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Lousy Jobs, Invisible Unions: The Mexican Retail Sector in the Age of Globalization

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Abstract

Globalization and modernization transformed the Mexican retail sector over the last two decades. One result is that Wal-Mart has become Mexico's dominant retailer. Another is the poor quality of jobs in the Mexican retail sector. Drawing on a variety of data sources, we review changes and current patterns in the characteristics and quality of retail jobs in Mexico. Retail jobs are worse than the Mexican average. Union coverage is widespread but offers little benefit to workers. Unlike the case in the United States, Wal-Mart offers unionized jobs very similar in quality to those of other retailers; indeed, in general we find little difference between the jobs of global and domestic Mexican retailers. Globalization and modernization have left Mexican retail workers with lousy jobs and invisible unions.

In the last two decades, the retail sector in Latin America has seen two tsunamis of change.¹ First, retail sales, long dominated by small-scale and localized retail (corner stores, public markets) with a few regional chains in the largest cities, was swept by the rapid growth of national chains. This wave transformed sales of food, clothing, and pharmaceuticals, and in many countries included the rise of "superstores" or "hypermarkets," which combine a supermarket's food offerings with a variety of other lines of merchandise such as clothing, hardware, and household furnishings—a format now familiar to the United States through the Wal-Mart Supercenter. In the second surge, global retailers such as Wal-Mart, Carrefour, and Royal Ahold have entered and in some cases come to dominate Latin American retail markets. In the words of Thomas Reardon and Julio Berdegué, "Supermarkets are now dominant players in most of the agri-food economy of Latin America—having moved from a rough-estimate population-weighted average of 10–20% in 1990 to 50–60% of the retail sector in 2000. In one globalizing decade, Latin American retail made the change that the U.S. retail sector made in 50 years!"²

Mexico has participated in and to some extent led these trends. Local grocery heavyweights Cifra, Gigante, Comercial Mexicana, Soriana, and Oxxo underwent growth spurts beginning in the 1980s. Global supermarket powerhouses Auchan, Carrefour, and Wal-Mart, along with convenience store chain 7-Eleven and a variety of other global players (including Home Depot and Office Max) charged into Mexico as the North American Free Trade Agreement (NAFTA) was enacted. Mexico's case is not completely typical of Latin America, in that

46 the retail market has ended up dominated by a single, US-based corporation:
47 Wal-Mart, which is not only the largest retailer but the largest private employer
48 in Mexico, as it is in the United States. But typical or not, the Mexican
49 economy is large and important enough to merit special attention.

50 We examine this dramatic transformation of Mexican retail through the
51 lens of jobs—an important focus, since retail accounts for nearly one Mexican
52 job in five outside of agriculture. What are Mexican retail jobs like, and how
53 have they changed with the latest wave of global investment? What role do
54 unions play in regulating job quality in the retail sector? How do Wal-Mart
55 jobs differ from others in Mexican retail, and to what extent is Wal-Mart's
56 relationship with unions different from that of other Mexican retailers? We
57 draw on several kinds of evidence to answer these questions, including quanti-
58 tative data, retail union contracts from Mexico City and other cities, and
59 in-depth interviews with executives, managers, and workers.

60 To preview the results, we can summarize the answers to our questions
61 as follows. Mexican retail jobs are worse (lower paid, fewer benefits) and
62 more “traditional” (more self-employment, smaller firms) than the average
63 Mexican job. Over time, the jobs are “modernizing” in terms of firm size and
64 employment status, but the compensation gap with other jobs remains. Unlike
65 some other Latin American situations, large companies in the Mexican retail
66 sector are fairly uniformly covered by collective bargaining contracts, but
67 these agreements typically do little to improve the jobs—and indeed most
68 workers are unaware that they have union coverage. Finally, Wal-Mart de
69 México (Wal-Mex), unlike its US counterpart, is very much in the mainstream
70 of Mexican retailers in terms of pay, benefits, and union coverage. This last
71 finding might surprise those who assume that Wal-Mart degrades labor stan-
72 dards wherever it goes, and we discuss the reasons for its convergence with
73 Mexico's other retailers.

74 Our findings bear on two broader debates over globalization. Researchers
75 such as George Ritzer³ argue that globalization homogenizes demand and pro-
76 duction across the globe, and that large multinational corporations therefore
77 wield the power to undermine labor standards globally. Others, such as Susan
78 Christopherson⁴ and Michael Porter,⁵ counter that local institutions and cultures
79 have considerable staying power. A second debate pits those who expect foreign
80 direct investment to raise wages in poorer countries, by providing new capital
81 and technology⁶ against others who argue that foreign investment in poorer
82 countries flows to countries where institutional mechanisms keep wages low.⁷
83 While our research leaves us far from definitive resolution of these debates,
84 even for the special case of retail in Mexico, it does shed light on each.

85 In the next section of the article, we trace the globalization of Mexican
86 retail. We go on in Section 2 to profile the main characteristics of Mexico's
87 retail jobs and how they have changed since the early 1990s. Section 3 offers
88 an overview of unions' roles in the Mexican retail sector. We turn to an analysis
89 of Wal-Mart jobs in Section 4, and then end with a brief discussion and
90 conclusions.

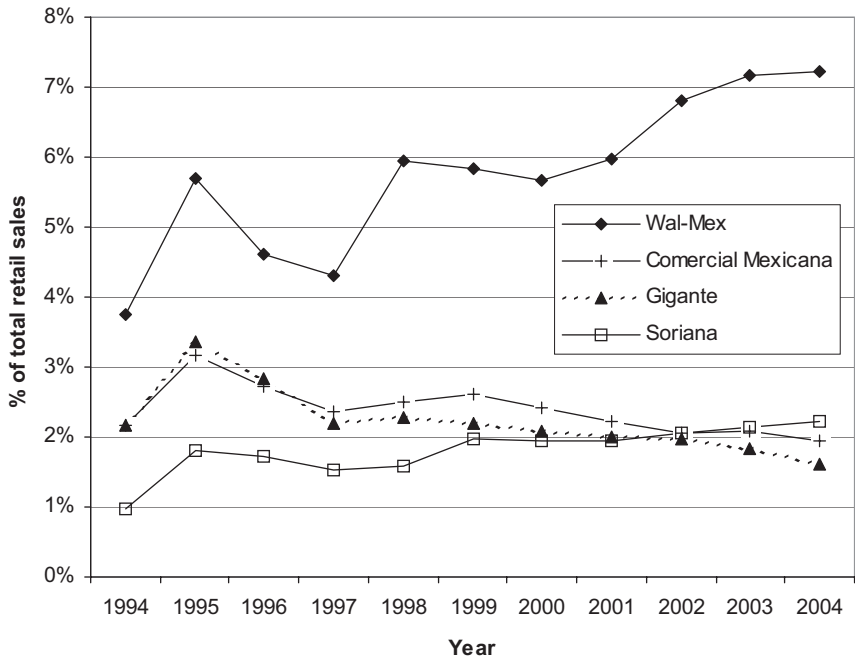
91 *I. Globalization in Mexico's Retail Sector*

92 Mexico's 100 million consumers became a target for global retailers once restric-
93 tions on foreign investment were lifted (permitting majority foreign ownership)
94 and tariffs were reduced (facilitating global supply chains) in a liberalizing set of
95 reforms that culminated in NAFTA. Mexico's global retail influx formed part of
96 a worldwide offensive, in which giant retailers broadened their reach and
97 tightened their hold on supply chains.⁸ Foreign-owned retail was not entirely
98 new to Mexico: Sears entered the market as early as 1947 (but left in 1997,
99 selling its stores and name to Mexican chain Sanborns). Despite such early
100 forays, the big push in foreign direct investment in retail took place in the inter-
101 val between Mexico's entry into the General Agreement on Tariffs and Trade
102 (1986) and NAFTA (1994), and in the years immediately following NAFTA.
103 During this period, the government relaxed trade, foreign investment, and
104 labor restrictions, and Mexican retailers eagerly sought joint ventures with
105 powerful transnational partners. The transition in 2000 of presidential control
106 from the Institutional Revolutionary Party (PRI), which had ruled for over
107 seventy years, to the pro-business National Action Party (PAN), though
108 politically highly significant, did not greatly alter the environment for foreign
109 direct investment, since the dominant neoliberal group in the PRI had
110 already removed the main economic controls of the earlier import-substitution
111 regime.

112 Despite the many players in the 1990s multinational gold rush into Mexico, as
113 of 2006 Wal-Mart stands nearly alone at the head of the global retail pack in that
114 country (Appendix Table 1). Large grocery stores in Mexico typically adopt the
115 *autoservicio* format, the equivalent of a US superstore that combines food with
116 clothing and other offerings. Among *autoservicios*, French giants Carrefour and
117 Auchan never were able to establish a serious foothold, and Texas-based HEB
118 is growing slowly, concentrating on its base in northern Mexico. Wal-Mart, on
119 the other hand, started out in 1991 with a joint venture with Cifra, Mexico's
120 leading retailer, and then acquired a majority share of Cifra in 1997, gaining an
121 enormous head start on its global rivals—and then continued to build stores at
122 a blistering pace. 7-Eleven comes closest to Wal-Mex in number of units, but a
123 convenience store is one twentieth the size of a Wal-Mex Supercenter, and in
124 any case home-grown convenience store chain OXXO has far outpaced 7-Eleven.

125 Figures 1 and 2 provide additional documentation of Wal-Mart's domina-
126 tion of the grocery sub-sector in Mexico. They show sales and employment of
127 Wal-Mex and its three major *autoservicio* competitors, computed as a percent-
128 age of retail industry totals.⁹

129 Several facts stand out from these graphs. First, Wal-Mart is responsible for
130 most of the expansion of *autoservicios* in Mexico. Second, the sales share of the
131 four biggest far exceeds their employment share, reflecting the fact that
132 productivity (sales/employment) is much greater in modern supermarkets
133 than in the small stores and traditional public markets that make up much of
134 the rest of the sector. Third, Wal-Mart and its three biggest rivals are still far
135



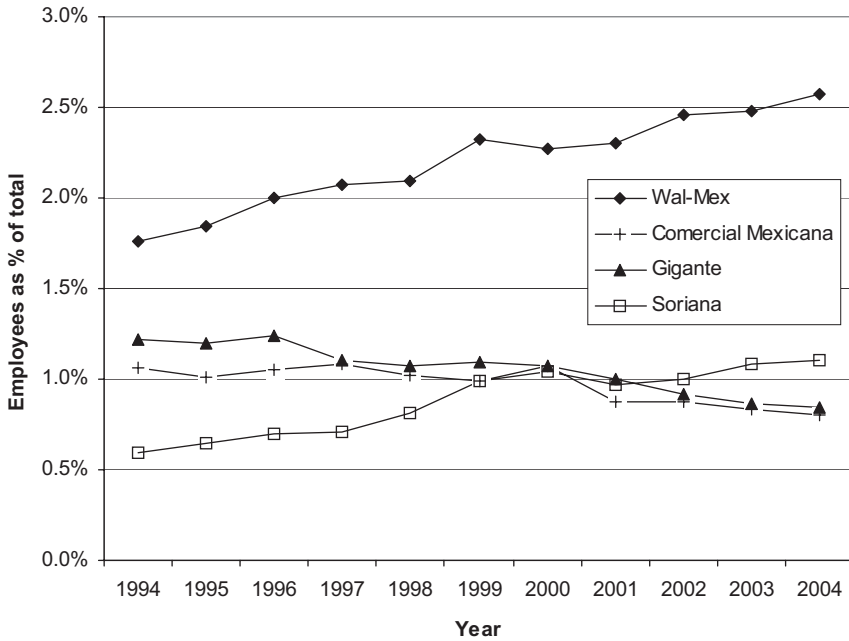
1. Net sales of the four largest *autoservicios* (grocery chains), as a percentage of total sales in retail, 1994–2004.

Sources: Company data 1994–2003 from *Expansión* magazine, compiled by Enrique Dussel Peters, UNAM. Company data 2004 from annual reports. Total retail sales imputed by authors from 1999 and 2004 Censuses of Trade and the Monthly Survey of Trade Businesses, both from INEGI, www.INEGI.gob.mx. Before 1997, Wal-Mart figures include Grupo Cifra (Wal-Mart bought a controlling share of Cifra in 1997).

from controlling the majority of Mexican retail. In 2004, their combined participation was just thirteen percent. Fourth, it is important to note the interruptions in the growth of these businesses' share of retail business, both in 1995 when the "tequila crisis" drove Mexico into recession, and in 1999 when the companies were approaching saturation of major urban areas and had to shift their expansion to smaller cities.¹⁰

2. *The Changing Profile of Mexican Retail Jobs*

A profile of jobs in Mexico's retail sector reveals that globalization has spurred a rapid "modernization" process, but also that the industry remains far more "traditional" than the rest of the Mexican economy, with a continuing concentration in small, family-run businesses. In terms of employment status, in fact, retail workers looked *more* different from their counterparts elsewhere in the



2. Employees of the four largest *autoservicios* as a percentage of total retail employment in Mexico, 1994–2004.

Sources: Company data 1994–2003 from *Expansión* magazine, compiled by Enrique Dussel Peters, UNAM. Company data 2004 from annual reports. Total retail employment imputed by authors from 1999 and 2004 Censuses of Trade and the Monthly Survey of Trade Businesses, both from INEGI, www.INEGI.gob.mx. Before 1997, Wal-Mart figures include Grupo Cifra (Wal-Mart bought a controlling share of Cifra in 1997).

Mexican economy in 2003 than they had in 1991 (Appendix Table 2). The retail workforce, like the Mexican workforce as a whole, proletarianized, shifting from self-employment and use of unpaid family members to wage and salary employment. Nonetheless, this shift proceeded considerably more quickly in other sectors, so that the combined percentage of retail workers who were owners, self-employed, or unpaid in 2003, forty-eight percent, greatly exceeded the twenty-six percent economy-wide.

The size of the typical retail establishment has also grown significantly, and in this case retail has somewhat narrowed the gap with other industries (Appendix Table 3). Nonetheless, in 2003 nearly two-thirds of retail jobs were still in units of one to five people.

Another side-effect of modernization is that employment in the industry has become less disproportionately female: the ratio of women’s share in retail to their share in total jobs dropped from 1.6 to 1.2, marking a certain degree of convergence.

226 One thing that globalization and modernization have *not* changed: retail
227 jobs in Mexico are still relatively lousy jobs. Underemployment and overwork
228 are endemic. The weekly number of hours worked by those in retail does not
229 differ greatly from the economy-wide average (Appendix Table 4). But the simi-
230 larity in averages conceals the fact that retail includes *both* a larger percentage
231 of people working very few hours per week, and a larger percentage of those
232 working more than forty-eight hours per week.

233 Median annual earnings in retail stand at about one-third the economy-
234 wide average, and that ratio has actually slipped somewhat in recent years, drop-
235 ping from 33.8 percent in 1994 to 31.5 percent in 2002.¹¹ Earnings in retail, as in
236 the rest of the Mexican workforce, took a severe hit in the “tequila crisis” of
237 1995. However, retail pay levels were slower to recover than those in other
238 sectors. Retail workers are also less likely to receive key benefits such as paid
239 vacations, annual bonuses and medical coverage, that, in theory, are guaranteed
240 to all Mexican workers by law (Appendix Table 5).

241 Relative slippage in wages has been accompanied by relative slippage in
242 educational attainment (Table 6). Both in the retail ranks and economy-wide,
243 educational levels climbed significantly. However, the retail workforce, *more*
244 educated than the average in 1991, had fallen *behind* the average by 2003.

245 Of considerable interest, of course, is the contrast between global corpora-
246 tions and local, mom-and-pop enterprises on these job quality indices. Mex-
247 ico’s National Employment Survey does not make this distinction, but
248 we can get a glimpse of the difference by turning to the in-depth interviews
249 of retail managers and employees, supplemented with union contract data.
250 This is a small and far from fully representative sample, but the results are sug-
251 gestive nonetheless (Appendix Table 7). Average entry-level pay does not
252 differ greatly between US chains operating in Mexico, Mexican chains,
253 independent small stores, and even market stands. Chain stores pay more
254 than independents, but only by 300–400 pesos per two weeks (thirty to forty
255 cents an hour; US chains pay slightly less than Mexican ones, but the difference
256 is less than seventy pesos [seven cents an hour]). There is much greater varia-
257 tion *within* each of these categories, reflecting very different jobs at the
258 entry level. For example, the lowest-paid regular job at 575 pesos per two
259 weeks (about 58 cents an hour), is a *promotor* who worked for a meat
260 supply company, selling their products to customers within the supermarkets;
261 the highest paid at 3500 pesos (about US\$3.50 an hour) is a department
262 store sales clerk working on commission. The baggers are in a category by
263 themselves: these are high-school students who work five-hour shifts strictly
264 for tips. Though this might seem like rank exploitation, expanding their esti-
265 mated receipts per shift to full workweek equivalents shows that their earnings
266 are equivalent to or higher than the compensation of the regular, full-time
267 workers standing next to them!

268 As we move to supervisor salaries, the gap between US and Mexican chains
269 widens, though these numbers should be interpreted with considerable caution,
270 given that the US chain sample for this variable consists of two companies.

271 Again, variation within retail categories swamps the differences between them.
 272 The same is true for employee turnover, with the exception that supervisor turn-
 273 over in family-run corner stores and market stands is zero—reflecting the fact
 274 that the owners (or in two cases daughters of owners) run these small businesses
 275 themselves. For what they are worth, the numbers show slightly higher turnover
 276 for US-owned chains (based on four reports of employee turnover and a single
 277 report of supervisory turnover).

278 In summary, then, Mexican retail businesses are becoming more modern
 279 in form, but the jobs are getting worse relative to Mexican employment as a
 280 whole. Jobs in US-owned retail companies appear to pay slightly less than
 281 their Mexican counterparts, and perhaps have slightly higher employee turnover
 282 as well.

283 284 3. *Unions in the Mexican Retail Industry*

286 Unions in Mexico are for the most part embedded in the corporatist system that,
 287 since the late 1930s, has been the guarantor of stability in Mexican politics.
 288 In this system, constructed by the then-dominant Institutional Revolutionary
 289 Party (PRI), unions cooperate with industry associations and the state, rarely
 290 playing an independent role and in practice often sliding into corruption and
 291 cooptation. With the loosening of the PRI's stranglehold on power, independent
 292 unions have arisen and some mainstream unions have adopted a more comba-
 293 tive stance, but the bulk of Mexican unions remain relatively quiescent, corrupt,
 294 or both.¹²

295 Literature on unions in the Mexican retail sector is scarce, but agrees that
 296 the retail unions in general represent the worst of the corporatist tradition. José
 297 Alfonso Bouzas and Mario Vega in a paper analyzing union contracts of the
 298 Gigante *autoservicio* chain in Mexico City, concluded: "Collective bargaining
 299 at Grupo Gigante is an expression of the most extreme practices of '*contratos*
 300 *de protección*' [sweetheart or protection contracts] in the history of labor
 301 relations in our country, practices that avoid any authentic representation."¹³
 302 In the year of their research, 1997, Gigante held contracts with twenty-seven
 303 unions in Mexico City, none of them representing more than one store. These
 304 authors suggested that far from competing with each other in order to satisfy
 305 workers' demands, unions compete to satisfy Gigante with the goal of obtaining
 306 more contracts (and, consequently, more union dues) when Gigante opens new
 307 stores.

308 We confirm this general finding based on a sample of union contracts for
 309 large retail companies in Mexico City and two other major cities, Guadalajara
 310 and León.¹⁴ Although this compilation does not corroborate the enormous
 311 fragmentation (one store = one union) reported by Bouzas and Vega, it does
 312 point to very dispersed representation by city and by company, even within
 313 narrow sub-sectors. For instance, Wal-Mart has different unions in each city;
 314 the same is true of department store chains Puerto de Liverpool and
 315 Suburbia (a Wal-Mart affiliate). Similarly, there is no union that represents

316 workers in more than one of the four biggest *autoservicio* chains. Among depart-
317 ment stores, just one union is the same for two companies. Two unions are
318 company unions that only represent workers within a single company (Sears,
319 Fábricas de Francia).

320 Less common are those cases in which different unions represent a single
321 company within the same city. For example, we found two Gigante contracts
322 in Mexico City (both unions from the CTM, the union confederation linked
323 to the PRI party), two for Liverpool in Guadalajara, two for Wal-Mart/Sam's
324 Club in Mexico (one for bakers, one for other workers). Nonetheless, in the
325 case of Wal-Mart (including Suburbia), even though there are just two unions
326 and contract provisions are identical, *every establishment has its own contract*,
327 as was described by Bouzas and Vega for Gigante. This degree of contractual
328 atomization appears to be unique in our sample. Most contracts do not
329 specify the number of branches they include, but those that do aside from
330 Wal-Mart range from contracts covering two stores each (Liverpool in Mexico
331 City) to forty-seven stores (OXXO in León; this appears to represent all of
332 the OXXO convenience stores in the city).

333 In total, the sample includes nineteen unions from four union confederations.
334 This great variety contrasts with the situation in other countries in
335 the Americas. Argentina, Canada, and the United States have just one trade
336 union (with a few unimportant exceptions), and Brazil has two (each belonging
337 to a different confederation).

338 Simply tabulating the distribution of contracts across companies and cities
339 offers information about the quantity of contracts, but not their quality. We can
340 add that these union contracts specify wages significantly above the minimum
341 wage, but few of them call for benefits or working conditions significantly
342 beyond those legally required, a finding also observed by Bouzas and Vega
343 (we present below a comparison of wages and benefits between Wal-Mart
344 and other *autoservicios*). The union representing a particular store or
345 company tends to stay in place over time.¹⁵ We did not find any instance of
346 a store or company in Mexico City, Guadalajara, or León that had changed
347 unions.

348 Another key dimension of unions in Mexico is the nature of their relations
349 with the two fundamental workforce actors: companies and workers. In order to
350 learn more about these relations, we turn again to the in-depth interviews. In the
351 interviews, we and other members of the research team asked about the
352 presence and role of unions in seven privately owned *autoservicio* or supermarket
353 chains, three department store chains, and three convenience store chains (see
354 Appendix Table 9; due to a confidentiality agreement, we cannot identify
355 company names). These interviews did not locate a single active union.
356 Moreover, it is interesting to note the divergence in opinions about whether a
357 union contract exists. In most cases, corporate directors and top-level managers
358 recognized the union's presence, while most workers (and even some store
359 managers!) were unaware of it. The profile of the US-owned chains does not
360 differ greatly from that of the Mexican ones.

361 The case of convenience stores is the most straightforward. Convenience
 362 store chains in the sample subcontract or franchise most (or in one company's
 363 case, all) stores. Therefore, there is no union except in those few stores where
 364 the company hires directly.

365 Other cases are much more complex. There is only one *autoservicio*
 366 company, one supermarket chain, and one department store chain in which
 367 all employees, or almost all of them, know there is a union in the store. In the
 368 rest of the cases, workers are oblivious to unions' presence, and such ignorance
 369 extends to supervisors, sometimes managers, and in one case, a corporate
 370 executive.

371 Unions' invisibility for many workers suggests that these organizations do
 372 not provide adequate service to their membership. In fact, we learned from the
 373 interviews that, as in many other sectors of the Mexican economy, unions'
 374 relationship with managers is distant at best and typically subservient—that
 375 is, they are *sindicatos blancos*, "white" unions. *Sindicatos blancos* are company
 376 unions formed when self-appointed "leaders" sign union contracts without
 377 workers' knowledge in order to create a closed shop that can occupy the
 378 space of a "union." The "union" is then certified by the government and its
 379 legal status blocks the formation of a legitimate independent union.

380 Even in cases in which store-level managers and workers know they have a
 381 union, as in *autoservicio* company 3, it is clear that the union lacks a strong
 382 presence in the stores:

383
 384 Interviewer: Is there a union here?

385 Store Manager: Yes, there is... [Calls name of assistant] It's just that I never
 386 remember the name. [Asks assistant:] What is the union we work with? [The
 387 assistant doesn't know either, and goes to look for the name. The store
 388 manager laughs.]

389 Interviewer: And what is the role, is it more or less a "white" union or...?

390 Store Manager: Yes, "white," almost never, they visit us two or three times a year,
 391 they talk with the personnel, there are some delegates on the sales floor
 392 and all that kind of thing, but their real participation in the store is very
 393 "relaxed"... .
 394

395
 396 Similarly, a former executive of a major *autoservicio* chain, *Autoservicio 1*, con-
 397 trasted the union role in Mexico and the United States:

398
 399 The only important difference is that in Mexico you can have a union which is a
 400 paper union. It's really not anything. But you'd rather have it because if you
 401 don't have it, then you get another union coming in and when you get two
 402 unions fighting, then you're in trouble... . So you do have a union but in the
 403 past as I'm sure today, whenever we have problems in a store, we notify the six
 404 or ten individuals who are starting to really try to form a union, we'll just get rid
 405 of them. I guess that's the procedure. But yes, you do have legally a document

406 whereby you say that your union is such and such and really it's a white paper type
407 of deal. It's not only in retailing, but in retailing it's particularly that way.

408

409 Again, it appears that such unions are not generating significant benefits for
410 employees. A Human Resource manager in the *Autoservicio 3*, another major
411 company, commented that the company limits its union's role to the minimum
412 required by Mexican labor law:

413

414 We have a life free of unions, "union free" [said in English], even though we have a
415 union because Mexican law compels employers to establish a union contract. . .
416 But our relationship with the union makes clear that it does not take part in admin-
417 istrative decisions, nor in human resource planning, let alone hiring decisions.

418

419 A regional manager from *Autoservicio 3* added emphatically:

420

421 [When it comes to unions], people from Human Resources are doing a good job.
422 Everything is kept outside the store. From the point of view of a store manager, it
423 is really good, because we do not have to deal with it.

424

425 In other cases, managers let slip their negative views of unions:

426

427 Interviewer: And what is their role in the company?

428

429 Human Resource Director, Department Store 2: The traditional role of unions,
430 which means they defend lazy people and. . . . [Pauses] We have a very good
431 relation, very dynamic, very much as it should be. We have no complaints
432 about them.

433

434 Workers who are aware that a union exists usually have minimal contact
435 with it and describe little or no impact on their working lives. For example, in
436 *Autoservicio 3* and Supermarket 2, where almost everyone knows there is a
437 union, nobody knows the name of the union. Answering the question, "Do
438 you have contact with the union?" their response was: "No, almost never"
439 (*Autoservicio 3*), and "The truth is, no" (Supermarket 2).

440

441 A clerk at Supermarket 2 gave a more extended comment with the same
442 import:

443

444 Worker: Yes, there is a union. In fact, this is the first company in which I have had
445 a union. I never worked with a union before.

446

447 Interviewer: And it makes a difference?

448

449 Worker: The truth is that I have not. . . that is, I have not noticed. . . I cannot
450 explain what the difference is. . . . With the union they tell me what benefits I
451 have, and things like that. . . . It's not very clear to me, I've never gone to see
452 them. I don't know, I don't know. I'm more focused on my company, to tell the
453 truth.

451 Interviewer: So, do you have any contact with the union?

452 Worker: Sporadically, when I went to training courses they introduced themselves
453 to us, they told us that they could support us if we had a problem with
454 the company or things like that. But no more than that, I mean, it was very
455 brief. . . .

456
457 Ironically, though unionized workers perceive little positive effect of
458 their own unions, we sometimes heard workers declare that unions in
459 general help workers. Consider the following conversation among three
460 clerks at a department store (who are unaware that they are covered by a
461 union contract):

462
463 Interviewer: Does having a union make a difference?

464 Employees: They help the worker more. They respect holidays. Without
465 a union, sometimes we have to work on holidays. With a union, you
466 receive a dinner, a transportation bonus, and uniforms. You get all the fringe
467 benefits.
468

469 Finally, it is important to note that in government-owned *autoservicios*
470 (such as the nearly 400 stores of ISSSTE, the Social Security Institute for
471 Government Workers), the landscape is significantly different. In these cases,
472 managers complained of the “enormous” power of unions inside their compa-
473 nies and employees spoke warmly of the value of union representation.
474 Therefore, although weak, even “invisible” unions are the norm in Mexican
475 retail, there is nothing inevitable about this state of affairs.
476

477 *4. Compensation and Labor Relations at Wal-Mex*

478
479 Wal-Mart de México deserves particular scrutiny because of its dominant
480 position as a retail employer. In the United States, “Wal-Mart exceptionalism”
481 may not be completely justified—there are many low-wage retail employers in
482 that country—but Wal-Mart wages and benefits certainly look skimpy in com-
483 parison to those offered by unionized grocers,¹⁶ and Wal-Mart’s fierce opposi-
484 tion to unions is legendary.¹⁷ In Mexico, however, Wal-Mart’s behavior places
485 it squarely in the mainstream.

486 Consider, to begin with, what proportion of Wal-Mex stores is covered by
487 union contracts. Analyst Marco Antonio Torres from the Center for Labor
488 Studies stated that Wal-Mex “pays an organization to negotiate collective
489 contracts to comply with labor laws,” and in doing so “acts in line with its com-
490 petitors.”¹⁸ In short, Wal-Mart de México formally has union coverage that is
491 universal, or nearly so. The union contracts we located for Wal-Mart, Sam’s
492 Club, and Suburbia in three major Mexican cities (see Appendix Table 1)
493 seem to imply the same pattern. It is true that we did not find (or the staff of
494 the Local Labor Relations Commissions did not find for us) contracts for
495 every Wal-Mart store in each city. However, we consistently found multiple

496 contracts. Moreover, in Mexico City, a staff member of the Commission
 497 commented that, "All the Wal-Mart and Sam's Club contracts are the same,"
 498 when Tilly asked to see more contracts.

499 A 2005 survey appears, at least at first glance, to contradict this conclusion
 500 of universal union coverage at Wal-Mex. In a telephone survey, Fernando
 501 Campos of the AFL-CIO Solidarity Center of Mexico asked each Wal-Mart
 502 store in Mexico City if they had a union. In most stores respondents denied
 503 that a union was present. In a minority of cases, store personnel refused to
 504 answer or replied "don't know." Respondents did not confirm the presence of
 505 a union in even a single store (Appendix Table 10). However, we know that
 506 there are contracts in some Mexico City Wal-Mart stores. In fact, *we have exam-*
 507 *ined current contracts for several stores which gave a "no union" response to the*
 508 *phone survey.*

509 What explains such an apparent contradiction? We can suggest three possi-
 510 bilities. The first one is ignorance. We do not know who answered the call, but
 511 it may have been clerical employees below the management level. As Appendix
 512 Table 2 documents, few employees in the large chains know there is a union,
 513 and even store-level managers are often unaware. A second possibility is that
 514 respondents made a distinction between a "paper" union and "those people
 515 making efforts to establish a union," much like the executive in *Autoservicio*
 516 1 cited above. For example, at one Wal-Mart Supercenter the respondent
 517 said, "There are no unionized workers here, because if they say they are
 518 union members when they want to work here, we won't hire them." Perhaps
 519 "There is no union here" means, more precisely, "There is not an active
 520 union here."

521 The third possibility is the most worrisome. Answers collected by Campos
 522 from Suburbia included: "Nobody in this chain has a union"; "There's no union
 523 anywhere in this company"; and "Somebody already called other stores and
 524 they already told him we don't have a union." These findings suggest that,
 525 at least after the first few phone calls, the survey triggered a coordinated
 526 corporate response. Thus, the systematic denial of unions' presence could be
 527 Wal-Mart's chosen answer to stymie the research. In any case, it seems clear
 528 that the denial does not indicate the true status of unions in Mexico's
 529 Wal-Marts.

530 What does a typical Wal-Mex union contract look like?¹⁹ A review of con-
 531 tracts in Mexico City, Guadalajara and León reveals that other than wage rates,
 532 *the contracts are almost identical in their provisions and contain numerous iden-*
 533 *tical sentences and clauses* (with the exception of the contract at one Suburbia
 534 warehouse). Given that we are dealing with contracts of six different unions
 535 from two different confederations, this pattern suggests that the company
 536 itself framed the contract. Moreover, this same contract has been in force
 537 for Mexico City Suburbia stores since at least 1993, that is, before Wal-Mart
 538 acquired Cifra (the group that owned Suburbia, Aurrerá and Superama).
 539 Thus, it seems that current collective bargaining agreements in the Wal-Mex
 540 "family" are inherited from Cifra.

541 As with most Mexican retail agreements, the Wal-Mart de México contract
542 offers few protections or benefits other than those established by
543 Mexican labor laws. Perhaps the only significant benefit beyond the law is
544 the end-of-year bonus of thirty days pay (twice that required by law). One
545 interesting variation across contracts is that over time, a statement describing
546 a Joint Committee for Productivity and Quality (“Management commits to
547 listen to the union,” “The union commits to promote the spread of a new
548 labor culture,” and so on) appears to be gradually disappearing from the
549 contracts.

550 In order to evaluate job quality in Wal-Mart in terms of wages and
551 benefits, we compare information from union contracts in Guadalajara
552 and León. In these cities, we have contracts for Wal-Mart and two of its
553 rivals for each city. Though Wal-Mart has a reputation for low wages in
554 the United States, the evidence suggests that the US company offers comparable
555 or better salaries to those offered by its Mexican counterparts (Appendix
556 Table 11). Other useful benchmarks include the Mexican
557 minimum wage, which amounted to 525 pesos biweekly in Guadalajara
558 and 505 in León in 2004,²⁰ and the national average retail salary of 792
559 pesos biweekly in 2003 (far below the economy-wide average of 1920
560 pesos); according to these standards as well, Wal-Mart is paying adequate
561 wages.

562 Wal-Mart de México lags slightly behind other companies in benefits for
563 workers (Appendix Table 12). Gigante offers the most generous benefits, including
564 more vacation days, twice as much pay for those vacation days, and a retirement
565 plan. But except for the case of Gigante, Wal-Mart does not stand far
566 behind other companies. Moreover, given high employee turnover rates in
567 retail, such differences in vacation periods and retirement plans for those with
568 higher seniority may only apply to a very small proportion of workers.
569 ANTAD, the Mexican retailers’ association, estimated that in 2004, the turnover
570 rate in the sector was thirty percent every three months, more than 100 percent
571 per year.²¹

572 To be sure, Wal-Mex does not comply with its union contracts in every
573 detail of worker treatment. For example, a cashier complained that, though
574 the contract establishes payment for extra hours, employees frequently work
575 for more than eight hours a day without extra pay:

576 Cashier: If we have a lot of customers, we don’t leave until they leave the store.

577 Interviewer: But do you receive extra pay?

578 Cashier: No, that only happens if you work the complete hour. For example, if I’m
579 supposed to leave at nine and at there are a lot of customers and I leave work at
580 ten, they pay me for that hour. But it is has to be approved by the manager—if
581 not, I don’t get any extra compensation.

582 Interviewer: Do you get such authorization often?

583 Cashier: No.
584
585

586 However, we heard reports of unpaid overtime of this sort at several other
587 chains as well. Once more, Wal-Mart's labor polices appear to mirror those of
588 other large retail chains in Mexico.

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4. Conclusions

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Several striking findings emerge from this paper. To start with, the globaliza-
tion of retail in Mexico is in large measure the story of Wal-Mart's growing
reach in that country. No other retailer from abroad has come anywhere
close to Wal-Mart's impact on the Mexican market—and several US and
French transnationals have pulled out of Mexican retail as Wal-Mart's grip
tightened.

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However, neither global retailers in general (Table 7) nor Wal-Mart in
particular (Tables 9–10) offer jobs of markedly different quality from home-
grown Mexican retailers. Strikingly, in our interview sample the average
entry-level pay rate for US-owned chains only exceeds pay for employees
of *market stands* by about thirty cents per hour. Wal-Mart de México offers
similar pay to the Mexican *autoservicio* chains that are its main competitors,
and slightly less generous benefits. Union representation appears to be
universal, or nearly so, in Wal-Mex and other retail chains alike.
Unfortunately, unionization in Mexico's retail sector has followed well-
established corporatist tracks and done little to benefit workers (with the
exception of the strong unions in the small government-run retail sub-sector),
and indeed retail unions are largely invisible to their members. This set of
findings undercuts the contention that foreign investment raises compensa-
tion, but also challenges the notion that Wal-Mart flourishes globally by
driving down labor standards.

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Why do transnational retail enterprises in Mexico look so much like those
of Mexican origin? Drawing on our other work, we would suggest four
explanations for this similarity. First, the Mexican chains, including Cifra,
were carefully studying and learning from European and US innovations, and
experimenting with innovations of their own, for at least a decade before
Wal-Mart set foot in Mexico. The impact of the globalization wave is harder
to distinguish because the closely related modernization wave was already
well underway when the global retailers arrived. Second, as author Tilly²² has
argued elsewhere, Mexico's *autoservicio* chains have been very capable imita-
tors of Wal-Mart. These two patterns conform with a "McDonaldization"
hypothesis of global convergence.

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The other two explanations, however, cut in the opposite direction. The
third factor is that unlike in the United States, Mexican retail does not include
a stratum with high compensation and significant union power (except for the
small and relatively marginal state-owned section of the industry). Instead, a
huge portion of the industry consists of informal and family-run businesses
that dodge mandated benefits and minimum wages—an option not available
to Wal-Mart, especially given the continuing political pull of Wal-Mart's main

631 Mexican rivals and the ambivalence of most Mexicans to the US-based corpora-
632 tion's dominance. Since undercutting labor costs was not a viable alternative,
633 Wal-Mart has targeted Mexico's middle class and matched its compensation
634 structure to this goal. Although Wal-Mex trumpets "everyday low prices,"
635 "For the average Mexican consumer a trip to a Wal-Mart supercenter is a
636 high-end experience."²³

637 The final explanation for Wal-Mart's Mexican strategy is the simplest but,
638 we would argue, the most profound in its impact: Wal-Mart entered Mexico
639 by collaborating with and ultimately absorbing Cifra, Mexico's dominant retailer
640 up to that point. "Wal-Mart entered [Mexico] under the best of conditions,
641 because it bought the business that was already the leader," a department
642 store executive commented to us. Though Wal-Mart de México has certainly
643 imported many practices from Bentonville, Arkansas, it remains at least as
644 much a Mexican company as a US one.

645 Given these four explanations, the bottom line is neither a full refutation
646 nor a full endorsement of the McDonaldization hypothesis. Mexican retail
647 imitated US innovations, but Wal-Mart also adapted to Mexican circum-
648 stances and adopted Mexican approaches. Taken together, modernization
649 and globalization have powerfully altered Mexican retail (Appendix Tables
650 2, 3, 6). The average size of retail establishments is growing, and the
651 weight of small family-run businesses is diminishing. Average educational
652 attainment of retail employees is on the rise as well. But modernization
653 and globalization have not prevented the *relative* quality of retail jobs from
654 deteriorating. Retail workers, slightly more educated than the average
655 Mexican worker in 1991, now stand below the average. Retail wages have
656 fallen farther behind the national average. By almost any index—wages,
657 hours, benefits—retail jobs are lousy jobs. The problem here is not the low
658 level of wages in Wal-Mart in particular, but the low level of Mexican
659 retail wages in general.

660 In itself, the globalization wave—as represented by Wal-Mart de México
661 but also by a variety of other companies—is neither dramatically raising job
662 standards in the Mexican retail sector nor dramatically undermining them.
663 Neither promoting such globalization nor blocking it is likely, in itself, to
664 improve retail jobs. Rather than focusing on the flow of foreign direct invest-
665 ment, policy-makers must look elsewhere for the tools to improve Mexico's
666 retail jobs: stronger unions, a higher minimum wage, and more rapid
667 economy-wide job creation. The Mexican presidential election pitted the
668 left-leaning Andrés Manuel López Obrador, who promised to shift public
669 policy in this direction, against two candidates who embraced the neoliberal
670 policies that have reigned for the last two decades. Electoral authorities
671 declared Felipe Calderón the winner by the tiniest of margins, most likely
672 postponing the opportunity for a wave of labor-friendly policy change.
673 Nonetheless, it is this kind of Mexican policy change, not globalization, that
674 holds out the most hope for retail workers securing decent jobs and a
675 better standard of living.

Appendix

TABLE ONE Wal-Mart and Other Recent International Retail Entrants in Mexico

Chain	Country	Format	Year entered	Mexican stores in March 2006
Wal-Mart	US	Self-service	1991	790 (491 stores, 299 restaurants)
7-Eleven	US	Convenience	1971	“More than 550” (compare OXXO with “4141”)
Auchan	France	Self-service	1997	Exited in 2003 with 5 stores
Carrefour	France	Self-service	1994	Sold its 31 stores to Chedraui in 2005
HEB	US	Self-service	1997	21
Inditex (Zara)	Spain	Department	1992	133
JCPenney	US	Department	1995	Sold its 6 stores to Grupo Sanborns in 2003

Sources: Number of stores and related information from company web sites. (7-Eleven and OXXO are probably out of date, because the numbers have not changed in the past year.) Year of entry from Schwentesius and Gomez 2002, except 7-Eleven, Inditex, and JCPenney from company web sites.

TABLE TWO Percentage of the Retail and Total Workforce by Employment Status, 1991–2003

Status	Owner		Self employed		Piecework	
	1991	2003	1991	2003	1991	2003
Sector						
Retail	4.50	4.80	39.80	33.20	4.70	5.50
Total	7.20	4.30	22.90	18.30	5.20	6.50
Ratio: Retail/total	0.63	1.12	1.74	1.81	0.9	0.85
	Wage or salary		Unpaid		Other	
Retail	31.7	46.2	19.1	10.2	0.3	0.1
Total	51.7	67.3	12.5	3.5	0.5	0.1
Ratio: Retail/total	0.61	0.69	1.53	2.91	0.6	1.0

Source: National Employment Survey (Encuesta Nacional de Empleo, ENE), as analyzed in José Luis Álvarez Galván and Chris Tilly, “Trabajo marginal: Trabajadores en el comercio y los servicios en México,” in *La Situación del Trabajo en México 2006*, eds. Enrique De la Garza Toledo and Carlos Salas Páez (Mexico City, 2006).

TABLE THREE Percentage of the Retail and Total Workforce by Establishment Size, 1991–2003

Sector	Percentage of workforce employed in each establishment size category							
	1–5 people		6–15 people		16–100 people		101 people +	
	1991	2003	1991	2003	1991	2003	1991	2003
Retail	68.9	65.2	10.2	8.7	9.3	8.8	11.7	17.4
Total	44.1	42.8	11.8	8.5	12.0	13.8	32.1	35.0
Ratio: Retail/total	1.56	1.52	0.86	1.02	0.78	0.64	0.36	0.50

Source: See Appendix Table 2.

TABLE FOUR Retail and Total Workforce by Weekly Hours Worked, 1991–2003

Sector	Average hours		% working <15 hours		% working >48 hours	
	1991	2003	1991	2003	1991	2003
	Retail	42.6	45.8	7.6	5.4	31.2
Total	41.0	44.6	6.0	3.2	21.4	23.0
Ratio: Retail/total	1.04	1.03	1.27	1.69	1.46	1.40

Source: See Appendix Table 2

TABLE FIVE Percentage of the Retail and Total Workforce Enjoying Key Benefits, 2003

	Percent with key benefits, 2003	
	With all 3 benefits	With at least 1 benefit
	Retail	55.6
Total	62.4	71.2
Ratio: Retail/total	0.89	0.89

Source: See Appendix Table 2.

Note: “Key” benefits are defined to include annual bonus, paid vacations, and some form of medical coverage (all of which are required by Mexican labor law). 1991 data are not shown because comparable data are not available for that year.

TABLE SIX Percentage of Retail and Total Workforce by Selected Educational Attainment Categories, 1991–2003

Education	Primary school or less		At least some university studies	
	1991	2003	1991	2003
Retail	46.3	27.8	8.2	12.6
All workers	54.9	26.6	8.0	21.2
Ratio: Retail/all	0.84	1.05	1.03	0.59

Source: See Appendix Table 2.

Note: We limit this table to the lowest and highest educational categories to simplify reading. Trends in intermediate categories are consistent with those shown here. For full results, see Álvarez Galván and Tilly, “Trabajo marginal.”

TABLE SEVEN Biweekly Earnings and Turnover by Type of Retail Business in Mexico, 2003–2004

	Total	U.S. chains	Mexican chains	Single stores	Market stands	Baggers at chains
2 week salary, entry level (pesos)						
Min	575	904	575	975	847	768
Max	3500	2000	3500	1300	1600	4800
Average	1484	1515	1581	1119	1224	2331
2 week salary, supervisor (pesos)						
Min	800	3000	1400	1050	2000	–
Max	8250	4000	8250	6923	2880	–
Average	2935	3500	2895	3107	2440	–
Entry-level or total personnel turnover, %/year						
Min	0%	39%	1%	0%	8%	–
Max	500%	138%	230%	80%	500%	–
Average	80%	78%	66%	41%	254%	–
Supervisory turnover, %/year						
Min	0%	75%	35%	0%	0%	–
Max	75%	75%	36%	0%	0%	–
Average	19%	75%	36%	0%	0%	–
Sample size	7–31	1–7	2–18	4	2	7

Source: Interviews conducted in 2003–04 with executives, managers, and employees of retail businesses in the states of Coahuila, Guanajuato, Michoacán, Nuevo León, Puebla, Querétaro, and the Distrito Federal (Federal District, i.e. Mexico City).

Note: Biweekly salaries shown because most companies report salaries per *quincena* (two week period). Biweekly figures can be roughly converted to hourly figures by dividing by 100, and to hourly dollar figures by dividing by 1000. Baggers not included in total figures. For people who did not work ninety-six hours per two weeks (forty-eight hours a week), earnings were converted to ninety-six-hour equivalents. For two companies that declined to report salary levels, these levels were obtained from union contracts. Ranges of sample sizes refer to the different variables in the table (we received fewer responses to each question as one descends the table).

TABLE EIGHT Unions with Retail Contracts in Three Mexican Cities

Company	Mexico City	Guadalajara	León
Autoservicios Comercial Mexicana	Unión Sindical de Trabajadores y Empleados de Centros Comerciales, Mueblerías, Restaurantes, Similares y Conexos de la Republica Mexicana, CTM Sindicato Nacional de Empleados de Comercio, Oficinas Particulares, Similares y Conexos de la Republica Mexicana, CTM	Sindicato de Empleados y Trabajadores en Comercio Pro-Raza, CTM Sindicato de Trabajadores y Empleados en Establecimientos de Distribución, Venta, y Exhibición, de Artículos Comerciales del Edo. de Jalisco, CTM	Sindicato Nacional "Pres. A. López Mateos" de Trabajadores y Empleados del Comercio en General, etc., Fed. Obrera Sindicalista, CROC
Gigante	Unión Sindical de Trabajadores y Empleados de Centros Comerciales, Mueblerías, Restaurantes, Similares y Conexos de la Republica Mexicana, CTM Sindicato Nacional de Empleados de Comercio, Oficinas Particulares, Similares y Conexos de la Republica Mexicana, CTM	Sindicato de Empleados y Trabajadores en Comercio Pro-Raza, CTM Sindicato de Trabajadores y Empleados en Establecimientos de Distribución, Venta, y Exhibición, de Artículos Comerciales del Edo. de Jalisco, CTM	
Soriana	Sindicato Nacional de Empleados y Trabajadores de Supermercados, Centros Comerciales, Similares y Conexos de la Republica Mexicana, CTM (Panaderos) Sindicato Único de Trabajadores de la Industria del Pan y Similares del DF, CTM	(Panaderos) Unión Sindical de Empleados y Trabajadores en Panaderías y Expendios de Pan, Similares y Conexos de Guadalajara	Sindicato Industrial de Trabajadores y Vendedores de la Industria Alimenticia y Comercial de la Republica Mexicana Sindicato de Trabajadores en Tiendas de Autoservicio de Alimentos y Comercios en General del Estado de Guanajuato
Wal-Mart, Sam's Club	Sindicato Nacional de Empleados y Trabajadores de Supermercados, Centros Comerciales, Similares y Conexos de la Republica Mexicana, CTM (Panaderos) Sindicato Único de Trabajadores de la Industria del Pan y Similares del DF, CTM	(Panaderos) Unión Sindical de Empleados y Trabajadores en Panaderías y Expendios de Pan, Similares y Conexos de Guadalajara	Sindicato de Trabajadores en Tiendas de Autoservicio de Alimentos y Comercios en General del Estado de Guanajuato

TABLE EIGHT (contd.)

Company	Mexico City	Guadalajara	León
Department stores			
Coppel	Sindicato Nacional "Pres. Adolfo López Mateos" de Trabajadores y Empleados del Comercio en General y Escuelas Particulares, Similares y Conexos de la Republica Mexicana, CROC		
Liverpool/ Fábricas de Francia	Sindicato Nacional de Trabajadores y Empleados de Comercios, Agentes de Ventas en Zonas de Concesión Federal y Empresa Ubicadas en Dos o Mas Estados de la Republica Mexicana, CTM	Sindicato Único de Trabajadores y Empleados de las Nuevas Fabricas, CTM	Sindicato "Hermanos Aldama" de Trabajadores de Comercio en General, FTEG-FROC-CTM
		Sindicato Nacional "Pres. Adolfo López Mateos" de Trabajadores y Empleados del Comercio, en General y Escuelas Particulares, Similares y Conexos de la Republica Mexicana, FOS-CROC	
Sears		Sindicato de Empleados y Trabajadores de Sears Roebuck de México	
Suburbia (Wal-Mart)	Sindicato Progresista "Justo Serra" de Trabajadores de Servicios de la Republica Mexicana, FSCNT	Sindicato Unión de Empleados y Trabajadores en Comercio "Pro-Raza", CTM	Sindicato de Trabajadores en Tiendas de Autoservicio, de Alimentos, y Comercio en General del Estado de Guanajuato

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Sindicato Nacional de Empleados y
Trabajadores de Supermercados,
Centros Comerciales, Similares y
Conexos de la Republica
Mexicana, CTM

Zara
Sindicato de Empleados, Agentes,
Vendedores, Propagandistas,
Repartidores, y Cobradores de Oficinas
Particulares, Industria, Comercio, y
Similares de la Republica Mexicana,
COM

Specialized
Farmacia
Guadalajara

OXXO

Sindicato Nacional de Trabajadores en la
Industria de Pinturas, Productos
Químicos, Farmacéuticos y
Alimenticios en General y Similares
en el Edo. de Jalisco, CTM
Sindicato Nacional de Trabajadores de la
Elaboración, Reparto, y distrib. de
Productos Comerciales en General,
Similares, y Conexos de la Republica
Mexicana/Afiliado a la Federación
Nacional de Sindicatos Progresistas
“José María Morelos y Pavón” (FNPS)

Sources: Collective bargaining contracts from Local Labor Relations Commissions (Juntas Locales de Conciliación y Arbitraje), reviewed by Chris Tilly in 2004.
Note: Initials at the end of union names denote union confederations.

946 TABLE NINE Union Presence in Private Retail Chains in Mexico: Responses to
 947 Direct Question About Whether a Union is Present

948 Type of business	949 Manager responses	950 Employee responses
951 <i>Autoservicios & supermarkets</i>		
952 <i>Autoservicio 1 (U.S. owned)</i>	CEO: YES	Cashier: NO
953 <i>Autoservicio 2 (U.S. owned)</i>	HR Director: YES	Department Head: NO
954	HR Asst. Director: YES	Department Head: NO
955	Regional Manager: YES	Clerk: DON'T KNOW
956	Store Manager Trainee: NO	Clerk: NO
957 <i>Autoservicio 3</i>	Store HR Manager: NO	
958	Regional Manager: YES	Supervisor, Consumer Electronics: YES
959	Store Manager: YES	Supervisor, Women and Children: YES
960		Supervisor, Meats: YES
961		Clerk: YES
962		Clerk: DON'T KNOW
963 <i>Autoservicio 4</i>	Deputy General Director: NO	
964	Assistant Store Manager: NO	
965 <i>Autoservicio 5</i>	Store Manager: DON'T KNOW (even though we found a current contract at the Local Labor Relations Commission)	Supervisor, Women: NO
966	Store Manager (other store): NO	
967 Supermarket 1	Executive Director: YES	Clerk, Wines: NO
968	Director of Stores: DON'T KNOW	Cashier: NO
969	Store Manager: NO	
970 Supermarket 2	Store Manager: YES	Asst. Supervisor: YES
971		Clerk: YES
972		Clerk: YES
973 Department stores		
974 Department store 1	Regional Manager: YES	Supervisor, Furniture: NO
975 Department store 2	HR Director: YES	Clerk, Women: NO
976		Clerk: NO
977		Internet Assistant: NO
978 Department store 3	Personnel Director: YES	Security Supervisor (in a store): YES
979	Store Manager: YES	Clerk, Candies: YES
980 Department store 4 (U.S. owned)	[Not asked]	Supervisor, Men: NO
981		Clerk, cosmetics: NO

TABLE NINE (contd.)

Type of business	Manager responses	Employee responses
Convenience stores		
Convenience 1 (U.S. owned)	Commercialization Manager: YES but only in the few non-franchised stores	Cashier in franchise store: NO
Convenience 2	Regional Manager: NO, all stores are subcontracted	
Convenience 3	HR Director de Recursos Humanos: YES but only in the few non-subcontracted stores	Employees in subcontracted store: NO

Source: Interviews (see Table 7 source). Company identities are confidential.

TABLE TEN Responses to the Question, “Is There a Union?” in Mexico City Stores Owned by Wal-Mart, From a 2005 Telephone Survey

Type of store	Percent giving each reply				Total	Number of stores surveyed
	No union	Don't know	Refused to answer			
Supercenter and Sam's Club	75%	5%	20%	100%	20	
Superama	84%	10%	6%	100%	31	
Suburbia	91%	0%	9%	100%	23	

Source: Telephone survey by Fernando Campos.

Notes: Superama (medium-sized supermarkets) and Suburbia (department stores) are Wal-Mex subsidiaries.

TABLE ELEVEN Bi-weekly Salary in Wal-Mart (in pesos), Compared with Those Offered by Other Chains, 2004

	Wal-Mart (León, Guadalajara)	Comercial Mexicana (León)	Comercial Mexicana (Guadalajara)	Soriana (León)*	Gigante (Guadalajara)*
Security assistant	804	–	–	907	900
Salesperson, general merchandise	904	655	855	855	900

Sources: Collective bargaining contracts from Local Labor Relations Commissions (Juntas Locales de Conciliación y Arbitraje), reviewed by Chris Tilly in 2004.

*Values imputed from 2002 pay levels by applying the percentage increase implemented by Comercial Mexicana in León. Based on pay levels at four months of seniority at Soriana and six months at Gigante (the other chains do not set minimum pay levels by seniority).

TABLE TWELVE Benefits Offered by Wal-Mart Compared to Other Mexican *Autoservicio* Chains, 2004

	Wal-Mart (León, Guadalajara)	Comercial Mexicana (León)	Comercial Mexicana (Guadalajara)	Soriana (León)	Gigante (Guadalajara)
End-of-year bonus (days of pay)	30	30	30	30	30
Paid vacation days after two years	8	8	8	8	10
Vacation pay as a percentage of regular pay	25%	25%	30%	25%, rising to 30% after 2 years	50%
Retirement plan other than social security	No	No	No	No	Yes

Sources: Collective bargaining contracts from Local Labor Relations Commissions (*Juntas Locales de Conciliación y Arbitraje*), reviewed by Chris Tilly in 2004.

NOTES

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1082 *Sindicalismo en México ante el Nuevo Milenio: Una Perspectiva Global* (Guadalajara, 2001).
1083 However, 2006's May Day demonstrations showed new stirrings of union independence—
1084 ironically, triggered by a government crackdown on the corrupt leader of the coal miners' union.

1085 13. José Alfonso Bouzas Ortíz and Mario Vega Huerta, "Condiciones de trabajo y relaciones
1086 laborales en las tiendas de autoservicio del D.F.: El caso de Gigante," in *Cambios en*
1087 *las Relaciones Laborales: Enfoque Sectoral y Regional*, Volume 2, eds. Enrique de la Garza
1088 and José Alfonso Bouzas (Mexico City, 1999), 453–484.

1089 14. This set of union contracts was collected by Chris Tilly in the Local Labor Relations
1090 Commissions (*Juntas Locales de Conciliación y Arbitraje*) in Mexico City, Guadalajara, and
1091 León, Guanajuato in 2004. Tilly requested every current or recent contract for large retailers.
1092 He did not receive a complete set of contracts, but the resulting sample can be considered
1093 more or less representative of existing contracts. A list of unions with collective bargaining contracts
1094 with big trade companies, organized by city and company, is shown in Appendix Table 8;
1095 we summarize the most important patterns here.

1096 15. In León, where the Junta maintains past contracts, the sample contains multiple
1097 contracts for Bara (since 1998), Comercial Mexicana (since 1998), Farmacia Guadalajara
1098 (since 1996), Liverpool (since 1996), Soriana (since 1993) and Oxxo (since 1988!). The
1099 Mexico City sample also includes a number of continuous series of contracts, including a
1100 Suburbia store with contracts stretching continuously from 1993 to the present.

1101 16. See, for example, Françoise Carré, Brandynn Holgate, and Chris Tilly, "What's hap-
1102 pening to retail jobs? Wages, gender, and corporate strategy," paper presented at the Annual
1103 Meeting of the Labor and Employment Relations Association, Boston, MA, January 5–8 2006.

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1108 Chris Tilly, "Wal-Mart de México y el sector detallista: La calidad de empleos y el rol de los
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