

**Up against the *charros* and the *changarros*
Mexico's independent unions confront a wave of lousy jobs**

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“We have the best bosses in the world,” trumpeted the headlines in the Mexican press upon the release of an international survey earlier this year. Mexicans responding to the survey, carried out by the Kelly Services temp agency, rated their bosses 7.6 out of 10—higher than in any of the other 28 countries in the survey. Mexico came in second (after Denmark) in the level of job satisfaction.

Few satisfied workers were in evidence among the thousands flooding Mexico's cities last May 1st (Labor Day in Mexico and everywhere in the world except the United States, despite the holiday's Chicago origin). In days past, unionists would file politely through Mexico City's Zócalo, holding signs saying “Thank you, Mr. President.” In 2007, for the first time in more than 80 years, Mexico's president decided not to attend. Felipe Calderón claimed he didn't want to steal the spotlight away from the workers, but many speculated that his main motivation was to avoid angry labor leaders like Valdemar Gutiérrez. “He has no basis for continuing to call his administration ‘the employment administration’,” thundered Gutiérrez, leader of the National Social Security Workers' Union, “when unemployment is rising, the cost of living is going up, the social safety net is being abandoned, and inequality and poverty are exploding!”

Mexican workers have much to be angry about. Despite labor laws that look great on paper and two-plus decades of presidents extolling the virtues of trade liberalization and anti-inflationary measures, job quality has stagnated and in some ways worsened. The *charro* (cowboy) unions, as critics dub the “official,” government-linked labor associations, are trapped in a model left over from Mexico's former one-party state, and deliver little for workers. Independent unions like Gutierrez's seek to chart a different course, but so far their numbers remain small and their impact limited. Mexico's workers may have shifted from ceremonial May Day parades to cries of protest; they are still far indeed from achieving major victories.

Laws and realities

Last May Day, we joined up with the contingent of the Authentic Labor Front (FAT), a small (they claim about 1/18 the membership of the *charro* Mexican Confederation of Labor) but feisty independent union confederation. A sea of union militants in tan t-shirts and red baseball caps converged on the gathering point, near the corner of Lázaro Cárdenas and Artículo 123 in the center of Mexico City. The symbolism of the intersection was potent. Cárdenas was the fiery populist leader of the 1930s who nationalized key industries (notably oil) and fused workers and peasants with the ruling Institutional Revolutionary Party (PRI) via labor law and land reform. Article 123 is Mexico's basic statement of labor rights, enshrined as an article of the Constitution; it opens by stating, “Every person has the right to decent and socially useful work....”

The scope of Mexican labor law can be startling to the casual US observer. Left-wing legal scholar Néstor de Buen recently described the law's requirement of six days of paid vacation

after one year as “a miserable amount”; in the United States, of course, the amount required by law is zero. Mexico’s labor law also restricts firing and requires a holiday bonus of two weeks’ pay, a dozen official holidays, overtime pay, the right to form unions, profit-sharing, labor-management committees to address issues of mutual concern such as training and health and safety, and Councils of Arbitration and Mediation to resolve worker claims against management. In fact, the law is so strong—on paper—that previous president Vicente Fox (2000-2006) tried unsuccessfully to gut it, and Calderón has promised business he will finish the job.

From *chambas* to *changarros*

But two problems prevent this legislation from turning Mexico into a workers’ paradise. First, the law is barely enforced. For example, workers commonly work extra hours, not only without an overtime premium, but without any pay at all; one convenience store employee told us he works an average of four unpaid extra hours a week. Companies dodge the profit-sharing rule by using accounting tricks to declare zero profits, as Volkswagen’s extremely successful Mexico division did this year.

An even bigger problem is that increasing numbers of Mexicans fall outside the scope of the law altogether, because instead of having *chambas* (jobs), they have *changarros* (self-employment or marginal employment in a kaleidoscopic range of microbusinesses and hustles). Unemployment proper has drifted up from 3.6 to 4 percent since Calderón has taken office. But outright unemployment is not a viable option for most, given that Mexico has no unemployment insurance system. Instead, Mexicans join the ranks of those heading north to the United States (about 500,000 a year) or, in even larger numbers, join the informal economy of *changarros*. Experts estimate that today about 26 million of Mexico’s 41 million workers labor without legally required benefits (including social security) or an employment contract. Even in the industrial powerhouse city of Puebla, Rita Amador, head of the union of vendors at the informal Hidalgo Market, reports that unemployed job seekers have increased the group’s ranks by ten percent in the last year alone. Over the last four six-year presidential terms, the percentage of workers without benefits soared from 25 percent to 63 percent.

The benefits gap offers one window on how appallingly bad most Mexican jobs are. There are many others. Even among benefited workers the percentage who are temporary has leaped from 8 percent in 1997 to 18 percent in 2006. Prominent labor lawyer Arturo Alcalde states that of workers fired or laid off in Mexico, four out of ten had been compelled to sign a blank sheet upon being hired, allowing the employer to compose a letter of resignation that voids any complaint about the firing. In the case of Mexico’s new budget airlines (such as Azteca, which just went bankrupt), according to Alcalde, the company goes one better and requires pilots to sign a paper acknowledging receipt of a fictitious “loan”—insuring the company against severance claims.

A March 2007 UN report pronounced Mexican child labor laws a “dead letter” in Mexico. Pint-sized street vendors, cashiers in family markets, and grocery baggers working only for tips, can be seen in every Mexican city. Recent press reports have spotlighted large numbers of children among miners in Guerrero (working 12-hour days for about \$7 a day), melon harvesters in Michoacán (where kids reportedly make up more than half of the crews), coffee pickers in

Puebla, and seamstresses in clothing *maquiladoras* in Tehuacán, a *maquila* hub in the state of Puebla. The mayor of coffee-producing Xicotepec, Puebla commented, “Lately I’ve seen commercials saying it’s against the law, but here work comes very naturally to the children, because it’s their daily bread Children have accompanied their elders to the harvest here all their lives.”

Natural or not, such work has consequences. In the dusty rural community of Analco, Tlaxcala where we are working on a community project, large numbers of children—especially boys—drop out after primary school to devote full-time to farming. Mexico, where the median level of education falls between 7th and 8th grade, can ill afford these dropout rates.

David Salgado, a nine-year old Mixtec boy from Guerero, paid an even higher price when he was crushed to death last January by a tractor while working the tomato harvest with his family in the fields of Sinaloa. Safety and health is another area where Mexican laws look better on paper than in reality. The most dramatic recent incident was the explosion and cave-in at the Pasta de Conchos coalmine, where 65 miners perished in 2006. A church-sponsored investigative commission found a history of negligence at the mine dating back to 2000 and continuing up to the time the investigation wrapped up more than a year after the tragedy.

The deindustrialization of Mexico?

Globalization and trade liberalization (a concerted government policy since the early 1980s) have had mixed effects on Mexican jobs. The influx of (often subsidized) U.S. agricultural goods and the spread of supermarkets that crave large-scale suppliers able to guarantee uniform quality have hammered small farmers. Mexico has become a net food importer. The textile industry, likewise, is in free-fall, shedding nearly 50,000 jobs a year during the Fox *sexenio* (presidential term). Southern Tlaxcala state, where we recently spent six months, is ground zero for textile job losses. Numerous factories are shuttered or entangled in prolonged “strikes” that have devolved into desperate struggles to extract some amount of severance pay. When we admired finely made wool *rebozos* at a local shop, the shopkeeper said, “Better buy them while you can. There used to be six factories here that made these; now there are none left.” He shrugged, “We can’t compete with the Chinese.”

Apparel *maquiladoras*, once a huge growth industry, are slipping away to Central America and the Far East as well. And even in Mexico’s high-tech “Silicon Valley” in the western state of Jalisco, 60 percent of transnational companies have reportedly begun outsourcing, and Hitachi recently announced a plant closing that will idle 4,500 workers. Still, Mexico does continue to briskly export oil, autos and parts, and *mano de obra* (labor-power) in the form of migrants. Overall, the country’s impressive \$80 billion trade surplus with the United States is offset by trade deficits with every other major trading partner (a \$62 billion deficit with Asia alone), leaving Mexico billions of dollars in the hole each year. While workers struggle to cope with the resulting layoffs and stagnating wages, Mexico’s wealthy—like Carlos Slim, owner of the privatized TelMex phone company and recently declared the world’s second-richest man—are doing just fine, thank you. According to an Economic Policy Institute study, Mexico’s corporate profits grew *18 times* as fast as the economy as a whole over the just-ended *sexenio*.

For decades, public employees were relatively protected from the economic ravages that rocked other Mexicans. But no longer. In mid-2006, when Oaxaca teachers mobilized their annual strike for higher wages, Governor Ulises Ruiz chose to forego the customary negotiation and instead unleashed savage repression that over the next six months escalated to mass arrests, disappearances and killings. In March 2007, ignoring worker protests, Mexico's Congress enacted a law to privatize government workers' pensions and convert them from guaranteed payouts to "defined contribution" plans dependent on investment returns.

Paper unions, *charros*, and independents

Mexican labor laws also codify workers' right to join a union. But only about ten percent of Mexican workers are unionized (around the same rate as in the United States). Even worse, as the former CEO of a supermarket chain explained to Chris, "In Mexico, it's very easy to have a union that's a paper union." Labor lawyer Alcalde estimates that over 90 percent of union contracts are *contratos de protección*, designed to shield the company from authentic labor representation in return for a dues rakeoff for union officials. Workers are often unaware they even have a union. Government control of whether unions get a *registro* permitting them to recruit workers in a given sector impedes independent organizing. When that fails, according to the Center for Labor Research and Union Advising (CILAS), the "official" unions often unleash armed goons to smack down opposition. (We spoke with a CILAS researcher the day his report on "union terrorism" hit the media; "I'm glad they didn't mention my name," he remarked wryly.)

Napoleon Gómez, president of the "official" Miners' Union, refused to play the game and led a militant strike last year. The federal government twisted arms and managed to get him removed. This year it was discovered that some of the union officials' signatures on the document used to replace Gómez were forged, and he was reinstated. Advocates of union democracy rejoiced in the victory over government meddling, but the triumph was bittersweet. Gomez's militancy does not translate into a commitment to democracy or transparency. In fact, "Napoleon II" inherited his post from his father, has purged critics from the union, and appears to have siphoned off tens of millions of dollars from the union's pension fund, though all charges have now been dropped. (His temporary replacement was also accused of looting the fund.)

Moreover, as a knowledgeable observer of the Mexican labor scene commented to us, "Even the independent unions are not doing much to organize workers who aren't already unionized. They're fighting to divide a shrinking pool." And with a few exceptions (most notoriously Elba Esther Gordillo, the *charro* leader of the teacher's union who cut a political deal to accept the pension reform that puts her members' retirement at risk), both the official and the independent unions remain male-led despite the growing numbers of women in the workforce.

Two, three, many May Days?

The fractured and weakened state of Mexican labor was much in evidence last May 1st. Gone are the days when hundreds of thousands of workers marched in lockstep with each other and with the Institutional Revolutionary Party (PRI) that ruled Mexico for over 70 years. Mexico City saw four separate commemorations of the workers' holiday. The Mexican Confederation of Workers

(CTM), the largest and most *charro* of the labor groupings, organized a small, half-hour long, and low-energy rally featuring mainstream political leaders like Beatriz Paredes, the current chair of the PRI (and perhaps the only woman speaker heard at any of the union-sponsored events that day). Independent unions, including the FAT, but also telephone and electrical workers, miners, firefighters, teachers, and many others, rocked the Zócalo with angry speeches, guerilla-theater, and a burning in effigy of teachers' union chief Gordillo and Calderón, arm in arm. Spirits were high and the turnout overshadowed the official celebration, but the numbers appeared to be in the thousands, not the tens of thousands.

Meanwhile, the Revolutionary Confederation of Workers and Peasants (CROC) and a number of other unions derided by some independents as “*neo-charros*” chose to boycott both marches and hold their own demonstration, where they naturally called for labor unity. Supporters of the Zapatista rebels followed yet another route, promoting the demands of indigenous and poor people, single mothers, prostitutes, and street vendors. In state capitals in Chihuahua, Guerrero, and Tlaxcala, pro- and anti-*charro* teachers' factions traded shoves and punches.

Nonetheless, May 1st brought hopeful signs as well. The independent unions massed alongside organizations of peasants (including one historically linked with the PRI) and migrants, plus leftists from the Party of the Democratic Revolution (PRD), Mexico's second-largest party, reflecting new alliances that grew out of the tortilla price crisis of January-February. Slogans included food sovereignty as well as labor rights. These alliances have continued to organize protests in subsequent months, though their long-term durability remains to be seen.

Winning better wages and working conditions depends on much more than the number of co-sponsors of a May Day demonstration. It will take local organizing, mobilizing for upcoming state and local elections, creation of cooperatives and other “solidarity economy” outposts, and direct action. The scope of the problem is huge—even megabillionaire Carlos Slim acknowledges that widening inequality marks one of Mexico's greatest challenges. But the flowering of independent unionism is an important step toward a solution.

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