crisis years taken advantage of the situation to enrich themselves and to expand their power and influence. This includes capitalists, both foreign and domestic, corporations that play an enormous role in Mexico's economic and political life, as well as in its society.

Foreign capital, despite the drug war violence, continues to invest in Mexico. Foreign direct investment (FDI) plays an enormous role in the Mexican economy, with the United States the biggest investor. Mexico received about US\$16 billion in FDI per year during the last decade, about half of it from the U.S. More than 18,000 U.S. companies have operations in Mexico, including most of the Fortune 500, and the U.S. accounts for nearly \$100 billion of foreign direct investment in Mexico.

U.S. corporations and their role has been growing, and today they are involved in all aspects of Mexico's economy, from banking, to manufacturing, to retail. Citigroup Inc., for example, owns the second largest bank in Mexico, formed out of the purchase of Banamex-Accival in 2001 for US\$12.5 billion. Delphi, the auto parts manufacturer, to take an example from industry, has over 50 plants in Mexico employing approximately 70,000 employees. In retail, Walmart is the leading retail store in Mexico, with 2,000 retail stores and over 100,000 employees. In 2011 it opened almost 450 new stores and 365 warehouses and other facilities.

The North American Free Trade Agreement (NAFTA) has provided the fundamental architecture for American capitalism's domination of North America for the past 17 years. While the NAFTA agreement and the structure it provided continues to function, the rise of China, India and other low wage producers threatens to undermine the agreement and to weaken the North American economic alliance.

Critical of the impact of the agreement on the American economy, labor unions and the general public continue to press for withdrawal from NAFTA. [\[4\]](#)

While the U.S. is the largest foreign investor in Mexico, providing annually about 50 percent of foreign direct

investment, European countries' corporations particularly those from Spain and the Netherlands are also big investors, as are Canadian corporations. [5] Japanese, Korean, Taiwanese and other Asian countries also have significant investments in Mexico, particularly in the maquiladoras. Although foreign capital plays a tremendous role in Mexico, there is also a powerful domestic capitalist class.

### Domestic Capital

While Mexico is highly integrated into the U.S. economy and has strong ties with U.S. corporations, there is also a national capitalist class of great wealth and power. The last several decades have seen the concentration of wealth in the hands of an economic oligarchy sometimes referred to as the "100 families." These families at the pinnacle of the economic pyramid own and control the Grupos or holding companies and conglomerates that dominate the nation's economy, or at least that part not controlled by foreign capital.

They are the major powers in banking, mining, commerce, and the media. At the very top stands Carlos Slim, the world's richest man with assets worth \$74 billion, richer than Bill Gates, Warren Buffet or Sam Walton.

### MEXICO'S TEN RICHEST MEN, FAMILIES – 2011

[<https://internationalviewpoint.org/IMG/jpg/mexicotable.jpg>]

Source: <http://www.rich-bastards.com/Countr...>

These wealthy families and their industrial groups dominate the conservative National Action Party (PAN), in part through the Mexican Employers Association (COPARMEX) and other employer organizations, but also through their direct ties to the political class of which some of them are also members. The PAN may be the favored representative of business interests, but those business groups also exert enormous influence over the Institutional Revolution Party (PRI), the former ruling party of Mexico, which since the 1980s has also supported their corporate agenda while making some concessions to the nation's working class and poor people. Their control of the nation's media makes it possible for these families and economic groups to play a central and even decisive role in the nation's elections.

### The Petroleum Industry

The largest industry in Mexico is oil. Since the 1910s Mexico produced oil principally for export to the United States. Direct payments and taxes on Mexico's oil income makes up 32 percent of government revenues, keeping taxes on banking, manufacturing, services, retail and agriculture lower than they would be otherwise. Since Standard Oil, Royal Dutch Shell and other privately owned oil companies were nationalized by President Lázaro Cárdenas on March 18, 1938, it has been the pride of the Mexican people and the coveted prize of private capitalists, foreign and domestic.

Over the decades the oil industry has had ups and downs as one oil field was exhausted and another discovered. One of the big ups of the late twentieth century was the discovery of the Cantarell Oil Fields in the Gulf of Campeche in 1976, field which soon produced 2.1 million barrels a day before falling to 600,000 barrels by the mid-2000s. The development more recently of the Ku Maloob Zaap (KMZ), also in the Gulf of Campeche, has made up the difference, now producing 800,000 barrels per day and expected to rise to 1 million by 2015, according to The Economist.

According to a recent report by a U.S. think-tank, the James A. Baker III Institute, asserts that Mexican oil production peaked in 2004 at 3.9 million barrels a day, but since 2005 production has decline by 25%. At the same time,

domestic use has increased from 500,000 b/d in 1971 to 2.15 b/d in 2010. In 2010 there was still a net export at 842,000 b/d. So, argues the report, within a decade Mexico must become a net importer unless it spend billions to develop new technology. [6]

U.S. oil companies and Mexican politicians in the PAN, and some in the PRI, have used analyses such as that of the Baker Institute to argue for the privatization of the Mexican Petroleum Company (PEMEX) which still dominates the national oil industry. Other sections of the PRI and the PRD, as well as the National Front Against Privatization, led by the Mexican Electrical Workers Union, have argued against privatization, arguing that Mexico would soon lose control of one of its most valuable natural resources.

If the PAN or the PRI wins the presidential election this year, there will be a continued push from business for the privatization of PEMEX, and even if the PRD should win, the pressures will continue to be enormous. Mexican nationalists argue that defending the national oil company is central to Mexico's sovereignty to keep foreign corporations from taking control, while conservatives like President Calderón argue what they call "energy security," that is that the widening schism between domestic production and domestic consumption will make Mexico dependent upon foreigners for its oil if the industry is not modernized.

The privatization of oil will not come easily, however, because the industry, its income, its unions and workers are so intertwined with the Mexican state, the dominant parties, and the most conservative elements of labor union bureaucracy. Politicians will be loath to give up the income which provides a third of the national budget. The corrupt leadership of the 140,000 member Mexican Petroleum Workers Union (STPRM), headed by Carlos Romero Deschamps, will resist because PEMEX pays the union at least US\$600 million per year under the union contract and millions more in illegal payoffs, with both the legal and illegal payments lining the pockets and serving the interests of the union's officers.

### III. The Labor Movement

Mexico's labor movement is still dominated by federations and national unions which comply with the dictates of the Mexican government, particularly those unions in the Congress of Labor and the Confederation of Mexico workers. At the same time, the Mexican government continues to work to prevent the organization of independent labor unions which do not follow the dictates of the state. The government has even gone so far as to attempt to prevent Mexican migrant agricultural workers who are working in Canada from organizing unions. [7]

The Mexican government's labor authorities continue to permit ghost unions unknown to the workers to negotiate so-called "protection contracts" which protect employers from legitimate unions and from their employees demands for better wages, benefits and conditions. [8] As Mexican attorneys who defend workers' rights have noted, these ghost unions and protection contracts form part of an enormous web of corrupt dealings between government officials, lawyers, and gangster union officials. [9] The government's historic practices of denying workers their rights through government control of union recognition, the labor courts, and political subservience of the unions to the parties was augmented during the Calderón administration by more direct attacks on unions and contracts.

#### The War On Labor

While Calderón's war on the drug lords has been an abysmal failure, his war on the labor movement has been largely successful. While unions have fought back, their power has been weakened. In one industry after another, the Calderón government has supported corporations and opposed or neglected labor union and worker interests. At the same time, the breakup of the official labor unions, which began in the 1990s, has accelerated under the PAN

presidents, breaking up into rival factions at times allied various employer and government interests but with some of them becoming independent.

While the independent National Union of Workers, the militant teachers National Coordinating Committee, and the Authentic Labor Front continue to survive, the state of the independent labor movement in Mexico is more tenuous as we enter 2012 than it was in 2006. Labor unions, human rights organizations, and labor attorneys groups have filed charges with the International Labor Organization over these practices during the Calderón administration. [\[10\]](#)

### **Grupo Mexico and the Mineros**

Throughout his presidency, Calderón has aided Grupo Mexico in attacking the Mineros. After the Mexican Miners and Metal Workers Union (SNTMMRM) struck Grupo Mexico's Cananea mine in June of 2007, Calderón's government used the courts, the attorney general's office, and the police in an attempt to jail general secretary Napoleón Gómez Urrutia, to destroy the union, and to break the strike. Gómez Urrutia fled to Vancouver, British Columbia to escape prosecution in Mexico, and has been successful in obtaining dismissal of charges filed against him in various venues. Although also successful so far in defeating efforts to deny him recognition, the corporation, backed up by the Mexican government, succeeded in breaking the union at Cananea.

The three-year strike eventually cost Grupo Mexico \$3.5 billion in revenues, but now the mine, renamed Buena Vista del Cobre, is back in operation without the independent and militant miners union. Still, under Gómez Urrutia's leadership, the Mineros have been able to keep their grip on other mines and mills, winning higher wages and increased benefits for their members. They have also collaborated with NGO's in several successful campaigns to expand the union's membership in other areas.

### **Light and Power and SME**

A similar but more devastating attack was launched by Calderón against the Mexican Electrical Workers Union (SME). The independent SME played a crucial role at the center of an alliance of unions fighting privatization and opposed to Calderón's party and its policies. In October 2009, he sent police and soldiers to occupy the facilities of the Light and Power Company of Central Mexico, driving out the electrical workers. At the same time, he liquidated the company and turned over its operations to the Federal Electrical Commission (CFE) whose workers are represented by a different electrical workers union (SUTERM) loyal to the government.

Most of the 45,000 workers who lost their jobs accepted their severance pay and went off to search for other jobs, but some 16,599 remained committed to defending their union and fighting for their jobs. For two years the SME has conducted a multifaceted struggle involving direct action, parliamentary proposals, and appeals to the courts. The Calderón administration has proposed on several occasions that it was prepared to resolve the problem by providing jobs to the fired workers through the establishment of small businesses that would operate as sub-contractors, but such a solution has been soundly rejected by the union and its members. While the SME fights on with incredible tenacity and militancy, it remains to be seen whether the election year will bring with it a resolution.

### **Mexicana Airlines**

The bankruptcy of Mexicana Airlines in the summer of 2010, resulting in the layoff of the entire workforce of more than 6,000 workers, represents another casualty of the PAN's labor policies. When wealth investors decided to reorganize the airlines without taking workers into consideration, the government simply permitted them to do so. In its own way, this constitutes another attack on the Mexican labor movement comparable to the attack on the Mineros of Cananea and the closing of the Light and Power Company of Central Mexico.

While Mexicana workers have received less publicity, the Mexican ground workers, pilots and flight attendants have continued to fight for their jobs, though the Calderón government ignores them. International labor organizations continue to show solidarity, but the situation is grim. Since Volaris Airlines, operating in conjunction with Southwest Airlines, has taken up many of its routes, the reopening of Mexicana and the rehiring of these workers does not at this time appear to be likely. Unless some investor comes forward before February 10 to save Mexicana, a judge will declare the company bankrupt and dissolve it.

### **The Telephone Workers**

Workers at Atento faced violence and fraud at an election in July, 2010. After winning the right to a new election, the Labor Board in Mexico City scheduled an election for October 31, 2011. The election was suspended shortly after its scheduled start time. At 2pm on November 7th, the parties were informed that the vote would be held again on November 9th, 2011 at 4:00 pm. A team of 13 national and international observers representing 6 organizations placed monitors inside and outside the Labor Board in Mexico City and at Atento Services in Dinamarca, Puebla and Sevilla. They subsequently issued a report concluding that once again workers were deprived of a fair election. Nonetheless, in November the labor authorities found that the election was legal and the Telephone Workers Union (STRM) has appealed. The union also filed a complaint with the ILO in December, 2011.

### **Maquiladora Workers**

The Mexican maquiladora sector, plants that mostly assemble parts for export in a variety of industries such as auto parts, electronics, hospital equipment and supplies and others, employed 1.3 million workers working the legal 48 hours per week or more, many at the minimum wage of US\$3.50, though some more skilled workers may receive two, three or four times that amount per day. [11] Most maquiladoras are owned by U.S., Asian and European corporations whose maquiladoras produce for production chains that stretch across the world.

Foreign corporations have established maquiladoras in Mexico both to take advantage of low wages and proximity to the U.S. market. Wages are kept low because of tacit understandings between the Mexican government, foreign governments, and the corporations that genuine labor unions will not be permitted to organize and establish themselves in the maquiladora sector, a secret promise which has been kept since the zone was established in 1964.

Under President Calderón, the Mexican government and the corporations have continued to enforce the understanding that the maquiladoras will remain union free through the time honored methods of intimidating and coercing workers.

In Puebla, the attack on women organizers has been a particularly egregious. In addition to the death threats against Blanca Velasquez and attack on the office of the CAT, members of the Colectivo Obreras Insumisas (Defiant Women Workers Collective) who advised workers at a jeans plant in Puebla about their rights, were threatened with death if they continued their work.

While from time to time there are small successes, such as that of workers at a Levi Strauss supplier in Aguascalientes who succeeded in getting access to the collective bargaining agreement for workers, there are still virtually no independent unions in the hundreds of maquiladora plants along the border or in other parts of Mexico. [12]

### **The Independent Union Movement**

Throughout Mexico, from time to time independent unions appear which attempt to organize and win legal recognition, despite the many obstacles placed in their paths by the Mexican government. For example, some 30,000 technical and professional employees of PEMEX, have struggled for several years to organize and obtain recognition for their independent union. Their third attempt was successful, and on December 19, 2009 a federal court forced the government to recognize the union and its officers.

PEMEX has continued to resist real negotiations, deferring to the official union, STPRM. (This despite the fact that a decision by the Mexican Supreme Court several years ago held that more than one union could represent workers in the same bargaining unit, putting an end, at least in theory, to the stranglehold of the official unions over public sector workers. [13].)

During the past year, Francisco Raúl Piñeyro, Secretary of Organization was moved from his workplace to a part of the country where there is a high level of violence and where he is forced to work in isolation; Moisés Flores Salmerón was fired within days of his election as General Secretary of Local 1 in Veracruz; and Silvia Ramos Luna, who was reinstated as the result of lengthy legal proceedings was fired a second time on March 28, 2011.

However, the membership of UNTyPP is growing despite PEMEX' failure to recognize and deal with the union, turn over dues, and its threats to discharge workers who affiliate with the union.

### **Frente Auténtico del Trabajo (FAT)**

Over the past year the FAT has continued its active participation and to contribute leadership within various coalitions, including the new Trinational Solidarity Alliance, the Union Nacional de Trabajadores (UNT) and the broader coalition, the Frente Sindical Campesino Indígena Popular y Social.

It was also successful in obtaining recognition from the auto-parts manufacturer, DMI where it had won an election the previous October. Another significant struggle last year involves another transnational SANDAK, where some 100 workers continue to fight against the violation of their contract and closure of their plant. With the assistance of the FAT, they won an important legal victory rejecting the employer's claim that they could not engage in a legal strike where the employer had previously shut the plant, as the closure had violated the union's collective bargaining agreement. Although the employer has challenged the ruling, the workers remain on strike, determined to keep their jobs.

The FAT also continues to maintain close relationship with various unions on an international level and during the past year the General Secretary of its most important private sector local spent three months in New Bedford in a collaborative project between the Northeast Region of the United Electrical, Radio and Machine Workers of America (UE), UEREF, the New Bedford Community Economic Development Corporation (CEDC) of Southeastern Mass (CEDC), and the Frente Auténtico del Trabajo (FAT).

### **The Teachers Union**

Elba Esther Gordillo, the leader since the mid-1980s of the Mexican Teachers Union (el SNTE), the largest union in the country, and one of the top leaders of the PRI, left that party in the mid-2000s to support Felipe Calderón's administration. She negotiated an agreement, the Alliance for Quality Education (ACE), with the President and his Secretary of Education. This accord introduced many U.S.-style reforms in the union, including the testing of teachers. Throughout Calderón's administration, because of its loyalty to the government, the Teachers Union survived and its bureaucracy prospered. Gordillo, who had also formed an independent political party, PANAL, based on the Teachers Union, has now broken with Calderón and established an alliance with her former party, the PRI.

Throughout her tenure as head of the Teachers Union and throughout the tenure of Calderón, the National Coordinating Committee of the Mexican Teachers Union (la CNTE) and other opposition groups in the union, have battled against Gordillo, Calderón and the ACE program.

The dissident teachers, as they have since the mid-1970s, have organized massive demonstrations, strikes, and militant protests such as highway blockades and the seizure of government buildings principally in the southeastern, central and western states of Mexico, including Chiapas, Oaxaca, Guerrero, and Michoacán. The continued militancy of the independent teachers movement represents one of the great bastions of workers' power in Mexico, still unbroken in spirit.

## IV. Labor and Politics

The Mexican Employers Association (COPARMEX) has been pushing since the 1980s for a labor law reform bill that would benefit employers and weaken Mexico's unions. On March 18 2010, the PAN began a new chapter in this long controversy by introducing a proposal. The following March, the Institutional Revolutionary Party (PRI) presented a similar proposal and sought to have approved through a "Fast Track" process. Both pieces of legislation would have limited freedom of association, collective bargaining and the right to strike, eliminated the present strong protections on job security by permitting sub-contracting and temporary employment, replaced wages and benefits base on seniority with a merit-based system and undercut various other labor protections, and place a limit of six months on back pay in cases of improper dismissal, despite the fact that legal proceedings often take far more time.

In addition, a new national security proposal would have given both the president and a new security council composed of the Secretaries of Defense, Marines, Public Security, Gobernación (the interior), the PGR (chief prosecutor for the republic), and CISN (secret police) the power to order the intervention of the armed forces in situations that, in their judgment, could endanger the internal security of the country. Although the government attempts to justify this legislation as necessary to deal with drug trafficking, it explicitly covers actions by the labor movement or civil society.

In April, tens of thousands of Mexican workers demonstrated for weeks against this attempt to destroy union rights. The Mexican Congress bowed to the marches and rallies, the educational campaigns and lobbying, the support from coalitions such as a human rights network and a pro-democracy lawyers' group, as well as from the Tri-National Solidarity Alliance, and announced it would hold public hearings on the "reform," effectively postponing any action until the fall.

Although no further attempts were made to introduce legislation, in November the labor board in Mexico City issued new regulations that would have accomplished many of the same objectives. Again, major mobilizations ensued and the new regulations were enjoined, at least temporarily, through an injunction proceeding. Meanwhile, as we go to press, the possibility that labor law reform will again be introduced in the Mexican Congress' House of Deputies is once again in the news.

### International Labor Solidarity

As Mexico's unions came under intense attack from the Calderón administration there has been an increased level of international support, particularly from Canada and the United States, but also from international labor organizations.

The Tri-National Solidarity Alliance (TNSA) provided a mechanism for communication and solidarity throughout the

year. In its most ambitious effort, it responded to the call for a week of action issued by four Global Union Federations. In February, more than 50,000 trade unionists and their community allies around the world took action for change in Mexico during the Global Days of Action.

In the US there were demonstrations or delegations in at least 13 cities (Austin, Boston, Chicago, Denver, Detroit, Kansas City, New Orleans, New York, Portland, Raleigh, San Francisco, Tucson, Washington DC), in four cities in Canada (Toronto, Ottawa, Vancouver and Montreal), and in Mexico there were 27 different actions following the massive demonstration on January 31st. In all, workers and their community allies in 40 countries on five continents strongly denounced the attack on independent trade unions in Mexico.

As part of the tri-national effort to raise awareness, TNSA unions organized several tours of prominent national leaders of Mexican unions. In late March, Carlos Esquer traveled to New York where he participated in the Left Forum, at a program hosted by LCLAA at SEIU, and spoke at two law schools. He continued on to New Orleans where he spoke at the UALE conference.

In April, Pipino Cuevas Velázquez, a national leader of SME, joined unions and their allies in Pittsburgh for events related to the April 4 "We are One" national day of action. In addition to providing a greeting during the demonstration, he spoke at an event at the USW headquarters and an evening event at the University of Pittsburgh where he was joined by local leaders of public sector unions from around the US and union leaders and students from Pittsburgh who are fighting against cuts and the attack on fundamental labor rights. In late April, speakers for TNSA led off the testimony before the International Tribunal on Freedom of Association in Mexico City.

In a more recent example of the growing international labor solidarity in North America organized by TNSA unions, a complaint was filed in Ottawa on October 27 of last year by more than eighty organizations in the U.S. and Canada on behalf of the Mexican Electrical Workers Union (SME). The complaint submitted to the Canadian government charged Mexico with violating the North American Free Trade Agreement (NAFTA). It focused on the firing of 44,000 electrical workers in 2009 and the subsequent harassment and intimidation of union members who continued to fight for their rights. A similar complaint was filed with the U.S. government by 96 organizations, making it the first labor NAFTA labor complaint submitted under the Obama Administration. The USW spearheaded the filing in Canada and the AFL-CIO led the effort in the US with support from a legal clinic at Yale University. In both cases, union leaders from Mexico participated in the filings and unions in the US and Canada arranged various meetings and speaking engagements.

Also this year, the AFL-CIO awarded Napoleón Gómez Urrutia, General Secretary of the Mineros the 2011 George Meany-Lane Kirkland Human Rights Award during a ceremony Wednesday, November 16, at the AFL-CIO headquarters in Washington, DC. AFL-CIO President Richard Trumka was joined by President Leo Gerard of the United Steel Workers in recognizing Gómez's efforts to fight against repression and support democracy and equality in Mexico. Both the AFL-CIO and the USW have supported Gómez Urrutia since before he fled to Canada in 2006 to avoid dubious charges against him brought by the Mexican government.

The United Electrical Workers Union (UE), a pioneer in international solidarity with Mexican unions, has continued to build upon its fifteen-year old strategic partnership with the Authentic Labor Front (FAT), an independent labor federation in Mexico.

The International Metalworkers Federation (IMF) has also played an increasingly large role in labor solidarity with Mexico as it provided critical leadership and support to the days of action in February, supported organizing work, carried out investigations, issued reports and filed protests against the Mexican government for its labor policies.

International support sometimes involves financial assistance, but more frequently means organizational collaboration in bringing cases before the National Administrative Office (NAO) of the North American Free Trade Agreement (NAFTA), before the International Labor Organization (ILO), and before other international bodies such as the Inter-American Court of Human Rights.

### **Social Movements**

Throughout Calderón's administration there has been a growing wave of protests against the drug war policy and against the human rights violations of the military. Despite death threats and actual murders, human rights activists have created many local organizations both in the states and cities along the border where the violence and killing has been greatest, but also in the interior of the country. Women's organizations have continued to speak out against femicide, murder of large numbers of women, particularly in Ciudad Juárez but also in other cities. But those who speak out often face repression. For example, Norma Esther Andrade, a human rights defender in Chihuahua State on the U.S.-Mexico border, was shot and wounded on Dec. 2.

Mexico, inspired by the Egyptians in Tahrir Square, the Indignados, in Spain and Occupy in the United States had a number of small occupations in cities from Tijuana on the northern border to Mexico City, though the movement did not catch on as in the United States.

Edur Velasco Arregui, the passionate, romantic and militant professor of economics and former head of the Independent Union of Workers of the Autonomous Metropolitan University (SITUAM), carried out a 42-day hunger strike for higher education on November 21. Velasco had begun the strike on October 11 to demand an increase in the budget for the university and higher salaries for university professors. Velasco's hunger strike received support not only from hundreds of students at the university, about a hundred of whom occupied the rector's office on November 9 for several hours, but also from other unions in Mexico and other academics' unions in Latin America. SITUAM called the strike "a great victory" because of its impact on the legislature which raised the budget for the public universities and salaries for professors, though, said the union, "there is still a long way to go."

The most important new movement in Mexico is the Movement for Peace, Justice, and Dignity led by the poet Javier Sicilia whose son was killed by drug dealers. Over the last year Sicilia has criticized and challenged the Calderón administration. Traveling throughout the country, he has spoken out against the government's drug war policy and the rights violations, but he has also spoken out more generally against injustice in Mexico. After meeting with the Zapatistas, the group that led the Chiapas Rebellion of 1994, Sicilia expressed his support for their movement. Sicilia has become the national spokesperson for morality and decency in Mexico with broad support across the political spectrum.

### **Political Parties and the Coming Election**

The national presidential, congressional and state elections to be held in Mexico in the summer of 2012 will provide an opportunity for the Mexican people to decide whether to continue to support governments which encourage the neoliberal economic model with its corporate domination and ruthless capitalism, or whether to turn in the direction of a more social democratic or Keynesian economic model that would regulate the economy, provide economic stimulus through infrastructure construction and social welfare programs, and seek to narrow the divide between the country's rich and poor. Based on their programs and their practice one could characterize three positions in the coming election:

• The National Action Party (PAN), the current ruling party (2000-2012), offers the prospect of a continued neoliberal economic program serving foreign and domestic capital.

â€¢ The Institutional Revolutionary Party (PRI), the former ruling party (1929-2000), will be at the center of the Commitment to Mexico coalition made up of the PRI, the Mexican Green Party (PVEM), and the New Alliance Party (PANAL). The PRI's coalition also offers the prospect of a fundamentally pro-business program, but tempered by social programs which serve to strengthen its patronage machine.

â€¢ The Party of the Democratic Revolution (PRD) stands at the center of the Progressive Movement, made up of the parties of the leftâ€”the PRD, the Workers Party (PT), the Citizens Movement (MC, formerly Convergence), and the Movement for National Renovation (Morena). The Progressive Movement's social democratic and populist program calls for restraining the corporations while improving the situation of the working class majority.

Interestingly, both the PRI and the PRD are members of the Socialist International which brings together the worlds labor, socialist and social democratic parties. These are parties, mostly based in Europe, which have over the last three decades adopted the neoliberal program and seek to administer capitalism rather than to change it. Not all socialist parties subscribe to such a conservative economic and political program. Neither the PRI nor the PRD call for making Mexico a socialist country.

### **The Parties, Coalitions, and Candidates**

The Mexican Constitution does not permit Calderón, as the sitting president, to run for the presidency again. The National Action Party (PAN) of President Felipe Calderón has not yet chosen its candidate from among three leading contenders. Some polls put former Secretary of Education Josefina Vásquez Mota in the lead for the nomination. If she were to win, she would be the PAN's first woman candidate. Other parties have nominated women, although no woman has ever served as Mexico's president.

The other two contenders for the PAN nomination are Santiago Creel, former Secretary of the Interior, and Ernesto Cordero, former Treasury Secretary. All are archly conservative. Vásquez Mota recently raised the idea of putting PEMEX on the stock exchange; that she raised this in her campaign is surprising since the idea of privatizing PEMEX has been a third rail of Mexican politics.

The Institutional Revolutionary Party (PRI) which ruled Mexico for 70 years until its defeat in 2000, has nominated Enrique Peña Nieto. He will be the standard-bearer of the Commitment to Mexico (Compromiso por Mexico) coalition formed by the PRI, the Mexican Green Party (PVEM), and the New Alliance Party (PANAL). PANAL was created by the Mexican Teachers Union led by Elba Esther Gordillo, who, as we have mentioned, was formerly allied with the conservative National Action Party (PAN) and before that a top leader of the PRI.

The candidate of the left parties will be Andrés Manuel López Obrador, the former Mayor of Mexico City who, many believe, actually won the 2006 election but that it was stolen through fraud. Calderón claimed victory by a margin of 0.58% of the votes cast. López Obrador became the candidate as a result of a survey of potential left voters that found that he would be a better candidate than Marcelo Ebrard, the current mayor of Mexico City, who was also a strong contender. Ebrard accepted the results of the poll and lined up behind López Obrador.

López Obrador spent the last six years building his own organization outside the political parties, and it emerged this year as the National Movement of Renovation (MORENA). He oversaw the founding of his new party, Morena, on October 2. Some 10,000 Morena supporters filled the National Auditorium to join in the establishment of the new left political association. Under Mexican law a political organization is not quite party, but no one doubted that this was in fact the new political party of López Obrador, the charismatic populist whose followers number in the millions.

### **López Obrador's Program**

In his most recent political proclamation delivered on December 11, 2011, López Obrador, referring to the indigenous communities of Oaxaca and to the workers of the Russian Christian communitarian Leo Tolstoy, called upon the Mexican people to reestablish the nation as a “loving republic.” The candidate wrote, “When we speak of a loving republic, with a social dimension and spiritual grandeur, we are proposing to regenerate the public life of Mexico through a new way of doing politics, applying a prudent harmony between three central ideas: honesty, justice and love. Honesty and justice to improve living conditions and achieve social peace and love to promote the good and achieve happiness.” [\[14\]](#)

López Obrador’s call for a “loving republic” allows him to capitalize on the moral campaigns against corruption, violence and exploitation being carried out by Javier Sicilia and the Mexican indignados, while avoid a specific program of social reform. At the same time that he calls for this moral crusade, López Obrador has made at least a gesture toward the right, reaching out to the Mexican business class, for example, inviting a Monterrey businessman to be a major speaker at the Morena founding convention.

The three rival parties each have their own political strengths. The PAN will benefit from the support of Mexico corporate media, TV Azteca and Televisa which generally lean toward the conservatives. While it will also benefit from the corporate media, the PRI’s strength is in its state and municipal political organizations with their long history of rule by patronage and the use of the tactic of fear and favors. The left’s strength is the strength of its charismatic candidate Andrés Manuel López Obrador and populist appeal, his ability to mobilize enormous mass meetings and marches. In the last election the corporate media lambasted him as a dangerous figure who would bring social conflict and violence to Mexico.

As noted by the Center for Strategic and International Studies in late October, López Obrador has taken more moderate positions in recent months. CSIS noted “an apparent change in AMLO’s tone in public statements. In recent speeches he has adopted a more conciliatory line to investors and the rich, as well as using the language of social harmony rather than conflict.” This is part of an attempt by López Obrador to both neutralize the hostility of Mexico’s business class and the corporate media and to make it possible for the U.S. State Department to accept his victory should he win. [\[15\]](#)

### **The Far Left and the Elections**

The far left and labor left gathered in August of 2011 to hold the founding convention of the Political Organization of the People and the Workers (OPT). The announcement of the plan to create the party came some weeks before at a gathering of 50,000 who had come out some weeks before to support the Mexican Electrical Workers Union (SME) which had been so violently attacked by Calderón. Some 1,100 people, 300 from the electrical workers union participated in the convention. They came from labor unions, peasant and community organizations, and small political parties of the revolutionary left. The OPT has decided to support the campaign of López Obrador and Morena, but as an independent organization with its own political program.

While López Obrador’s coalition, nationalist and populist in tone and social democratic in content, calls for a regulated economy, the OPT goes further. The OPT program declares: “The principal objective of our political organization is to fight for national liberation and socialism, i.e., social and human emancipation. We struggle to regain control of the productive forces of the country and the historic character of its people, to lay the foundations of a society without exploitation where the means of production which are now in the hands of the bourgeoisie will be transformed into social property. This is an objective which begins to become a reality in the struggle to build a new society based on justice, democracy, freedom and full economic and political independence.” [\[16\]](#)

### **The Zapatistas**

The Zapatistas who led the January 1, 1994 uprising in Chiapas remain a force in their redoubt in the mountains and jungles of Mexico's southernmost state bordering Guatemala. During the last presidential election in 2006 the Zapatistas heaped criticism on all three major parties (PAN, PRI, and PRD) and on their candidates, and especially on the PRD's candidate López Obrador.

They chose, rather than participating in the electoral process which they view as utterly fraudulent and corrupting, to launch what they called the "Other Campaign," a national tour by Subcomandante Marcos and other Zapatista leaders speaking out against capitalism and call for a revolution to overturn the existing system.

While the Zapatistas' other campaign got a hearing from thousands of Mexicans in mostly modest-sized meetings around the country, it was overshadowed by the national election and the actual candidates on the ballot. When at the end of the campaign, López Obrador and his supporters called for demonstrations against what they and many other Mexicans saw as the illegal and fraudulent character of the elections, the Zapatistas themselves refused to join in those protests against election fraud. Participants in the Other Campaign, however, joined the demonstrations. The Other Campaign broke apart and the Zapatistas were widely criticized on the left for what was seen as their sectarian behavior. So far, the Zapatistas have made no proposal for the elections this year.

## Conclusion

The year 2012 will bring the end of Felipe Calderón's six-year term, a period of violence and social disintegration. The government's war against the drug cartels has failed to suppress their trade or to definitively break up their organizations. The government's attacks on labor unions have weakened the labor movement, although they continue to fight back. Unions won some important victories, blocking both new labor law reform proposals and new regulations from the Mexico City labor board. They have also gained new allies in the form of new social movements against the government's failed drug war policy. The work of the Tri-National Solidarity Alliance this year also represents a welcome expansion and deepening of international relationships, with its impressive demonstration of support for independent unions and freedom of association during the Days of Action last February and its continuing pressure on the Mexican government through cases in international fora.

The government and its institutions have, in the last six years, been largely discredited as it became clear that the political parties, the army and the police have all been corrupted by drug money. The Mexican state has been largely delegitimized, yet so far no other force has emerged that has the overwhelming confidence of the majority of the population. It appears, at the moment, that the Institutional Revolutionary Party (PRI) will be the strongest force going into the election, opposed on the right by the weakened PAN and on the left by a reviving alliance of the PRD, PT, Citizens Movement, and Morena. Andrés Manuel López Obrador, speaking now in rhapsodic language about the "loving republic" will attempt to hold his leftist coalition together, while gathering support from the middle and fending off attacks from the corporate media. The U.S. government will lend its support to whoever it feels can do the best of defending its long term economic interests in North America, most likely the PRI's Peña Nieto.

Whether or not the election opens up a path to a new future for Mexico depends principally upon its working people and whether or not they are prepared to not only turn their back on the PAN—which most of them have already done—but also to resist the temptation to turn back to the past and the PRI. However, even if they support López Obrador and the left coalition, it will only prove to be an advance if they do so for their own reasons and with a willingness to use their own power to make Mexico a more democratic and just society.

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- [1] For details and a map see:<http://www.borderlandbeat.com/2011/...>
- [2] See press release and report at:<http://www.hrw.org/news/2011/11/09/...>
- [3] The cases of attacks on human rights activists and journalists are well documented by Amnesty International at:  
<http://www.amnesty.org/en/region/mexico>
- [4] See the U.S. Congressional Research Service report at:<http://www.nationalaglawcenter.org/...>
- [5] Look here for U.S. investments made in 2010 and 2011:<http://photos.state.gov/libraries/m...>
- [6] Read the report at:<http://bakerinstitute.org/programs/...>
- [7] On this see:<http://www.laborunionreport.com/por...>
- [8] See the International Metalworkers Federation (IMF) discussion of protection contracts in Mexico at <http://www.imfmetal.org/files/10033...>
- [9] See for example attorney Nestor De Buen's remarks at:<http://www.jornada.unam.mx/2011/11/...>
- [10] See:<http://www.imfmetal.org/index.cfm?c...>
- [11] ] For an employers' view of their wage bill in the maquiladoras see:<http://www.teamnafta.com/index.php/...>
- [12] See the report on maquiladoras at:<http://en.maquilasolidarity.org/sit...>
- [13] See the report at:[http://www.ecoi.net/local\\_link/2030...](http://www.ecoi.net/local_link/2030...)
- [14] See the document at:<http://www.lopezobrador.org.mx/noti...>
- [15] CSIS article at:<http://csis.org/blog/resurgent-amlo...>
- [16] See the OPT website at:<http://optmex.org>