Mexican Labor 
and the Election of July 1997

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Paper prepared for delivery at the 1998 Meeting of the 
Latin American Studies Association
The Palmer House Hotel, Chicago, Illinois
September 24-26, 1998

COMMENTS WELCOME
Acronyms Used in Paper

CIPM  Coordinadora Intersindical Primer de Mayo
       May First Inter-Union Coordinator

COR   Confederacion de Obreros Revolucionarios
       Revolutionary Workers Confederation

CNTE  Coordinadora Nacional de Trabajadores de Educacion
       National Coordinator of Education Workers

CROC  Confederacion Revolucionario de Obreros y Campesinos
       Revolutionary Federation of Workers and Peasants

CT    Congreso del Trabajo
       Congress of Labor

CTM   Confederacion de Trabajadores Mexicanos
       Federation of Mexican Workers

FAT   Frente Autentico del Trabajo
       Authentic Labor Front

FESEBES Federacion de Sindicatos de Bienes y Servicios
         Federation of Goods and Services Unions

Foro  Foro: El Sindicalismo Ante la Nacion
       Forum: Unions Facing the Nation

JCA   Junta de Conciliacion y Arbitraje (JLCA o JFCA)
       Arbitration and Conciliation Board (local or federal)

NAFTA North American Free Trade Agreement

NAO   National Administrative Office

PAN   Partido de Accion Nacional
       National Action Party

PRD   Partido Revolucionario Democratico
       Democratic Revolutionary Party

PRI   Partido Revolucionario Institucional
       Institutional Revolutionary Party

PRM   Partido Revolucionario Mexicano
       Mexican Revolutionary Party

SME   Sindicato Mexicano Electricista
       Mexican Electrical Union

SNTE  Sindicato Nacional de Trabajadores de Educacion
       National Educational Workers Union

SNTSS Sindicato Nacional de Trabajadores del Seguro Social
       National Union of Social Security Workers

STRM  Sindicato de Telefonistas de la Republica Mexicana
       Telephone Workers Union of the Mexican Republic

STUNAM Sindicato de Trabajadores de la Universidad Nacional
        Autonoma de Mexico
        Union of Workers of the Autonomous National University
        of Mexico
Mexico's elections of July 6, 1997, half-way through the Presidential term of Ernesto Zedillo, represent a major transition point in the evolution of its corporatist political system (Handleman, 1997, p. 8-11, Russell 1994:290-304, Middlebrook 1986 & 1995, Centeno 1994, Mendez 1994). For the first time since the establishment of the post-revolutionary constitution, forces controlled by the President lost control of the Chamber of Deputies. They also lost control of the local government of Mexico City, home to nearly one fourth of the nation's population. The "perfect dictatorship" (Vargas Llosa, 1991) may have become vulnerable to new democratic forces.

The concept of corporatism is not without its detractors. In his much admired book on Mexico, Middlebrook (1995:341-342) devotes an extensive footnote to explaining why he does not use the term, primarily because the concept puts too much emphasis on state control. I choose to use the term here in part because it is so widely used by Mexicans when discussing politics, especially labor politics, but also because the concept draws our attention precisely to what is being disputed at present: the extent to which the state will continue to control the labor movement. Let us consider this venerable definition:

A system of interest representation is defined as corporatist to the extent that it is characterized by a pattern of state structuring of representation that produces a system of officially sanctioned, non-competitive interest organizations which are organized into legally prescribed functional groupings; to the extent that these associations are subsidized by the state; and to the extent that there is explicit state control over the leadership, demand-making and internal governance of these associations (Collier, 1977, p. 493).

This definition draws our attention to the extent to which the state structures, subsidizes, and/or controls interest organizations such as labor unions. The PRI, here-to-fore known as the "ruling party" because it was virtually synonymous with the state, is attempting to maintain the control while others are attempting to modify or to shatter it all within an environment of considerable constraints.

President Zedillo himself recently weighed in on the matter while addressing potential candidates at the 69th anniversary of the founding of the PRI. According to one account he cautioned them that "The quotas of power and corporatism are 'luxuries' of a political past that we are no longer disposed to pay nor capable of paying." (Vargas, 1998)
This paper will not take President Zedillo's word that corporatism is a thing of the past. Rather it will examine changes in key parts of the corporatist political system, those most directly linked to Mexican workers and to labor unions. The electoral instability exemplified by the election of 1997 has touched off an internal struggle for control of the corporatist enterprise, and it has created new opportunities for those working outside of and against the corporatist system. This paper first briefly describes the system of labor relations existing within Mexico. It then presents five brief case studies of change within that system that can help us to understand the changing nature of the political environment in which Mexico's labor relations occur.

The Corporatist System

The 1930s were a period of political and economic innovation throughout the capitalist world. In the United States Roosevelt brought in the New Deal. In Sweden the Social Democrats took control and established a welfare state for the benefit of workers. In Italy and Germany fascists brought a new order to chaotic societies, making the trains run on time and producing such wonders as the Volkswagen even as they obliterated democratic and human rights. In Mexico, the great hero of the people, Lazaro Cardenas, destroyed the power of the puppet behind the Presidency, Elias Calles, by rooting his own power in popular organizations. Cardenas began to fulfill the promises of the Mexican Revolution and its idealistic constitution. He distributed vast amounts of good lands to the peasants, and he established the minimum wage called for in the constitution, a living wage that could provide a family with food shelter, clothing, schooling, and a bit left over for recreation.

To avoid the coup which conservative Calles was planning, Cardenas created militias of peasants and industrial workers. He also coopted the military with a round of promotions and with the creation of a place for them within the newly reorganized ruling party, the Party of the Mexican Revolution, which became the PRI in 1946. While the PRM offered the military a voice, it balanced them with sectors representing the peasants, the workers, and the popular (middle class) sector. While few in Mexico will question the material benefits Cardenas brought to peasants and workers, fewer still hold him accountable for the political chains he fashioned for them.

The party helped workers and peasants to organize into
unions. It also required that those unions affiliate with the party. These organizations then became the basis for the electoral mobilization that kept the ruling party in power.

The government established tri-partite labor boards (the Juntas de Conciliacion y Arbitraje or JCA) with representatives of the government, of labor, and of employers. Since the ruling party had direct influence over the government, the employers confederation, and the labor unions, it exercised firm control over these labor boards. One of the jobs of the labor boards is to recognize (or not) the legitimacy of any labor unions which workers—according to the constitution—may freely organize. It must also recognize the elected officers of all local unions (through the toma de nota.) Only recognized officials can negotiate a contract. The labor board must also decide whether any strike is legal or not. Thus, to a very large extent, the ruling party is able to control who is able to organize a union, who will run it, and what that union will do.

In the Cardenas era such control by the ruling party was not a significant problem as Cardenas saw his security rooted in the support he received from workers and peasants, and his policies were generally quite favorable to them. Yet when Cardenas left office workers' salaries plummeted, losing half their purchasing power within the first five years of his successor's rule. Workers' wages did not again reach Cardenas era levels of comfort again until the late sixties. Given this large disconnect between the welfare of the workers and the stability of the ruling party we must ask, how did the regime sustain itself so magnificently?

One of the key instruments of political linkage between the ruling party and the workers has been the Confederation of Mexican Workers (CTM). The CTM came into existence under the leadership of a charismatic Marxist labor organizer, Vicente Lombardo Toledano. It grew with the encouragement of President Cardenas. Labor leaders were now able to win contracts for their workers. Unions and their members were automatically made members of the ruling party. Within the party apparatus, many union leaders were also able to secure political appointments and exercise direct influence on the implementation of government projects. When more conservative Presidents followed Cardenas the CTM faced a choice between opposition and accommodation. Fidel Velazquez, born in 1900 and first elected Secretary General of the CTM in 1940, chose the course of accommodation. It served him well. Perhaps more than any other person in the Mexican political system, he exercised power until the summer of 1997, dying just before the first significant political defeat of the PRI.
While wages declined steadily through the 40's, political positions for union leaders remained secure. In 1942 the government created the Mexican Social Security System which included national health care as well as pension benefits. The system was managed by appointees from business, labor, and government. Workers who had signed on under the Marxist influence of Toledano, where now managing bureaucracies jointly with capitalists.

In the early years of the cold war Mexico, much like the US, moved to rid its unions of Communists. Anyone accused of being Communist could now be purged, and Velazquez used the excuse to eliminate potential rivals. In 1948 miners, railworkers, and oilworkers unions withdrew from the CTM and formed their own federation. Railworkers went out on strike for back pay and wage increases. The government acted swiftly and forcefully. Using both police and military troops they forced the railworkers to name a new Secretary General of their union, Jesús Díaz de León (La Botz, 1992, p. 66).

This incident shows the fundamental nature of government control of the labor movement through the leaders of its official unions. It also gives rise to a term that is central to understanding Mexican labor relations. The term is charro or sometimes, charrismo. Jesús Díaz de León enjoyed dressing in the elegant clothes worn today only by mariachi musicians. They are from the tradition of the Mexican horseman or caballero which is clearly distinguished from the peones who lacked horses and had to walk. This taste for dandified class distinction, while having nothing to do with the working class solidarity one might hope for from union leaders, has everything to do with the corrupt, politically servile leaders of most official unions since that time. To this day corrupt union leaders are popularly known as charros.

Corrupt lifestyles offer charros a reward for their loyalty, but they can also be used as a means of control. Since much of the corruption is technically illegal, if a union leader dares to oppose someone higher up in the party apparatus, he can be denounced and jailed. This was clearly demonstrated when President Salinas moved to jail, La Quina, the powerful leader of the petroleum workers union. Juaquin (La Quina) Hernandez Galicia had controlled the Petroleum workers union (STPRM) since 1961. When he opposed the 1988 candidacy of Carlos Salinas, known to favor privatization of state owned businesses such as PEMEX, he went too far. Although La Quina's favored candidate, Cuauhtemoc Cardenas was ahead in the vote count before the electoral
computers "failed," by the time they were made to work properly Salinas had won. Shortly after Salinas took office police used a bazooka to blow down La Quina's door and sent him and 20 other union officials to jail on charges of "corruption and gangsterism." (La Botz, 1992, p. 106, Middlebrook 1995:293-95)

In addition to the lavish lifestyles available to corrupt union leaders, charros are tied to the PRI through political positions. Union leaders that served the party well could become Diputados, Senadores, or even Gobernadores. Current CTM leader Leonardo Rodriguez Alcaine explains, "All the popularly elected positions which members of the CTM occupy are part of the common inheritance of our organization, and the National Executive Committee is in charge of their distribution." (Velasco, 1998)

In return for personal enrichment and the chance for political power, official union leaders have been expected to assure that their workers vote for the PRI. On the local level, union leaders have had recourse to coercive means of control because no worker can work at a unionized plant unless he is a member of the recognized union, and a union can expel uncooperative members. But, far more importantly, unions have offered some real benefits to their workers. From the early 1950's until the late seventies, workers wages rose steadily. Workers also gained access to improved retirement and health care benefits. And many received government subsidized housing through the INFONAVIT program. All of these benefits came through the unions and were secured by the PRI. During these days of rising salaries support for the PRI was so wide-spread that there was no significant political alternative to vote for, and workers voted massively for the PRI.

In short, the corporatist system developed by the PRI was remarkably stable. It offered affiliated unions legal recognition, benefits for its members, and a say in national policies in return for cooperation with national policy and votes for the PRI. It offered collaborating union leaders comfortable lifestyles and a chance at political office in return for their orderly control of the workers. Those who cooperated saw real benefits. Those who did not, risked everything.

Weakening the Corporatist System

Massive debt burdens forced Mexico to begin reorienting its economy in the mid seventies. The discovery of new oil postponed radical changes for a while, but in the early 1980's falling oil prices and IMF directives forced Mexico to change its economic policy from one of developing its internal market through import
substitution to one of attracting foreign investment and promoting exports (Handleman, 1997, p. 126-135, Middlebrook 1995:255-287). In 1986 Mexico joined the GATT. This opening of the Mexican economy rapidly destroyed jobs in many industries. It also set of waves of inflation that resulted in catastrophic erosion of wages. The value of the minimum wage which had risen steadily since 1951 began to fall in 1977. By 1983 it had lost half of its value. By 1998 it had lost 80% of its purchasing power, and two thirds of the economically active population received less than two times the minimum wage (Arroyo, 1997, p. 38, Velasco, 1998b)

While the commitment to an open economy closed many businesses and damaged workers salaries, it did spur one area of economic growth. Primarily along the norther border the government encouraged the development of maquiladoras, factories owned and operated by foreign corporations that would use Mexican labor to assemble goods, often from imported components, and then export them. The major incentive Mexico offered foreign investments was a large supply of cheap and well controlled workers. Frequently new manufacturers were able to sign contracts with official unions even before they began to hire workers. These "protection contracts" guaranteed that wages would not rise faster than the level set by government salary caps (generally a few percentage points below the rate of inflation,) and that workers would not engage in any disruptive behavior. Official unions such as the CTM benefitted from the new revenue stream, but if workers tried to raise their wages or improve working conditions they were generally dismissed by the union.

Party and union elites did well as the new government economic policies stimulated rapid economic growth along the border, especially after the economic collapse of December 1994 cut the dollar cost of wages in half. Yet given the complete disconnect between union elites and the workers in the north, it is not surprising that it was in these states that the PRI suffered its first significant setbacks. The PAN won the Governorship of Baja California in 1989, and it won Chihuahua and Coahuilla shortly thereafter.

The erosion of economic benefits for workers led to a weakening of the ability of the party to command support from the workers. Sensing the need to change direction a major fraction of PRI politicians called the Democratic Current left the PRI in 1987. Led by Cuauhtemoc Cardenas and Porfirio Muñoz Ledo this group joined with already established parties of the left to challenge the PRI in the elections of 1988. As indicated above, it was only by blatant fraud that the PRI was able to maintain

President Carlos Salinas (1988-1994) worked to restore his political support, and by promoting the North American Free Trade Agreement he managed to attract a large amount of foreign investment. With promises that Mexico would soon be joining the first world and a slight economic recovery underway, the PRI managed to elect President Ernesto Zedillo in a vote that was deemed relatively free of fraud by international observers. But in order to sell the NAFTA to a skeptical US congress, the PRI had found it necessary to promise to clean up its democracy. It was NAFTA that led to the presence of international observers in 1994 (Middlebrook, 1995, p. 306). And it was NAFTA that led Zedillo to promise still further reform that would lead to transparent democratic electoral procedures.

Shortly after Zedillo took office, in December of 1994, the economic false front which Salinas had erected with high-interest, dollar-denominated bonds came crashing down. The peso moved rapidly from three to the dollar, to seven to the dollar. Businesses failed, real salaries fell even further, and millions went bankrupt. Besieged by workers, peasants, and middle-class debtors, Zedillo, none-the-less moved forward to relatively free elections in July of 1997.

In February of 1997, the CTM held its 121st General Assembly in anticipation of the coming elections. Heading into a year of political uncertainty the huge union organization reelected 97 year old Fidel Velasquez as its Secretary General. In his speech to the assembly Fidel urged the all union leaders to "control their troops" to make sure that they did not vote against the PRI. "And those that don't agree, I repeat, should just go home. There is no room for them in the CTM." (Becerril, 1997)

In the historic elections of 1997 the monopolistic power of the PRI was broken. The PRI lost its majority in the Chamber of Deputies, and a coalition of opposition parties agreed to work together against the PRI. The right-wing opposition party PAN now controls the governorships in Baja California, Nuevo Leon, Aguas Calientes, Jalisco, Guanajuato, and Queretaro. The center-left PRD controls the government of the Federal District (Mexico City) and the governorship of Zacatecas. Opposition parties control local government in 17 of 31 state capital cities. At the municipal level the PAN and PRD combined govern 55.5% of all Mexicans (Velasco, 1998). In anticipation of the next presidential elections, four top Mexican corporations took out an ad in *Forbes* declaring, "...even though the PRI might lose control" in the year 2000, President Zedillo will leave behind "a
diversified economy as demanded by the International Monetary Fund." (Galán, 1998)

The change of economic models demanded by the IMF led to an erosion of the benefits which had helped tie workers to the PRI. The necessity of selling Mexico to the citizens of Canada and the United States as a democratic partner, require that the PRI forswear many of the mechanisms of electoral fraud which prevented its collapse in 1988. The combination of renewed economic hardships for workers and peasants, and the presence of a newly democratized electoral system has led to a series of defeats by official labor candidates. Evidently that is why Zedillo feels the party can no longer afford to hand out electoral slots to labor union candidates (Vargas, 1998). Yet failure to afford those "luxuries" of the corporatist system may further weaken internal discipline and contribute further to its demise.

While the corporatist labor system is still firmly in place, its ability to function as a reliable arm of the PRI is being severely tested. Any meaningful democratization of the Mexican political system must include a democratization of labor relations. While that outcome is not at all certain, many are working towards that end. This paper now examines a number of areas in which the system of control is either fraying or being reshaped.

**May Day and the Death of Fidel**

Mexico's labor day is celebrated on May 1st and has always featured a large march. The march had traditionally led legions of official union members in a parade past the President's balcony at the National Palace in order to thank the President for his defense of the working people of Mexico and of its glorious Revolution. Given the massive discontent and political organization spurred by the entry into NAFTA and the collapse of the peso, in 1995 the peak labor organization, the Congreso del Trabajo (CT) decided it would be wise to cancel the march.

This left a political space open to address labor issues. Given short notice, the diverse groups interested in protesting the government's labor policies were unable to agree on one coherent plan, but all agreed that the day should be celebrated by any and all protest groups. Many groups marched at various times and places and with various themes in a massive display of discontent. One of the groups to emerge from May 1995 was the Coordinadora Intersindical Primer de Mayo (May 1st inter-union
coordinator, CIPM) a diverse group of left-wing labor and associated activist groups.

In 1996 the CT also canceled its May Day parade. Both the Foro (see below) and the CIPM, called marches. They agreed to have them at different times since they were not willing to agree on a common message. An independent labor federation, the Frente Autentico del Trabajo (FAT) marched in both parades and was the only organization to do so.

In 1997 a similar situation occurred in the streets. While efforts were made to have the CIPM and FORO come together in a unified rejection of government labor policies, the two groups were unable to develop sufficient trust. Two simultaneous marches were held, but with different routes. Although they both converged on the central plaza, the Zocolo, they held separate rallies there. While the opposition was unable to unify, the official unions did far worse.

The official unions held an event which President Zedillo attended in the national auditorium. Admission was by invitation only and tightly controlled. Yet the banners workers carried displayed mixed messages, as though they had been folded in half when they passed the censors. One read, "Oilworkers With Zedillo! We Want Real Wages!" While another proclaimed, "Mr. President, Tourist Guides Support your Policies! We Struggle for Wages that Rise with Inflation!"

For the first time ever, CTM leader Fidel Velasquez was unable to attend. His second in command ended a long speech to an increasingly disorderly crowd with "For the workers organized in the Congress of Labor there is no doubt. Our political convictions place us on the side of the PRI!" Workers throughout the hall broke into loud choruses of "BOO!"

The crowd was more respectful for President Zedillo, who had been seen hastily amending his speech in the midst of the unruly crowd. He was interrupted only once with jeers, when he began to speak of his economic successes. Yet as he was leaving a small group of workers took up the cheer, "Hermano, Zedillo, ya llena mi bosillo!" (Brother Zedillo, fill my pockets now!) (Gallegos, 1997)

May of 1998 saw the PRI attempt to reassert itself with a public celebration of May Day, held in the Zocolo with shouts of Viva Zedillo! Workers from official unions were hauled in to the Zocolo by 9 a.m. They listened in silence to the President and to the head of the CT. Zedillo assured them that his government was
on the side of the workers and he called for national unity. But the official rally broke up by 9:35, before the marches of the UNT and the CIPM arrived at 10:00. Members of the teachers union, SNTE not only presented President Zedillo with a union hat, they also clamored--less respectfully--for real raises. The CIPM and UNT marches were a replay of 1997, large, noisy, and critical.

These May Day events have shown the official labor movement unable to control even a had-picked crowd of its own supporters, let alone to command the respect of the masses. The chief business news paper, *El Financiero*, observed that by its effort to perform rituals of fealty to the President despite the economic crisis of the workers, the official labor movement further demonstrates that it has renounced even pretending to be a legitimate spokesperson for the workers (Fernandez Mendez, 1997).

In news stories about May Day, Fidel Velasquez had been referred to as "not yet officially dead." (Gallegos, 1997, p. 52) Yet the man who had been in control of Mexico's largest union organization since 1940 refused to relinquish control. For decades he had prevented any change within the core of the official unions, even as economic and political reality changed around him. His impending death encouraged a variety of maneuvers within labor unions. When he finally died, June 21, 1997, in time to avoid the electoral debacle of July, modest changes were possible. Yet the choice of his successor, Leonardo Rodriguez Alcaine, another old member of the old guard, meant that fundamental changes would be postponed, at least for a little while. The next two sections of this paper describe maneuvers of other labor leaders seeking change despite the temporary rule of Alcaine.

**FORO-CTM Talks**

Officially known as "the Forum (Foro) of Unionism Facing the Nation and the Crisis," the Foro came into existence in 1995 in response to two issues: the economic collapse of the nation, and the government's policy of privatization. The initial impulse for the Foro came from the electrical workers union (SME) that provides power to Mexico City. It was opposed to having their government-owned company privatized. In coordination with the Esther Gordilla of the nation's largest union, the teachers union (SNTE,) and the small but broad based Revolutionary Confederation of Workers (COR), SME called the first Forum into being. Eventually it grew to include 25 unions as other unions of the reformist federation FESEBES joined as did the metal workers
The Foro reflected the conflicting and the common interests of its members. All unions faced an environment that had radically altered since the decision to move the country into the global economy. And all suffered under a union structure dominated by the unchanging dinosaur, Fidel Velasquez. The notion of blind obedience to injurious state policies out of loyalty to the PRI was unacceptable to them. Yet this alliance around a common problem, the neo-liberal policies of the state, which had so directly damaged the interests of their memberships, was not matched by a common vision of the preferred future. One of the fundamental problems within the Foro was the competition between two aspiring successors to Fidel. This rivalry between Profesora Gordillo of the SNTE and Francisco Hernandez Juarez of the Telephone Workers (STRM) is discussed below. Other conflicts were fought out in the struggle for common language in the basic documents of the Foro.

Because the Foro was founded in reaction to the non-responsive corporatist structure of the Congress of Labor (CT) and the CTM, and because the Foro invited the participation of independent unions which had never been affiliated with the PRI, it was obliged not to dismiss their calls for democratizing the union movement. Hard work from the radically independent federation of independent unions, the FAT, won support for language calling for democratic decision making within the Foro, democratic decision making within Foro unions (a long stretch for many) and an end to corporatist labor relations. (FORO: El sindicalismo ante la nación, 1997, p. 24)

This last point was especially difficult as key leaders within the Foro had grown up within the system. Their main complaint was that unions had lost their power as interlocutor between the state and unions. For many, their vision was to become the new intermediaries of the working class in dialogues with the state. Although some of the language adopted in Foro documents called for an end to those old ways, the language was often flouted in practice. For example, in October of 1996, when President Zedillo was preparing to impose a new social pact setting the limits on salary hikes, food and utility prices, etc. for the following year, he began his traditional consultations with official union leaders. At the last moment, four leaders of the Foro representing SME, COR, SNTSS, and STRM, entered into the negotiations. Acting in the name of the Foro, but with no permission to do so, they managed to increase the wage hikes from 15% to 17% (Becerril, 1996). This hike was not entirely
trivial—although inflation for the year did exceed 17%—but it did legitimate the structure of corporatist pacts which the Foro had officially condemned, and it did so in the old style of deal making between individual leaders with no involvement of other members of the Foro, let alone the rank and file.

The Foro established itself as an important voice criticizing not only government economic policies, but the old Congreso del Trabajo and the country's political structures as well. Proclaiming a new type of unionism that was "democratic, participative, and propositive," it called for a "democratization of civil society and the democratic reform of the state." It condemned an economic policy of "savage modernization" calling instead for economic policies in which "the human being, the worker, is the center of attention." (FORO: El sindicalismo ante la nación, 1997, p. 22-23)

In late June, shortly after the death of Fidel Velasquez and before the impending electoral disaster facing the PRI, Juan Millan, Secretary General of the PRI, and a key proponent of modernization within the CTM, began discussions with Hernandez Juarez about a possible dialogue with the Foro.

The idea developed within the Foro, but not without controversy. One key discussion was what the agenda should be. On July 2, 1997, the political committee of the Foro developed a proposed broad agenda that ranged from recuperation of salaries to pending reform of labor law, to the structure of the corporatist system itself (Comision Politica del Foro, 1997). There was disagreement between various members of the Foro about whether to push a hard-line agenda or whether just to pursue talks for the sake of possible unity. This disagreement was indicative of those whose project was primarily changing the way things had been run—with the FAT and the pilots' union, ASPA, in this camp—and those who sought to use the Foro to gain power within a modified corporatist structure—with COR and SNTE supporting this position in a meeting on July 9th (Foro, 1997).

An informal meeting was held between the Foro and the CTM on July 10th. Days later another less formal meeting was held to advance the agenda. The CTM asked that the Foro stop attacking it in the press while the FAT asked the CTM to stop attacking it in plants where it was trying to form independent unions. The fact that the CTM accepted even this provocative point indicates that they had determined to move ahead in an attempted rapprochement with the Foro. It was expected that Rodriguez Alcaine, the recently appointed head of the CTM would attend the next full "informal" meeting on July 17th. Before that meeting could take
place, Alcaine was called to the presidential residence, Los Pinos, to meet with Zedillo. After this meeting, the meetings with the Foro were cancelled and Alcaine along with leaders of the CT began to openly criticize the Foro.

Apparently, what began as a discussion between two young and innovative leaders within the PRI, Juan Millan and Francisco Hernandez Juarez, and within their respective union movements, was vetoed by more traditional forces within the PRI. The envisioned blending of the apparently progressive and critical Foro with a CTM under the innovative leadership of a new generation, might have redeemed the core of Mexico's corporatist structure in the eyes of the media, and perhaps in the eyes of some of the workers. Perhaps the serious challenges brought by some members of the Foro indicated that this organ would not be easy to manipulate for the ends of the PRI, even with the involvement of the very capable Millan and Hernandez Juarez. The dinosaur faction of old time PRIistas appear to have won this interesting skirmish. It is not clear if anyone lost.

**From the Foro to the UNT: Caudillos or Progress?**

The above discussion has shown some of the complexity of the phenomenon known as the Foro. As discussed above, the Foro began in 1995 as the result of the union representing the workforce of Mexico City's electrical company to avoid a devastating privatization. It sought allies and found them in two unions closely aligned with the PRI: the COR and the SNTE. The COR will escape analysis here except to point out that while it has a history of occasionally challenging the status quo, as in its support for dissidents trying to form a new union at the Ford assembly plant in Cuautitlan despite resistance by the CTM that included cold blooded murder, it also has a close relationship with the PRI (La Botz, 1992, p. 148-159). The Mexican Electricians' Union (SME) has a history of internal democracy and struggle against the government dating back to the Workers' Insurgency of the 1970's (Sánchez, 1995).

The SNTE, the teachers' union, is extremely difficult to categorize. It is at least partly an arm of its former secretary general, Esther Elba Gordillo, who is widely seen as a progressive force in the labor movement. She is also the leader of the Popular Sector of the PRI, an extremely important post within the party. From gordillo the SNTE passed into the hands of Humberto Davila, seen widely as a traditionally corrupt charro. The SNTE has a huge number of dissidents within its ranks the largest group of which, the CNTE, feels that both Gordillo and
Davila have resorted to murder to secure their positions in power. Because the teachers' union is Mexico's largest union, with over a million members throughout the country, it carries enormous weight. Because it is riven with dissent, its direction is never entirely clear.

Gordillo, operating through both the SNTE and her own institute, IEESA, (the Institute of Education and Union Studies of America) has always been a huge force within the Foro. Gordillo was made head of the SNTE by President Salinas when it became obvious that a corrupt leader needed to be replaced by a modernizing one in order to prevent the democratic dissidents from gaining control (Russell, 1994, p. 294-296). She is clearly one willing to promote reform in order to maintain the power of the PRI. IEESA, whose source of funds is not entirely transparent, promoted a lavish series of seminars in the summer of 1996 on topic of modernizing the labor movement. While they burnished her image, they promoted no action.

The second force within the Foro is embodied in Francisco Hernandez Juarez, the head of the national telephone workers union, STRM. Hernandez Juarez won the post of Secretary General of the STRM in 1976 at the head of an anti-charro coalition. In order to secure his tenuous position he got his supporters to abolish the union's prohibition against reelection, and he has been in the post ever since. Although he initially kept some distance from the PRI, in 1984 he recommended that STRM members vote for the PRI, and in 1987 he was elected President of the Congress of Labor. In 1989 President Salinas, seeking to promote a leader more interested in modernizing labor relations than Fidel Velasquez, supported the idea of Hernandez Juarez to create a new federation in the service sector, FESEBES. In 1992 Hernandez Juarez proved his reformist nature by intervening in a bitter strike at Volkswagen. Under his solution workers fired and rehired as members of a newly reconstituted union that had lost its heritage of rank and file democracy. The plant gained "labor flexibility," and the new (i.e. without the strike organizers) VW union joined FESEBES.

Hernandez Juarez negotiated new labor contracts with the privatized Telmex, focusing on increasing productivity of the company and preparing for competition with international telecommunications corporations. Salinas was so happy with him that he often took him abroad to display a new type of union leader "capable of understanding that we live in new times." (Proceso, 1992)

Both Hernandez Juarez and Gordillo owe their advancement in large part to past president Salinas. They both represent a wing
of the PRI that seeks to modernize labor relations and politics in general in the context of a new global economy. Their different strategies for renovating the PRI, and their strong ambitions led to a major clash within the Foro.

All within the Foro openly criticized the state of labor relations in Mexico. But Gordillo sought to use the Foro to stimulate a renovation of those relations while Hernandez Juarez sought to break with those who refused to change (the dinosaurs.)

The difference came to a head when the Foro moved to promote a national assembly of the workers and to call for the founding of a new labor federation, the National Union of Workers (UNT.)

The Foro convoked a National Encounter of Unions that met at the end of January 1997. It was attended by 72 unions including many independent unions that had previously kept their distance from the Foro. The most significant agreement to come out of this Encounter was to call for a "National Assembly of the Workers before the 31st of July, 1997" whose agenda would include "analysis and discussion of new forms of organization for the workers." (FORO: El sindicalismo ante la nación, 1997, p. 67) Hernandez Juarez had pushed for a date in April, well before the July elections. Gordillo managed to delay the event until after the elections were over. She also managed to reduce the calls for a new federation to the more general language on "discussion of new forms."

Discussions within the Foro grew bitter in July. Unions allied with Gordillo proposed reasons to delay the Assembly further. They pointed out that discussions with Juan Millan and the CTM had just begun and that surely Millan's invitation must be "to find a way to respond to the just demands of the working class of Mexico." (Foro, 1997) A member of the opposing bloc stated that workers wanted "a national way to achieve democratic rights for workers. How would we tell them that we can't move ahead." (ibid.) Although there were speeches saying that the Foro agreed to work by consensus and that there were no "blocs" within the Foro, it appeared that most Foro unions were split into two opposing blocs and that consensus would be impossible.

The assembly was delayed until August, but it did produce a call for the formation of the UNT. Gordillo's faction refused to support it and pointed out that the UNT without SNTE's 1.2 million members would be much smaller than its proponents hoped for.

The UNT was officially born November 28, 1997, in a traditional "magno evento." There were speeches, banners, and music. There were thousands of workers paid to attend and hauled
in on busses. In a reminder that the dangers of clientilism and caudillos are not consigned to the past, most workers seemed more interested in cheering for leaders of their own unions than anything else.

Speeches condemned the CT as a useless, empty shell. The central principles approved at the event are quite distinct from those practiced by the old labor federation. They celebrate "democracy, autonomy, and independence for unions," and the lack of any direct link to any political party. Its eighteen point "Program of Action" included as fundamental objectives:

6. The full exercise of democracy as a regime for the country and for unions, and the democratization of the labor movement.
8. The establishment of mechanisms that guarantee the participation of the rank and file in the making fundamental decisions of the UNION.
12. Struggle to see that the various organs that make up the system of labor relations in the country respect the right of unions to authentic representation (Union Nacional de Trabajadores: UNT, 1997, p. 4).

The structure of its leadership reflects the stated desire to be "democratic, plural, and inclusive." It has three presidents and eight vice presidents to prevent it being captured as a tool of personal power. However, this structure can change after the first year. Evidently this reflects a compromise within the UNT in which some are more preoccupied than others about the danger of creating a new caudillo like Fidel Velasquez.

The birth of the UNT attracted an impressive array of foreign unionists. Delegates arrived from Chile, Brazil, Italy, France, and the United States. They included leaders of federations, such as the AFL-CIO that had previously restricted its Mexican contacts to official labor organizations like the CTM and the CT. It was obvious that these international unions were seeking alliances with what they hoped would be a new union movement within Mexico.

The SNTE publicly criticized the UNT as merely a federation of small unions. Yet in the last weeks leading up to the founding of the UNT the organization had opened its membership to include many organizations representing peasants and other rural laborers. It claimed a membership of 1.3 million.

The power of the UNT will not depend merely on the numbers of workers it can claim, but on its power to influence the political development of the country. The first action called
for by the UNT was to be a massive demonstration December 2nd in front of the Congress during which it would officially present its program of action. Only 50 workers showed up. There had not been time to adequately prepare for the event, but this represents a fundamental problem of the Foro/UNT.

Despite the language about involving the rank and file within the UNT, the new organization was born out of the Foro which was primarily an assembly of General Secretaries talking about issues. Many of those leaders are used to giving commands and having them followed. Few have any significant experience organizing a democratic movement. Several seem to hope that this new organization will allow them to talk directly to the President as a way of resolving issues, and they show little interest in talking directly with rank and file workers.

In this role of interlocutor the UNT has made some headway. By September of 1998 the Mexican press was treating the UNT as it was treating the CT or the CTM, as an important voice to be consulted on all major labor policy issues.

The division between Gordillo and Hernandez Juarez which plagued the birth of the UNT is a division between union leaders with powerful positions within the PRI. Both felt the need for change. Both sought to cultivate the loyalty of workers by criticizing established, anti-worker policies of the PRI and the decay of the labor movement. It is widely felt that each of them sought to be the new leader of the working class after the death of Fidel. Evidently Gordillo favors the renovation of existing structures such as the CT. Since Zedillo asked Alcaine to cancel talks between the CTM and the Foro, we may conclude that Gordillo is closer to the President’s position on reforming slowly. One might conclude that Zedillo trusts her more than Hernandez Juarez who has pushed for more rapid change through talks with Millan of the CTM and through the creation of the UNT which he clearly hopes will make the old CT obsolete.

It is important to remember that while Gordillo heads the Popular Sector of the PRI, Hernandez Juarez holds a seat on the elite political council of the PRI. It is personal ambition and style which separates them. Both seek to revitalize the link between workers and the PRI. Both are corporatists.

It is disturbing that what looks like one of the most hopeful signs of change to come out of the Mexican labor movement since the 1970’s--the formation of the UNT--may merely be more of the same. However, there are those within the UNT who are determined to see if they can make it serve genuinely democratic
purposes despite the ambitions of some of its leaders. The meaning of the UNT is yet to be determined.

In an interesting post-script to the founding of the UNT, Mexico City's electrician's union, SME, has decided to join the UNT. It had started the Foro in a bid to avoid privatization. It found support from Gordillo, and it maintained that relationship with her by refusing to promote the UNT. In early 1998 when it became clear that Gordillo could offer no real protection for SME, SME decided to join the UNT. Perhaps Gordillo's close relationship with Alcaine, head of a non-democratic electricians union that would like to swallow SME was disconcerting. Or perhaps SME senses that the UNT may have some real power to help it.

**Han Young: International Pressure for Change**

The Korean-owned Han Young factory in Tiajuana, Baja California, employs less than 200 workers making truck chassis for export to a Hyundai plant in San Diego. Yet the evolution of its labor relations in the last year show three important dynamics at work: 1) the vulnerability of the national government to international pressure about its abusive labor relations practices, 2) the importance of international labor solidarity, and 3) the desire of those within the corporatist system of labor control not to change, regardless of party affiliation.

On June 2, 1997, 120 workers at the plant held an unauthorized work stoppage. The company had not paid the required profit sharing; there were numerous health and safety violations; the workers wanted a raise; and they wanted a union of their own choosing. When police arrived to break up the strike, they were meet by members of the San Diego based Support Committee for Maquiladora Workers, ready to record any abuses on video camera. Workers denounced their official union leader, a member of the CROC (Revolutionary Confederation of Workers and Peasants) saying he didn't represent them and should leave.

Workers petitioned the government for an election to chose which union they wished to represent them. They decided they would like to affiliate with the metal workers union of the independent labor federation, the FAT. In an election held on October 6th, 55 workers from the plant voted for the FAT, and only 7 voted for the CROC. The JCA labor board then allowed a group of Han Young supervisors and workers hired after the organizing drive to vote. Despite the addition of these illegal voters the final count, 55 to 32, was still in favor of the FAT.
This was the first time an independent union had ever been able to win an election in a maquiladora plant. The president of the labor board had been fired days earlier for agreeing to allow the voting to take place. The new president simply refused to acknowledge that the election carried any legal weight.

At this point the San Diego Committee and other labor organizations throughout the US and Canada swung into action. While Tiajuana workers began a fast for justice US unions began boycotts of Hyundai car dealerships--just as the Korean economy went into crisis. The AFL-CIO which had recently established positive a relationship with the FAT, spoke with the Korean autoworkers, who said they would stop production if the matter were not solved. US Congressional Representatives, then considering the President's request for "fast-track" authority to negotiate new trade agreements, conducted tours of Tiajuana. They pointed to Han Young as the sort of abuse that goes on if trade agreements treat labor as an afterthought the way NAFTA does. President Clinton spoke to President Zedillo and asked him to resolve the embarrassment.

Zedillo ordered the JCA to comply with the law, but the JCA was under the influence of Baja California's Governor Teran, a member of the National Action Party (PAN.) He, like other PAN governors feared that if he followed the law and allowed independent unions to organize in the maquiladoras, the maquilas would relocate to another country. The JCA continued stalling.

Then in late December the JCA called for a new election. This time the contest would be between the FAT and the CTM. The CTM offered workers bribes of nearly a month's wages, and they stationed thugs in the street that tried to intimidate workers as they entered the JCA office to vote. None-the-less, the FAT union won again, although by a very small margin. The JCA reluctantly recognized the workers' victory, and they granted them a registry for the FAT union. They also granted them something they hadn't asked for, the registry under a state-wide independent industrial union, in case they ever wanted to leave the FAT and organize other plants in the state. This gift was most likely an attempt to coopt the Tiajuana lawyers who had advised the workers but who had no prior relationship with the nationwide FAT. By June the union dropped its affiliation with the FAT, taking on its new identity as the "October Sixth" union with a state charter.

Two months after the second election the company had still not recognized the workers' new union. The local labor board was still refusing orders from the national government to force compliance. The Federal government announced that it would
establish a new national labor board with an administration appointed by the PRI and responsive to the President. On February 18, 1998, the National Administrative Office (NAO), a division of the Labor Department of the United States, held hearings on the case in keeping with the side accords of NAFTA. Han Young presented virtually no defense.

On April 29 the NAO released its report, finding that Mexico has "not applied uniform criteria in adjudicating disputes between established unions aligned with the PRI and independent unions." The US Secretary of Labor called for consultations with her Mexican counterpart, but the Mexican government fired back an angry response that the United States was "supporting the demands of one side in this dispute, stirring up emotions and generating hopes that go beyond the terms of the North American Free Trade Agreement." Evidently the Mexican government is not about to change its preferential treatment merely because of legal requirements.

Both NAFTA and the recent elections have forced the PRI government to be more sensitive than it might like to be about its international image. The existence of a network of international labor solidarity has brought additional pressure to bear. Yet the fact that the state of Baja California has a governor from the PAN, demonstrates that elections have brought some degree of autonomy to governments not ruled by the PRI. In this case, though, they have allowed this state government to carry on the previous policies of the PRI. The PRI's national level response to the NAO accusations reveals that initial appearances of PAN-PRI disagreements were merely superficial. Both parties agree that control of labor unions must be maintained regardless of domestic or international legal agreements.
Government of the Left in Mexico City

One of the most dramatic results of the election of July 1997 was that Cuauhtemoc Cardenas, the man who was probably elected President in 1988, was allowed to take control of the government of Mexico City. Mexico City is administratively designated the Distrito Federal (DF), much like Washington is called D.C. Prior to this election, its residents had not been allowed to determine who would lead their government. Cardenas not only won in a landslide, his center-left Party of the Democratic Revolution (PRD) won every district election for the local governing assembly. Here we consider very briefly what difference his administration may be able to make for workers in the DF.

Mexico City is the most important manufacturing center in the country, yet a significant amount of the factories lie just outside the City's boundaries in the state of Mexico. Much of its huge service sector is not unionized. Cardenas has the power to appoint people to the Local JCA, but not to the Federal JCA that has jurisdiction over unions operating in sectors considered of national importance. The labor board is a tri-partite organ representing government, labor and business. Cardenas has direct power only over the government appointees of the local JCA within the boundaries of the City. Further limiting what we might expect to see here is the fact that the Cardenas administration has only been in office since December 1997.

An early meeting between Cardenas and progressive labor lawyers left the lawyers surprised at the general ignorance of Cardenas about labor relations. While Cardenas understood the political importance of winning worker's votes, he had very little familiarity with the structural problems they faced within the PRI's corporatist labor relations system.

None-the-less, those interested in democratizing labor relations were eager to see whom Cardenas would appoint to implement his labor policies. If he wanted to make an obviously progressive move, he would appoint someone from the National Association of Democratic Lawyers (ANAD) or from the FAT. After passing over two lawyers with close ties to both of these groups, he appointed Manuel Fuentes as Director of Labor. Fuentes had some experience advising independent unions and he is a friend of lawyers at ANAD, but he has closer political ties to the PRD than some of the candidates Cardenas might have chosen.

Given these initially mixed signals, sources in the FAT have been eager to see what decisions he would make. In its first
significant decision the JCA recognized the strike of the national pawn shop *Monte de Piedad* as legally existent. Since the strike is about labor rights more than about money, it is not likely that a PRI appointee would have recognized the strike. Thus his recognition of the strike is one modest positive indicator of change.

A nearly humorous sign of change was the April strike of 250 labor spies employed by the Mexico City Secretary of Public Security (SPP). They went on strike to protest the loss of Saturday and Sunday work with consequent overtime wages. Apparently under the Cardenas administration they are not being used to spy on as many meetings and demonstrations of workers as they had previously. Evidently this web of spies, along with a costly electronic surveillance system had been created in the early 90's to keep tabs on the increasingly independent labor movement. (LaBotz 1998)

By June of 1998 Bertha Lujan of the FAT expressed her judgement that Cardenas' new leadership in the JCA was a lightweight academic type. "He's not a PRIista, nor is he corrupt. Maybe he'll clean things up a bit. But what's required is someone who's willing to fight, and he's not. Nor does Cardenas want to confront the corporatist system or the business class. What's good is that they are creating a space for social movements. We know that at least the PRD won't get in the way." (Lujan 1998)

This initial evaluation of changes under the Cardenas regime give grounds for cautious optimism. Although this is not an area where Cardenas is determined to make major innovations, he has given some modest indications of a policy favoring greater autonomy for workers.

**Conclusions**

The corporatist system which has sustained the ruling party in power since the revolution has been at best a mixed blessing for Mexican workers. While they have received some material benefits form the Mexican state during the years of the "Mexican miracle," (1950 to 1975) those benefits disappeared with the adoption of a new economic model in the mid-seventies. Workers' failure to establish any significant power independent of the ruling party meant that leaders of official unions were responsible for administering severe wage cuts on their membership. Their ability to maintain control naturally suffered. While the regime was able to survive an electoral disaster in 1988 by committing fraud and by punishing disloyal
labor leaders, the increasing ties to the US and Europe mandated by the regime's neo-liberal economic policies have removed such fraud from the PRI's arsenal. As a result the PRI was forced to accept the electoral defeats of July 1997.

The official labor movement had long based its influence with the state on its ability to deliver the votes of workers. With this ability severely weakened the whole system of corporate control is coming under question. Since ruling party elites have chosen to promote an economic policy which is based on offering cheap and docile workers to a global market, and since workers represent an essential bloc of votes in the country, those elites are very interested in maintaining some form of control over labor unions. Union leaders who have grown up and fattened themselves within that system also seek to sustain it. Yet since they are in closer touch with the workers, some of them are quite aware of the need for some reforms. Others are resisting change in a desperate effort to hold power as long as they can. Independent union leaders and their allies from countries that have been losing jobs to Mexico, see the present as a fine time to break the system open and establish a meaningful democracy.

The case of the May Day rallies show us an official labor movement so out of touch with their base that for three years they were unwilling to risk the public repudiation they might well receive if they dared to take to the streets. The effort to reclaim Mexico's most public space, the Zocolo, on May 1, 1998, was a timid, carefully controlled advance followed by a rapid retreat before less docile unions could show up.

The brief attempt at talks between the Foro and the CTM shows that some in the official unions are willing to risk dealing with reformists for reasons that remain unclear. It is uncertain if they were hoping to coopt the Foristas or if they felt that by joining with them they might shed the dinosaur image their union had earned under Fidel Velasquez. On the other hand, it was somewhat surprising how eager some of the Foristas were to explore an alliance with the organization that has been the most corrupt and controlled of all unions. Some of these Foristas may be the ambitious ones who are more interested in exploring new avenues to power in the post-Fidel era than they are of advancing the interests of workers. Yet even the FAT was somewhat interested in the dialogue, if it could gain them a more even playing field in their efforts to organize unions in plants currently controlled by the CTM. The only thing that is clear from the eagerness of both sides to talk is that they each felt vulnerable and that much was up for grabs. The vetoing of these talks from the highest level of the corporatist system--the suggests that Zedillo was convinced that perhaps things might be
changing too rapidly for his comfort. Stasis was chosen over uncertain change.

To analyze the birth of the UNT primarily in terms of the dynamics of a struggle between two competing union leaders takes much away from the hopes some might prefer to invest in this new organization that was born as a democratic alternative to the corrupt Congress of Labor. Yet it will take a dramatic birth of an as yet unsensed rank and file democratic movement to seize the UNT from its powerful leaders and turn it into a tool of popular empowerment. Without that we are left with the reality that the obvious bankruptcy of the old guard of the official union movement has left much room for maneuver for the next generation of would be maximum leaders. Gordillo and Hernandez Juarez, while remaining loyal to the PRI, see cultivating the image of democratic reformers in touch with the needs of the future as their best political option. They are willing to innovate, but they have each shown themselves willing to sell out workers if it advances their own power. Hernandez Juarez seems to hope to make the UNT serve him as well as the Telephone union has. Gordillo seems to be working an inside track. The tragedy is that no other large scale vehicle to represent the interests of the long suppressed workers has emerged.

The Han Young case shows us that in the era of NAFTA the corporatist regime must not only contend with less fraudulent elections, they must also contend with opposition from unions beyond the borders of Mexico. A clear breakthrough at Han Young might lead to victories at other maquiladoras and touch off a chain reaction that could seriously challenge the system of corporate control. Yet despite ongoing international pressure including the condemnation of the NAO in Washington, the corporatist control mechanisms show no signs of giving in.

Finally, the most clear-cut case of political change resulting from the election, that of Cardenas in Mexico City, is still quite new to judge. Initial results show only limited progress, but of these five most dramatic cases of change in the corporatist system of labor control, this is the most encouraging of all for those who seek a more just system of labor relations.

The Colliers' definition of corporatism asked us to examine the extent to which the state "structures, subsidizes and controls" labor unions. Recent events show us that the state's power over unions remains enormous but that it has diminished. The PRI's control over the state has been shaken through elections. The state itself is in disarray. Within the PRI's labor sector members contend for power while those outside, including the PRD's regime in Mexico City, independent unions,
unions from outside the country, and even foreign governments attempt to alter the system of labor relations.

The old system is crumbling. Some of those raised within it are fighting to take over its controls before it falls, for what ends we do not know. The system is still strong enough to block efforts to finish it off. The future is uncertain, but that is something new. Until recently it was certain that the system would go on unchanged. That is no longer so certain.

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