

**The State, the Bourgeoisie and the Unions:
The Recycling of Mexico's System of Labor Control**

by
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Mexico's structural crisis continues to deepen. The economy is stagnant, each of the major political parties faces an internal crisis and has been significantly discredited, and the fear of a crisis of governability looms as the national elections of 2006 approach. The neoliberal assault of the past few decades has been brutal in its effects on Mexico's popular classes, but the forces of neoliberal "modernization" have not been able fully to impose their will.¹ Popular resistance, deeply rooted in Mexican culture, has shown great resilience. The various forces of resistance have at times been able to slow down or block the neoliberal offensive but not roll it back or defeat it. They have lacked the cohesion, strategy, and program that could bring about a united struggle. This has left the myriad of popular struggles dispersed or relatively ineffective. Whereas in certain times and places, the labor movement has played an insurgent and unifying role, in Mexico it has done the opposite. It has been a partner of the state and the bourgeoisie in disciplining the working class, both in the workplace and in the political arena. This article examines the features of union organization, both *charro* and dissident or independent, that contribute to this control. The structural and cultural characteristics of labor that also contribute to the present impasse of working-class and popular resistance have been examined elsewhere (Roman and Velasco, 2001).

The limited role of the working class in Mexico's popular resistance can be understood only by examining the distinctive character of Mexico's unions and their top officials (*charros*). While the control over the working class by *charros* has always been

central to Mexico's development strategy, there are important differences between the period of dominance by the Partido Revolucionario Institucional (PRI) and the new period of electoral competition. In the former period, the charros were influential members of the ruling party and their unions combined features of a state institution, a party machine, and an employment service with those of a union. In general, they were run in a thoroughly corrupt and authoritarian manner. They controlled labor-market access, disciplined the workforce, extorted money from workers and management, and used their labor-managing role (both workplace and political) as part of their base for negotiating their interests both with management and within the PRI-dominated power bloc. Mexican union officials could and did become capitalists either by setting up companies themselves (often in the name of family members), or by extracting revenue from their control of union institutions that could then be used for investments. They also moved in and out of political party, governmental, and managerial positions in the public sector. They were not simply union bureaucrats but members of a hybrid elite at the top of hybrid institutions in which "unions" were encased. In the present period, they are maneuvering to maintain power and privilege in a political system in which their direct influence in the state has been sharply curtailed. The role of these "labor" elites as political actors and capitalist entrepreneurs continues to require their ongoing control of unions and related institutions.

Rather than being destroyed by neoliberalism and the demise of the one-party regime, the charros have found a new-old niche as agents of labor control. Many thought that they would have no future in a "democratic" and neoliberal Mexico, but in fact, the PRI's loss of the 2000 has not led to the dismantling of corporatist and authoritarian unionism. In the guise of a supposed respect for "union autonomy and independence" the

Partido de Acción Nacional (PAN) willingly accepted and supported the charros' iron control over the workers. The Fox administration, both in the long period in which Carlos Abascal Carranza was secretary of labor, and in the past year, under Javier Salazar Sáenz, has collaborated with the union authoritarian and antidemocratic practices and, though representing a very small portion of the labor force, they represent and control workers in the key private and public sectors of the economy. The rise of neoliberal policy makers first within the PRI and then continuing with the election of the PAN to the presidency seemed to augur the demise of the old charros power and privilege. Their position within the PRI and within the state became weaker, as reflected in a sharp decline in their number among elected officials, first under the last several PRI regimes and now under the Fox administration.² In spite of this and their near bankruptcy in 1997, however, both their treasuries and their power have substantially recovered. They have been able to maintain control of the majority of union representation and collective contracts.

The charro unions have continued to serve the bourgeoisie by preventing workers from organizing genuine unions. The PAN viewed the rupture with the old union pact as an opportunity to remove unions from the electoral process. From this perspective, "union modernization" meant that unions were to stop giving financial support to the PRI (or any other party). The subordination of unions to the agenda of the Mexican oligarchy and international capital is a key part of the PAN's agenda and it requires government collaboration in the repression of democratic participation of the workers in their unions which the PAN has been happy to provide.

The preservation of the existing labor and union structures during this dreadful *sexenio* has been beneficial both for the PAN and for the capitalists it represents. Whereas

in previous administration the government's representatives on the Board of Conciliation and Arbitration, the administrative council of the Mexican Institute of Social Security and the Commission on the Minimum Wage sometimes voted with the union representative, during Fox's term they have almost always voted with business interests. More strikes have been declared "unauthorized" than ever before, and the increased latitude in firing allowed by these boards has been a powerful factor in containing workers' protests in workplaces.

The PAN needed the active backing of the old union bureaucracy to legitimate certain actions, especially the privatizations that took place outside the bounds of the law. When popular opposition and a divided Congress prevented it from changing the constitution in order to privatize the electrical energy sector, it responded to its legislative failure by continuing the practice of de facto privatization through service contracts or "financed projects." These de facto privatizations were conferred surreptitiously even before the start of the Fox administration—211 permissions for the private generation of electric power were granted between 1994 and 2004. Since assuming power Fox has inaugurated 18 new private power-generating centers from the northern frontier to Yucatán. These privatizations required the closing of old plants of the Federal Power Commission and the relocation of these workers. At its congress on November 6, 2004, the Sindicato Único de Trabajadores Electricistas de la República Mexicana (SUTERM) accepted the government's privatization plan provided that it "maintained respect for union institutions." This alliance between the Fox government and the charros was indispensable for heading off and containing rank-and-file protests against the illegal process of privatization.

The survival of official unionism cannot be explained solely by the support of the federal government and the majority of state governments. Official unionism has lost a large number of members (because of economic restructuring, relocation, plant closings, and flexibilization of the labor force). The Central de Trabajadores Mexicanos (CTM), for example, lost half of its members between 1997 and 2005.³ Nevertheless, the ability of the old union organizations to control workers has not diminished. Union membership has decreased in the entire private sector, which is where the CTM, has maintained its hegemony. Their amazing metamorphosis, in the post North American Free Trade Agreement era from sharp financial and political decline to wealth and power has to be seen in relation to their closer financial relationship with organized crime⁴ and their role as capitalists,⁵ either through direct, personal ownership of businesses or through personal appropriation of the profits of union enterprises.

Mexico's export-led growth model is based on a late Fordist model of accumulation. While the core capitalist countries concentrate on the new work of innovation, design, and cooperation, Mexico, like China is experiencing the zenith of late Fordism. In Mexico, the maquila country par excellence, the labor force continues to suffer under extreme and unmitigated management autocracy. Workers continue to break their backs to bring home a kilo of maize. The Mexican system of production, similarly to the Chinese, combines the electronic in all its sophistication with the whip and the violence of the first industrial revolution, even including a recurring primary accumulation (see Peña, 1997: Chap. 2). In the period of import substitution industrialization sections of the working class were able to make material gains if not in wages then at least in social benefits (subsidized food, health care, housing). In the new export-oriented late Fordist

period, these gains are not available. This means that capitalists, the state, and the charros need to rely more heavily on repression and unemployment.

The PRI at times encouraged rival officialist union confederations to compete under the umbrella of the one-party regime and its developmental project. This gave the state elite leverage in maneuvering among the rival blocs of charros. Those who sought to create independent and militant union organizations were often brutally repressed. The Mexican transition from one-party rule to electoral alternation led to a deeper fragmentation of union organizations but not to a breakdown of the fundamental structures of autocracy within unions and union federations. The few unions that were democratic continued to be so, the fundamentally corrupt and authoritarian cultures of officialist unionism persisted even in some unions that claimed to be dissident and rhetorically challenged some of the tenets of the neoliberal project. Thus, the federations and formations of unions that now challenge the old officialist union bloc are made up of coalitions of democratic and authoritarian unions, some of which have supported neoliberal initiatives such as the privatization of the telephone company.

Workers and unions of whatever stripe have faced several decades of brutal neoliberal attack that has not changed with the political transition. This has led to a extreme cautiousness and fatalism about the possibility of resistance. Dissident unions are struggling to redefine their relations to the state and to companies in a new territory of labor innovation but trying, above all, to preserve their bilateral negotiating power. Workers in the dissident unions within the large companies are fighting a defensive battle to preserve their collective agreements and their stability of employment. Even unions and workers groups that would like to engage in a more generalized struggle are in a poor

position to do so as they respond to the immediate assaults on their particular companies, industries, and workplaces. Though they sometimes join in more general mobilizations, they are in no position to spearhead a major conflict with the state. In addition, they are not optimistic about the possibility of generating wider resistance.

In addition to the disorganizing effect of the neoliberal offensive on the working class, there are key organizational and political aspects of union dissidence that help explain the inconsistency of their political opposition to neoliberalism (for a more positive view see La Botz, 2005). These features also partially explain the mobilizations that have taken place but produced little action; the real focus and preoccupation of each key union is its company or industry. Energy and resources are narrowly and sectorally focused. Mobilizations are genuine but cautious and do not lead to action on the ground. Often they serve as positioning strategies for company or sectional bargaining, but sometimes when it comes to the public sector, such as electrical energy or health, there is a convergence of interests between unions, various classes, and the public. Nevertheless, pessimism about resistance, cautious trade-union consciousness, autocratic dissident unions that mobilize reluctantly for fear of losing control of their own members, the realities of repression and fatalism all contribute to a combination of rhetorical and symbolic resistance with practical acquiescence.

The main dissident union federation, the Union Nacional de Trabajadores (UNT), founded in 1997 and the Frente Sindical Mexicano (FSM), founded in 1998 are both dominated by key member unions. The UNT is dominated by the Sindicato de Telefonistas de la República Mexicana (STRM) and the FSM by the Sindicato Mexicano de Electricistas (SME). While there are different tendencies in the UNT, the dominant one is

that of the neocorporatist, PRI represented by Francisco Hernández Juárez⁶ and Roberto Vega Galina, head of the Sindicato Nacional de Trabajadores del Seguro Social (SNTSS).⁷ The dominant tendency in the FSM is the SME, a union with a strong democratic and nationalist history but cautious; because its core goal is protecting the jobs of its workers through continued public ownership of the energy sector, it therefore seeks to pressure the government but avoid a direct confrontation.

The actions of the leaders of the UNT and the FSM are not consistent with their rhetoric about challenging the neoliberal program. For example, the executive committees of the unions constituting the UNT and the FSM do not allocate significant resources to organizing the unorganized or challenging the collective agreements controlled by spurious unionism, be it company or corporative. This is especially clear outside the central area of the country. Neither the UNT nor the FSM has had a strategy for organizing the regions of high industrialization and low unionization or proposing, as did the independent unionism of the 1970s, the construction of a common project in strategic sectors such as the automobile industry. In reality, many of these leaders have very modest immediate objectives: to survive and to reestablish the old conditions of bargaining but with greater transparency and integrity. The fact that various leaders of the UNT continue to be elected as representatives to state legislatures or the Congress as members of the PRI is further indication of their compromised perspectives. This in itself does not disqualify them as trade unionists, but it does show their continued integration into old ways of doing things. Either they see continued benefits for themselves or their unions from continuing to work in the PRI or they do not believe that the conditions exist for a break with the forms of political vassalage of the past.

This combination of cautious, defensive maneuvering wrapped in a more class based combative rhetoric produce considerable confusion. A good example of this gap is the militant assemblies for discussion of the struggle against neoliberalism such as the National Dialogues of November 2004 and February 2005, which have had scant practical consequences for the organization and spread of resistance. Few of the rank-and-file members know about the resolutions passed at these great gatherings, nor do these resolutions have any impact on their day-to-day existence. While these fleeting mobilizations demonstrate the capacity of the leaders to mobilize, the workers return to the drudgery of their daily life without new perspectives on how to fight back. They may, in fact, return with a deepened awareness of the relative superiority of their conditions to that of other workers who lack union protection, and this may make them more cautious about attempting militant actions that could risk what they already have.

Workers who have become union militants are often rapidly absorbed by the party electoral structures, fundamentally those of the Partido de la Revolución Democrática, (PRD) but in certain regions also of other parties or electoral machines. The dispersal of workers in hundreds of thousands of small establishments makes general public policy a crucial space area for the defense of working and living conditions. Party militants of union origin get drawn into clientelist politics, dealing with the pressing bread-and-butter issues faced by the urban poor. This can be more electorally productive and has more immediate prospects of producing some short-term gains for their constituents than discussing a common strategy and project for workers with their old union organizations. The parties' campaign point people serve as clientelistic representatives of the unorganized poor. They establish a web of commitments but do not engage their supporters in political

discussion or carry out educational work to develop class consciousness. This electoralist/clientelist left is therefore capable of mobilizing large sectors but not of constructing a political discourse together with its social base (see Alvarez Bejar, 2005). Gains are made, but no collective consciousness is developed. And, though arising from the same matrix, party and union are dissociated, which in itself is a great structural triumph for the right.

Both the union federations and the political parties have viewed the working class as a base for winning elections, for intra-elite bargaining, or as a way of leveraging bureaucratic union negotiations but not as itself a potential historical actor. The political parties approach the working class as a mass to be brought out on election day. The unions, timidly, carry out a policy of lobbying among parties and running candidates in various parties, often competing against each other, with the idea of maintaining sufficient union representation to give them leverage in their dealings with the state and the capitalists. Neither the parties nor the main dissident unions are interested in attempting to create a new democratic culture either in society or the workplace that would facilitate the growth of working-class consciousness and competence. The gap between rhetoric and practice contributes to cynicism among workers. Over 90 percent of the working class that is nonunionized does not see its interests as being represented by these narrow, defensive trade-union struggles.

The recent Chapultepec Pact illustrates well the incorporation of union leaders, old-guard and dissident, as junior partners to the ruling bloc (*El Universal*, September 29 2005; *Vanguardia*, October 3, 2005). Carlos Slim, one of the richest men in the world, initiated a proposal of national unity, governability and development that was signed by the largest

capitalists in Mexico and a bevy of leading cultural figures and scientists along with the gangster leaders of the CTM and some prominent dissident union leaders. Among other things, this pact proposes union, state, and business collaboration to ensure governability and a more effective and equitable capitalist development strategy. It sets up a committee of large capitalists, the head of the CTM, and intellectuals to promote the pact and try to get all of the political parties and presidential candidates to commit to it. The Mexican regime and the neoliberal project are in crisis, and the state and the bourgeoisie have enlisted labor officialdom as partners in the project of restricting political options to those compatible with continued capitalist development. This recycling of Mexico's system of labor control is fully compatible with the interests of this hybrid and opportunistic set of labor leaders—interests that are far from those of their membership and the vast masses of unorganized workers.

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Notes

¹ Ana de Ita (2005), for example, describes the very limited success of the privatization of ejidal and communal lands due to popular resistance.

² Part of the understanding between the new political bloc and the union functionaries implies the discreet exit of trade unionists from institutional public life. Union representation in municipal and state governments and legislatures is at very low levels since the elections of 2003. Thirty years ago, in 1977, union leaders held one-third of the posts of popular representation (Aguilar, 1990: 653). This involved 2000 positions as town councilors, municipal presidents, local and federal deputies in state and federal legislatures, representatives in tripartite organisms, state governors, and members of Congress. They were able to play a pivotal role in many decisions that for the most part redounded to their

personal benefit and in some instances, resulted in gains for the members of their unions at the time of contract negotiations. But the rules have changed.

³ The membership of the CTM fell from 926,455 (Aguilar, 2001: 145) to only 482,000 at the time of the death of Leonardo Rodríguez Alcaine in August 2005. (*Reforma*, August 7, 2005). The CTM has also experienced a significant decline in the number of affiliated unions and collective contracts.

⁴ When Fidel Velásquez died in 1997, the CTM faced bankruptcy. Its finances had collapsed when its involvement in construction through INFONAVIT (National Institute Fund for Workers Housing) came to an end. On top of that, the Banco Obrero had collapsed with the financial crisis of 1995. As of 2005, however, in spite of its greatly reduced numbers its financial power and its capacity to use it to carry out its task of containing discontent had been reestablished. (*Diario de México*, August 8 2005). Their funds had multiplied by seven, and they had plentiful resources to operate in the labor market. This mysterious financial recovery can be explained by looking at the ties of the CTM and the other charro unions to the underground economy. In the case of the CTM, there is even evidence of ties between some of its most significant functionaries and the drug cartels. Money from union dues was invested in joint real-estate ventures with the powerful drug bosses of Ciudad Juárez.

⁵ Some union leaders, such as Rodríguez Alcaine, became important empresarios of “private security,” by combining direct shareholding in security companies with control of the relevant unions. Rodríguez was a key stakeholder in a conglomerate of security companies that employed 70,000 security workers through hundreds of businesses with the capacity of offering services similar to those of a private army. (*Revista La Crisis*: July 2000). In the case of the Confederación Revolucionaria Obrera-Campesina, the second-most-important labor central, with a membership of 200,000 workers, mostly in transport services, it is interesting that they have increasingly become owners of casinos. (*Excelsior*, March 26 2001).

⁶ The close and collaborative relationship between Francisco Hernandez Juarez, President Carlos Salinas, and Carlos Slim, the big winner in the privatization of the telephone company, is discussed by Clifton (2000), who also describes the undemocratic character of the union.

⁷ Vega Galina is an elected member of the Congress for the PRI and Rodriguez Salazar is a PRI member of the city council of Puebla. Both are members of the national council of the UNT.