

## Work and Unionism in Mexico:

### *Challenges for MORENA and the Fourth Transformation Government*

Enrique de la Garza Toledo and Gerardo Otero

**A**ndrés Manuel López Obrador's (AMLO) landslide electoral triumph as Mexico's president in 2018 has provoked wrathful criticisms by the groups and classes that see their privileges in danger. On the other hand, this win by AMLO and his Movement for National Regeneration (MORENA) party has raised huge expectations for the left about his promised fourth historical transformation (4T) of Mexico. AMLO compares such transformation with the three great historical transformations that have taken place in Mexico, each of which necessitated violent means for power ascension: the 1821 revolution of independence from Spain, the liberal reform expressed in the 1857 Constitution and, finally, the Mexican Revolution that yielded the 1917 Constitution. The vast contrast of the 4T pledged by AMLO and MORENA is that these actors reached power through an overwhelming, legal and legitimate electoral triumph with over 53% of the vote for the presidency and absolute majority control of both chambers of Congress. In this national-level election, MORENA won in all but one of the states in the federation of 32 states, although it did not win majorities in a few state legislatures. The 4T government thus unleashes both strong fears and hopes depending on the point of view. In this article we will only discuss the prospects for workers and unions. We start, first, by discussing the labour insurgency and strikes in the first few months of 2019 and their results. Next we briefly



Francisco Romero, CC BY-SA 4.0 <<https://creativecommons.org/licenses/by-sa/4.0/>>, via Wikimedia Commons – [https://upload.wikimedia.org/wikipedia/commons/c/c3/Huelga\\_clim%C3%A1tica\\_25\\_de\\_marzo.jpg](https://upload.wikimedia.org/wikipedia/commons/c/c3/Huelga_clim%C3%A1tica_25_de_marzo.jpg)

discuss the principal changes to the labour legislation approved, meaningfully, on 1st of May of the same year. Finally, we offer a preliminary assessment of real wages and labour conditions in Mexico during the first six-to-nine months of 2019 compared with earlier years. We then outline some questions for future research, highlight the absence of an explicit labour policy of the 4T government and outline some challenges for the labour movement.

## Labour Insurgency and Unions in 2019

Mexico's labour movement was in effervescence at the start of 2019. The country saw one of the greatest mobilisations in history, especially along the northern border. Bordering with the eastern United States, Matamoros, Tamaulipas is one of the maquiladora cities par excellence of the northern border. About 80.000 workers are employed in the assembly of goods that are mostly exported to the United States, such as auto parts. At the start of 2019, over 40.000 workers from 48 maquiladora plants, mostly subsidiaries or subcontractors to large North American multinationals, started a wildcat (non-legal) strike. They jumped all the legal obstacles that compel them to launch a strike movement via their unions and the government's Conciliation Councils (Juntas de Conciliación y Arbitraje) (Covarrubias 2014, 2016). These workers are affiliated to two unions that, for their part, are affiliated to the Central de Trabajadores de México (CTM, Workers Central of Mexico), Sindicato de Jornaleros y Obreros Industriales de la Industria Maquiladora (Farm and Industrial Workers of the Maquiladora Industry Union) and Sindicato Industrial de Trabajadores de Plantas Maquiladoras y Ensambladoras (Assembly and Maquiladora Plants Industrial Workers Union). The wildcat strikes of these workers outflanked their leaders, demanding wage increases and the disclosure of their collective agreements' contents. They also demanded the replacement of their leaders.

Several factors played out in this spontaneous insurgency, starting with the poor labour conditions in the maquiladora industry, especially their low wages, arbitrary firings and high union fees (De la Garza, 2016). The second factor was that the Minimum Wages National Commission decreed a wage hike of 100% in the northern border region, which does not apply to workers in the maquiladora industry as their wages exceed the minimum. The workers responded by demanding a 20% wage increase and a single bonus payment of Mx\$32.000 (about US\$1.600). The latter demand was based on a clause in their contract stipulating that they would receive yearly wage increases at the same rate as those for the minimum wage. This rule had not caused unrest in the past because increases to the minimum wage had become the parameter for increases in wages higher than the minimum. The third factor was likely that workers had voted for López Obrador in 2018 and he had indicated that he would not protect corporatist unions (i.e., those like CTM, historically linked to the formerly ruling Partido Revolucionario Institucional, or Party of the Institutionalised Revolution, PRI). Workers were thus encouraged by the left's electoral triumph.

Upon the start of the insurgency, the CTM official union leaders opposed the strikes and tried to stop the movement. Workers, however, did not yield in spite of threats of being fired. While there had been a few strikes in the maquiladora sector since the 1970s, the 2019 mobilisation had no precedents.

Fearing that the movement could be redirected to the dismissal of leaders or the formation of independent unions, the CTM confederations finally launched a legal strike call on 25 January, although wildcat strikes had started on the 12th; that is to say, nearly two weeks after the protest broke out. The consequences of this process were: in most of the 44 firms that were on strike, workers won their wage and single-payment bonus that they had demanded while side-lining their leaders. Yet, 1.500 of 40.000 striking workers were fired. The local Conciliation and Arbitration Council, dominated by the PRI, declared the strikes as non-existent (i.e., without legal grounds) – only 13 plants had federal contracts, dependent on the new federal council associated to the new administration; the rest had contracts under the jurisdiction

*the maquiladora strikes and those in other private-sector firms were especially encouraged by the U.S. government making it clear that a central reason why it started the renegotiation of NAFTA was the protracted wage differential with Mexico.*

of local councils. In spite of the declaration of the non-existence of the strikes, workers refused to go back to work, so the movement—legal or not—lasted for about 15 days. The maquiladora strikes were then extended to Coca Cola, supermarkets and steel mills of the cities of Altamira and Veracruz, and to other maquiladoras in Ciudad Victoria, capital of the north-eastern state of Tamaulipas. What the Matamoros work stoppage showed was the deep workers' dissatisfaction with their labour conditions and their leaders and the loss of fear with the government change.

Viewed from a broader national perspective, the maquiladora strikes and those in other private-sector firms were especially encouraged by an international factor. The government of the United States had made it clear that a central reason why it started the renegotiation of the North American Free Trade Agreement (NAFTA) was the protracted wage differential with Mexico. In place since 1994, that U.S. president had labelled the agreement as “terrible.” Such international conjuncture, therefore, also presented a good opportunity to mitigate such concern, even for employers.

Several other organisations were faced with strikes in the first few months of 2019, including the critical sector of the

*For the workers of public universities, the new government had a rigid policy of wage increases: a mere 3,45% for all, in spite of the fact that inflation in 2018 was 4,6%... reasoning that university workers and professors are already among the better paid wage workers.*

teachers' union, the Coordinadora Nacional de Trabajadores de la Educación (National Education Workers Coordinator, CNTE). Likewise, the third-largest university in Mexico, Universidad Autónoma Metropolitana (Autonomous Metropolitan University, UAM), ended the longest strike in its history that lasted three months. These strikes' results were mixed. Many workers achieved wage raises, including

elementary and high school teachers, but not the UAM workers or professors. Other universities also had strikes: Chapingo (the National Agriculture University), El Colegio de Posgraduados (the Graduate College), The Antonio Narro Autonomous Agricultural University, the University of Mexico City, the University of Oaxaca and the University of Chiapas—all of these were strikes besides the work stoppages done by the CNTE to push for an education reform. For all the workers of these public universities, however, the new government had a rigid policy of wage increases: a mere 3,45% for all, in spite of the fact that inflation in 2018 was 4,6%. That is to say, in these cases wage increases barely compensated for inflation, although workers did receive payment for wages that would have been earned during their strikes (salarios caídos). The government's reasoning to decline giving the universities a larger subsidy to improve wages was straightforward: University workers and professors are already among the better paid wage workers, so they must subject themselves to “Franciscan austerity,” as it has been labeled by President López Obrador.

Another conflict in the first few months of 2019 was led by Wal Mart workers. In this case, the old union called Central Regional de Obreros y Campesinos (Workers and Peasants Regional Confederation, CROC) launched a strike movement for March 20 demanding a 20% wage rise—the highest wage earned by a worker here is Mx\$150, i.e. about US\$7,50 per day—and profit sharing with workers of 4% of the firm's sales. Wal Mart is Mexico's largest employer with 200.000 workers fractured into 1946 collective agreements and 45 unions. CROC has title to only 170 such collective agreements. Besides the two main demands, workers also required to have access to the Instituto Mexicano del Seguro Social (Mexican Institute of Social Security, IMSS), demanded respect for the 8-hour working day, overtime pay, an end to unjustified firings and to labour and sexual harassment. CROC launched a strike threat in 121 stores in ten states, and this became extensive to SAM's Club and Bodegas Aurrerá, also owned by Wal Mart. The strike did not materialise but



there were illegal store blockages for a few hours. Workers got a 5,5% wage raise and a 30-days Christmas bonus (something standard in all formal employment and stipulated in labour law with a minimum of two-weeks bonus). The 2019 law for the reform of education, although it was not intended to include labour issues, did reaffirm that education workers ought to be considered public servants and are therefore subject to the new Austerity Law which limits wage increases and benefits. Furthermore, it reaffirms that labour relations for such workers are ruled by “Apartado B” (Section B) of the Constitution, which differentiates labour relations for state workers from those working in the private sector. This legislation imposes plenty of restrictions on the right to strike and does not allow for collective bargaining. In Mexico, there are thus two main legal regimes for labour defined in Sections A and B of Constitutional Article 123. Benefits for public servants are contained in the regulatory law for Section B and the Law for State Service Workers. Discussion for the secondary legislation for the education reform began in early October 2019. The main advancements indicated that teachers’ evaluations will not necessarily result in them getting fired, as with the previous law, that the union will be one of the parties participating in new hiring processes, and that graduates from government normal or teachers’ schools will automatically pass into new positions. All of these were key demands from CNTE, the critical section of the teachers’ union.

The symbolic display around the president at National Palace on the May 1st parade in Mexico City left no doubts about the reconfiguration of the main representatives of organised labour. The main place was held by Napoleón Gómez Urrutia, elected senator for MORENA in 2018, and still the elected leader of the Miners’ Union. Gómez Urrutia had been persecuted during the Vicente Fox administration (2000-2006) on fraud charges that turned out to be groundless

*the internal life of unions has been conspicuous for decades of paternalism, authoritarianism and lack of democracy.*

and were dismissed in 2018. Through all his legal struggle, the leader had to take refuge in Canada. Besides having been re-elected by miners, Gómez Urrutia started a new labour organisation called Confederación Internacional de Trabajadores (International Workers Confederation, CTI). CTM representatives were also seated close to the president on May 1st, but in a

clearly diminished position, given that CTM had been the official union organisation both in the PRI and PAN era. PRI governed from 1929 to 2000, and again from 2012 to 2018, and the National Action Party (Partido Acción Nacional, PAN) governed from 2000 to 2012. CTM stood out for the political control it exercised over workers and for selling out their economic interests for the benefit of its leaders, generally corrupt, and popularly referred to as “charros.”

## The New Labour Law

Historically, Mexico’s unionism has been submitted to corporatism, the political system by which the main labour organisations followed a pact set up with the government, at least since the 1930s, in support of its policies. During the good times of corporatism, the unions’ political loyalty to the ruling PRI meant better wages, benefits and social security, at least for the most organised section of the working class. But this pact was left without a content in the neoliberal, market-led period that started in the late 1980s (Otero 1996), which has been marked by huge reductions in real wages, a lowering of benefits, the rise of sub-contracting, etc. On the other hand, the internal life of unions has been conspicuous for decades of paternalism, authoritarianism and lack of democracy. The Mexican labour law and the government’s and capitalists’ policies underpinned this authoritarian corporatist system, which filtered into union culture during several generations of the working class. The latter does not mean that there were no democratic irruptions, as during the decade of the 1970s. In general, however, most of the workers’ struggles ended up in defeat by the concerted action of the state, the firms and labour leaders.

In this grim context, a major and fitting institutional event took place on May 1st: the publication of the new labour reform law in the Diario Oficial de la Federación (DOF 2019), the Official Newspaper of the Federation. The new labour law is officially known as Ley de Justicia Laboral, Libertad Sindical y Negociación Colectiva (Maccise 2019) or the Law for Labour Justice, Union Freedom and Collective Bargaining. This was the first time in over one hundred years that Article 123 of the 1917 Constitution, along with 535 other articles, was modified. It should be highlighted that Article 123, along with the Agrarian Reform Article 27, is what made Mexico's the world's most progressive constitution of its time (Gilly, 1974; Otero 2018).

The initial draft of the new labour law was written by a group of over 100 independent lawyers, and not by MORENA or the new president. Yet, one of the leading lawyers is Arturo Alcalde, who happens to be the father of the new Labour Secretary, Luisa María Alcalde who, at 31, is the youngest member of cabinet. Her own background is in labour law and as a legislator in the lower chamber of Congress. Her father's influence in drafting the new law has been regarded as so crucial that the law is also dubbed "la ley Alcalde." Union freedom, democracy and transparency are thus the most central issues considered in the new law.

*The new law involves changing almost half of past related contents and lays the ground for labour justice in Mexico.*

The new law involves changing almost half of past related contents and lays the ground for labour justice in Mexico. Remarkably, the constitutional change mandating the new labour law was approved unanimously by Congress on February 27, 2019. This change responded in part to international trade agreements signed by Mexico, including Chapter 19 of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, formerly known as the TPP; and Annex 23 of the new NAFTA or United States-Mexico-Canada Agreement (USMCA) which, by October 2019, had yet to be passed by the U.S. Congress and the Canadian Parliament.

Gone in the new legislation are the Juntas de Conciliación y Arbitraje or Councils for Arbitration and Conciliation. These were made up of representatives from three parties: the government, the private sector, and labour unions. Workers thought they could hardly win disputes as the first two usually formed a common front against them. Their place will now be taken by the Centro Federal de Conciliación y Registro Laboral (Federal Centre for Labour Conciliation and Registry), which will register unions and their internal statutes among other functions. Labour Tribunals will be set up to resolve contentious issues regarding labour. Importantly, the conciliatory function will rest with the administrative bodies, separate from the judicial function which will be handled by the new tribunals via oral trials. As part of the Federal Centre for Conciliation and Registry, an agency will be created for conciliation between firms and workers in a pre-trial stage. These institutional changes transfer labour issues from the executive to the judiciary branch, which will help depoliticise them. The Juntas de Conciliación y Arbitraje could take between three and five years to resolve cases of individual worker disputes with firms, which are by far the largest number.

Union democracy, representativity and transparency are no doubt the central features promoted by the law. To be recognised, unions will have to garner the support of at least 30 percent of a company's workforce. This kind of changes has been made a condition by U.S. Democratic representatives for them to pass the USMCA. We can highlight two central axes in the new labour law. The first is geared to reform the way union leaders control their organisations with the intent of democratising them. Elections will be "personal, direct, and secret" (Article 245 Bis), and the vote will be in an accessible place so it can be "free, pacific, agile and secure," so that workers cannot be coerced in any way (Article 390. III.b). These new election mechanisms are a sharp contrast with former haphazard procedures that included, for instance, voting by acclamation in public meetings. Accountability of union funds will also be achieved through transparency in their use to avoid leadership corruption. The "clausula de exclusion" or closed-shop clause will be

eliminated but remains optional for future workers, and employees will decide whether they wish to pay union fees or not. Paradoxically, this particular issue has worked in the opposite way in Mexico than it has in the United States. In Mexico, eliminating the closed-shop clause was a demand of the Left, as it was used by leaders to intimidate and control workers: if they were kicked out of the union, the firm could fire them without further consequences. In the United States, by contrast, unionised corporations in states of the union that have adopted “Right to Work” legislation have used it to undermine union finances. This has contributed to lowering union density (Ellwood and Fine 1987).

The second significant change regards domestic workers, 95 percent of whom are informally hired and they make up 2,3 million workers (Serrano Herrera 2019). It will now be mandatory that they be registered in the Instituto Mexicano del Seguro Social (Mexican Institute of Social Security, IMSS), so they will enjoy health benefits and the right to unionise. These workers will now have standardised, six-hour working days or 36 hours per week as a minimum. This will guarantee access to health services, childcare, paid vacations and Christmas pay, plus the explicit prohibition to hire minors under 15 years of age (Xantomila 2019). Similarly for another group of workers that are largely informal—farm workers—they are now included into the scope of them being considered under the law. Given that most of them are seasonal, temporary workers, the law mandates that their working time be added to accumulate seniority in their work.

This labour reform caused a lot of resistance both among the entrepreneurial class and los charros, the corrupt labour leaders loyal to the PRI or PAN governments in the past, and highly functional to corporations rather than workers. The following slogan in workers’ mobilisations made the point very clearly: “Charro, Gobierno y Patrón son el mismo Cabrón” (Charro, government and employer are the same asshole).

## MORENA’s Labour Performance in its First Few Months of Government

By October 2019, it has only been a few months since the new government took office. It is thus little time to do a thorough assessment of its performance. However, we will address two conceptions on work that can be derived from two basic documents from MORENA and the Plan Nacional de Desarrollo (National Development Plan). We also address the first basic indicators of the labour market’s performance.

### The 4T’s Conceptions of Work and Unions

MORENA’s two main programmatic documents are the Government Programme and the Plan Nacional de Desarrollo (National Development Plan). Mentions of labour issues in both are short and do not constitute central lines of transformation. The Government Programme (p. 5) properly records the fall in real wages through the neoliberal period, while the National Development Plan sets out to reach dignified work and gradual wage recovery (p. 125). It is in the former document where one finds the most complete conception about how these goals will be attained: through wage raises—although it is not clear how they will be achieved in the private sector, in contrast to the public sector and beyond minimum wages that saw a 20% increase nationally and by 100% at the northern border. Added to this is the domestic-market impact of the large social-assistance programs, such as the universalisation of old-age pension, and “Youth Building the Future”, a government grant to become apprentices or interns in private or public firms or institutions. Job creation is to be expected once the large infrastructure works get started, including the expansion of Mexico City’s airport, a new oil refinery in the state of Tabasco, the trans-isthmian corridor to join the Atlantic and Pacific oceans at Tehuantepec, the Maya Train and the productive re-activation of Pemex (the state’s oil company) and the Federal Electricity Commission.

Relative to conceptions of work, the new government programme is confined to the generation of jobs and raising wages. No mention is made, however, about productivity, the dominant productive models—the maquiladora, export-oriented model which is predicated on low wages—or the process of innovation. The large programme mentioned above, Youth Building the Future, for instance, involves government grants for a year during which beneficiaries are trained in firms or institutions. But some initial studies show that the program has huge deficiencies, especially that the

*the generalised strike movement that some observers had anticipated in the maquiladora sector has not materialised... this passivity shows that the corporatist apparatus has been threatened by the labour reform but it still maintains practically the same level of control as it did during the old regime.*

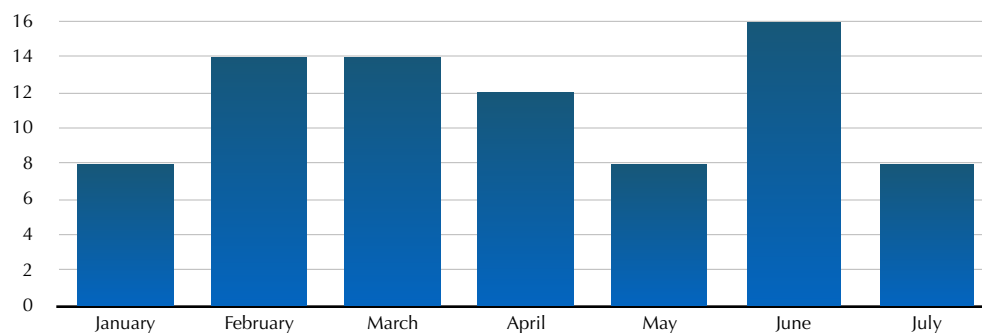
youths' future insertion in the job market is not guaranteed in an economy with a rate of zero growth in 2019. There is mention without elaboration of the creation of internal productive links for which no specific public policies exist as yet. The official documents do not even mention the reform of the labour law or the relation between union activity and jobs improvement. As we discuss below, the

labour question seems to be subsumed under the issue of poverty reduction, for which there are public policies of great breadth.

The process of implementing the labour reform, however, is advancing very slowly. The Secretariat of Labour has issued a single protocol to implement it. Corporatist organisations, for their part, are launching “amparo” lawsuits (i.e., suits to stop the law's implementation) in a process that has been labeled the “judicialisation of politics.” Their cynical argument is that the state is interfering with internal union affairs. Corporatist organisations have also signed strike contention contracts with their counterpart firms, with the novelty that they are not involving the government nor are they national in scale.

By October of 2019, the generalised strike movement that some observers had anticipated in the maquiladora sector has not materialised after illegal wildcat strikes in Matamoros in February. The latter took place in spite of the fact that some maquiladora managements along the northern border, without strike movements, raised wages by 9% in 2019, a higher rate than the average of wage raises by other firms in the country, at 6,3%. During the first three months of 2019, there were only seven legal federal strikes and zero during the second quarter. In view of poor labour conditions, this passivity shows that the corporatist apparatus has been threatened by the labour reform. But it still maintains practically the same level of control as it did during the old regime, something that has been highlighted by a correspondent of the New York Times (Malkin 2019a).

Chart 1. Labour-Capital Conflicts, January-July 2019



Source: Elaborated by Jessika Mora based on major national dailies.

Not all labour-capital conflicts follow legal channels, however. In fact, the historically-recorded strikes are fewer than such conflicts, including illegal stoppages, marches, demonstrations, and other protests. This side of reality may be observed in Chart 1, generated from newspaper sources, coming from the main national dailies in Mexico for the first six months of 2019. The most conflictive sectors have been education, health, transportation, and state secretariats. Many of these conflicts are linked to austerity budget reductions by the new government.

### Reconfiguring Union Organisations

In the context of some workers side-stepping old unionism, although this is still limited to highly localised sectors, the relations of corporatist unions with the new government have followed two trajectories. The first involves acting as if there has been no change of labour regime and showing signs of supporting the new government. This is the case for CROC, FSTSE (workers of IMSS, the social security institute), and the workers of Mexico City's government. A second type of response is that of ex-official unions and confederations that have moved to open opposition and hostility to the new regime, as shown during the May 1st parade with attacks on the government, especially the 2019 labour law. These are the cases of CTM, Pemex Union—oil workers—and the railroad workers. Yet, by 16 October 2019, Carlos Romero Deschamps, the notorious leader of the oil workers union since 1993, resigned to attend criminal investigations for unexplained wealth (Malkin 2019b). Thus, overt opposition may yet backfire, as most charros have long tails to hide.

There are new union federations and confederations, on the other hand. Prior to the 2019 labour mobilisations, a group of unions in the auto parts and aerospace industries founded the Independent Federation of the Car Industry with 25.000 workers in 2018. As mentioned, Napoleón Gómez Urrutia founded the Confederación Internacional de Trabajadores in February of 2019, which has attracted unions that detached themselves from CTM and CROC. Furthermore, Pedro Haces, a leader of petty importance, has just founded the Autonomous Confederation of Workers and Employees, also attracting unions separating from CTM and CROC. A new union called PETROMEX has been formed in Petroleos Mexicanos, the state oil company, and is expected to dispute the title of the collective agreement from the corporatist union. Furthermore, CTM in the northwestern state of Sonora has threatened to launch a general strike movement in the firms in which it has contracts. The new labour law has not started to operate, especially with respect to the union's obligation to hold elections to demonstrate their representativeness. But it should not be long before we know if this new provision will detonate a new labour insurgency against the antiquated corporatist union apparatus. During the first few months of 2019, the unionisation rate increased during the first quarter (12,3%) compared with 2018 (12%), prior to the new labour law, which will take at least two years to become fully implemented.

### Initial Assessment of Labour Conditions in the 4T Government

The growth rate of formal employment has declined by September 2019, as measured by the number of workers

*the government is implementing a policy of capping wages [in the public sector] that barely compensates for inflation, in line with the orthodoxy that searches a balanced public budget while keeping inflation under control.*

affiliated to the Mexican Institute of Social Security (IMSS), the usual measure of formal employment. Only 488.000 jobs were created since January, compared with 774.000 for the same period in 2018 – a 37% deficit (Cervantes Arenillas 2019). Such decline is due to the slowing down of economic growth, which is a common occurrence at the start of each new presidency in

Mexico, given the uncertainty that firms perceive in the new government.



Average real wages in July 2019 were Mx\$4.173 or about US\$218 per month, according to CONEVAL, the National Council for Public Policy Assessment. This government council measures poverty, not in relation to the general price inflation index but according to prices of the basic basket of goods (canasta básica). With this in mind, monetary income in real terms on the second trimester of 2019 was 1,4% higher than the same trimester in 2018 and had grown 2,3% by July of 2019. “Labour poverty” diminished during the same period, perhaps largely due to the 20% increase in minimum wages. Although contractual salaries did not worsen, they are not at satisfactory levels. Contractual salaries or wages are those received by unionised workers with a collective agreement, who are presumably the better off. By September of 2019, contractual salaries in private firms increased at twice the pace for those in the public sector. This is due to the fact that the government is implementing a policy of capping wages that barely compensates for inflation, in line with the

*The new government has shown little sensitivity to workers’ protests—such as in the case of the wildcat strikes in Matamoros.*

orthodoxy that searches a balanced public budget while keeping inflation under control and also being able to fund the large social programs of the new administration. The lowest paid workers for the state, however, which do not include workers in

public universities or in decentralised institutions like the National Electoral Institute, did receive a 3,5% wage increase at the start of 2019 and another 3% increase in June, placing them on the same level of wage increases as workers in the private sector.

## Conclusions

From a unionised workers’ perspective, the 4T has had positive effects, at least on the legislative realm. Its main goal is to implement a labour reform that pressures unions toward democratisation and the regulation of work for domestic workers, both in terms of labour rights and inclusion in the Social Insurance.

The new government, however, has shown little sensitivity to workers’ protests—such as in the case of the wildcat strikes in Matamoros. It seems more preoccupied to not clash with private firms than addressing issues of labour conditions. Yet, it did legislate a 20% increase for minimum wages in 2019, and 100% increases in the northern border. This pattern did not hold for workers in state enterprises or public institutions for which the government implemented salary caps that barely compensate for inflation in 2019.

New forms of union organisations have emerged with affinity to the new government. Until October of 2019, however, they had shown very little activity to dispute the titles of collective agreements held by corporatist unions. Furthermore, the great workers’ insurgency of Matamoros has not been followed up by similar movements in other sectors.

Formal job growth has been negatively impacted, first by firings in the public sector in search for austerity, and second because the government has delayed productive investment. The latter is expressed in the fact that the government has spent less than the budget approved by Congress: fixed public capital investments had fallen by -7,3%, and current

*the main contradictions of the 4T’s labour economic model reside in its neostructuralism, [that] combines the neoliberal orthodoxy of balanced public accounts with large infrastructural works and broad programs of social support for poverty alleviation.*

expenses by -5,2% by September 2019, compared with the same period of 2018. It is possible that such a decline is due to the fact that the government is preparing itself for the global economy’s imminent slowdown, so it can exercise fiscal policy then. But, in the meantime, lowering government expenditures has contributed to a virtually stagnant growth in the gross domestic product, also due to lower rates of domestic private investment

(although foreign direct investment has increased). Nevertheless, the negative trend in job creation that started in

September 2018 was reversed in September 2019, with a positive annual rate growth of 1,9% (Cervantes Arenillas 2019).

Looking at other specific trends on labour conditions, we can say that they have been mostly stable from 2018 to 2019. These trends include the rate of waged workers (slightly increased), total employed population in industry (stable), unemployment rate (increased marginally), the rate of jobs in the informal economy (increased marginally), the index of remunerations in manufacturing (increased), access to health institutions (stable), rate of workers with full time jobs (stable). Each of these rates have had small variations, up or down (ENOE, INEGI, 2019). We can thus conclude that, by the first few months of the López Obrador government, the balance for workers is not negative.

We can also say that the main contradictions of the 4T's labour economic model reside in its neostructuralism, the

*Because Work and Labour do not have a privileged status in the 4T, there is no clarity on what policy will be followed regarding the maquiladora sector, which has been the main axis of the neoliberal model based on low wages and trickeries in labour conditions.*

school of thought of the UN's Economic Commission for Latin America (CEPAL for its Spanish acronym) of the 1980s.

Neostructuralism combines the neoliberal orthodoxy of balanced public accounts with large infrastructural works and broad programs of social support for poverty alleviation. This approach has led the government to avoid indebtedness (which has declined), avoid raising taxes and to impose draconian austerity

in public expenditure, which has affected employment, wages and benefits for workers in the traditional public service jobs in health, higher education and culture (Ruiz Durán 2016; Peña Nieto 2016).

Because Work and Labour do not have a privileged status in the 4T, there is no clarity on what policy will be followed

*It is especially indispensable that new left union forces rethink a new union strategy for the twenty-first century: not only how to achieve democratic unions but what will be the main field of collective action for unions and their relation with the state.*

regarding the maquiladora sector, which has been the main axis of the neoliberal model based on low wages and trickeries in labour conditions (De la Garza 2012; Otero 2011). We therefore do not see a clear productive policy for the economy, beyond some stimulus for private capital investment resulting from large public works. In other words, we cannot identify any model or thinking meant to transcend the export-manufacturing paradigm

that predominates in Mexico (De la Garza, 2005, 2013). Looking for signs of a transformative labour model in the 4T should be a task for future research.

In the meantime, an independent and democratic labour movement could pressure the government to promote the growth of the domestic market based on living wages and dignified working conditions. It is especially indispensable that new left union forces, whether they have affinities to Morena or not, rethink a new union strategy for the twenty-first century: not only how to achieve democratic unions but what will be the main field of collective action for unions and their relation with the state. Choosing to interact with the state as the privileged interlocutor runs the risk of re-editing a left corporatism or faded social democratic alternatives to neoliberalism. Business unionism, on the other hand, has shown its colossal limitations in the United States. Union struggles will need to explore experiences unedited in Mexico that have been successful elsewhere, such as workers councils and the definition of labour as a space for workers to participate in productive decision making.

### References:

- Alvarez, Lourdes, Jorge Carrillo and M.L. González. 2014. El auge de la IA en México en el siglo XXI. México City: UNAM.
- AMIA. n.d. Estadísticas a propósito de la IA: México City: AMIA
- Cervantes Arenillas, David. 2019. "Formal Employment Improves in September." Mexico Economic Flash. BBVA Research. October 16. Available at: <https://www.bbvarsearch.com/en/publicaciones/mexico-formal-employment-shows-better-performance-in-september/>.
- Covarrubias, Alex. 2014. "Explosión de la IA en México", Análisis No. 1, FES: México City.
- Covarrubias, Alex y Alfonso Bouzas. 2016. "Empleo y Políticas Sindicales en la IA en México", Análisis No. 7/2016, FES
- De la Garza, Enrique. 2012. "La manufactura y la maquila en crisis y en la crisis" en José Luis Calva (Coord.) Nueva estrategia de Industrialización. Ciudad de México: Juan Pablos.
- De la Garza, Enrique. 2013. "Alternativas al modelo maquilador", en México frente a la Tercera Revolución Industrial. Ciudad de México: UNAM-Instituto de Investigaciones Jurídicas.
- De la Garza, Enrique. 2016. "La precariedad salarial en México" en J.A. Rodríguez, et al., (Eds.) Desarrollo desde lo Local.
- De la Garza, Enrique, Ed. 2005. Modelos de producción en la maquila de exportación. México City: UAM-Plaza y Valdés.
- DOF. 2019. DECRETO por el que se reforman, adicionan y derogan diversas disposiciones de la Ley Federal del Trabajo, de la Ley Orgánica del Poder Judicial de la Federación, de la Ley Federal de la Defensoría Pública, de la Ley del Instituto del Fondo Nacional de la Vivienda para los Trabajadores y de la Ley del Seguro Social, en materia de Justicia Laboral, Libertad Sindical y Negociación Colectiva. DOF: 01/05/2019. Disponible en: [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5559130&fecha=01/05/2019](https://www.dof.gob.mx/nota_detalle.php?codigo=5559130&fecha=01/05/2019).
- Ellwood, David T., y Glenn Fine. 1987. "The Impact of Right-to-Work Laws on Union Organizing." Journal of Political Economy. 95(2):250-273.
- ENOE. 2019. "Datos de Ocupación", enero-sept. Aguascalientes: INEGI (Instituto Nacional de Estadística, Geografía e Informática).
- Gilly, Adolfo. 1974. La revolución interrumpida. 4ª edición. México: Editorial El Caballito.
- Maccise, Luis. 2019. "Reforma a la Ley Federal del Trabajo." Milenio. Mayo 9. <https://www.milenio.com/opinion/varios-autores/escuela-libre-de-derecho-de-puebla/reforma-a-la-ley-federal-del-trabajo>.
- Malkin, Elisabeth. 2019a. "Mexico's Workers Can Finally Choose Unions. Old Unions Are Pushing Back." New York Times. June 22. Available at: <https://www.nytimes.com/2019/06/22/world/americas/mexico-unions-labor.html>.
- Malkin, Elisabeth. 2019b. "Under Scrutiny for Wealth, Powerful Boss of Mexico's Oil Workers Union Resigns." New York Times. October 16. <https://www.nytimes.com/2019/10/16/world/americas/mexico-pemex-union.html>.
- Otero, Gerardo, ed. 1996. Neoliberalism Revisited: Economic Restructuring and Mexico's Political Future. Boulder, CO: Westview Press.
- Otero, Gerardo. 2011. "Neoliberal Globalization, NAFTA and Migration: Mexico's Loss of Food and Labor Sovereignty." Journal of Poverty. 15(4):384-402.
- Otero, Gerardo. 2018 [1999]. Farewell to the Peasantry? Political Class Formation in Rural Mexico. New York: Routledge.
- Otero, Gerardo, Horacio Mackinlay, y Efe Can Gürcan. 2019. "Formación político-cultural de las clases subalternas: Desafíos para la "cuarta transformación" histórica de México." En John Ackerman, coord. El cambio democrático en México: retos y posibilidades de la "Cuarta Transformación." México: Siglo XXI Editores. Por publicarse en octubre de 2019.
- Peña Nieto, Enrique. 2016. Cuarto Informe de Gobierno. Anexos Estadísticos. México, D.F: Secretaría de la Presidencia.
- Quintero Ramírez, Cirila. 2019. "Los claroscuros del movimiento laboral 20/32 de Matamoros." Milenio. Marzo 23. Disponible en: <https://www.milenio.com/opinion/varios-autores/corredor-fronterizo/claroscuros-movimiento-laboral-20-32-matamoros>.
- Ruiz Durán, Clemente. 2016. Desarrollo y Estructura de la IA en México, Análisis, No. 6/2016: FES
- Serrano Herrera, Carlos. 2019. "Reforma laboral: avance significativo para los mercados laborales." El Financiero. May 9. Disponible en: <https://www.elfinanciero.com.mx/opinion/carlos-serrano-herrera/reforma-laboral-avance-significativo-para-los-mercados-laborales>.
- Xantomila, Jessica. 2019. "Reforma a LFT, paso importante para trabajadoras del hogar: Inmujeres." La Jornada. May 15. Disponible en: <https://www.jornada.com.mx/ultimas/2019/05/15/reforma-a-lft-y-ley-del-imss-paso-importante-para-trabajadoras-inmujeres-353.html>.

### Useful links:

- The Jus Semper Global Alliance
- The Jus Semper Global Alliance: [2020 Report: Living-wage assessment – New assessment of Mexico's wage rate gap 1996-2018](#)
- Intan Suwandi: [Back to Production: An Analysis of the Imperialist Global Economy](#)
- Intan Suwandi: [Labour-Value Commodity Chains —The Hidden Abode of Global Production](#)
- Intan Suwandi, R. Jamil Jonna and John Bellamy Foster: [Global Commodity Chains and the New Imperialism](#)
- Álvaro J. de Regil: [The Underlying Causes of Immigration from Mexico to the United States — Structures of Deprivation](#)
- Álvaro J. de Regil: [Mexico's Wages 2018-2024: To Change So That Everything Remains The Same](#)
- Álvaro J. de Regil: [Living Wages in the Paradigm Transition — The Imperative Challenge of Transcending the Markets](#)
- Carlos Jiménez Bandala and Jesús Contreras Álvarez: [Value transfer and human degradation in an automotive enterprise cluster in Mexico](#)
- Claudio Jedlicki: [Unequal Exchange](#)





- ❖ **About Jus Semper:** The Jus Semper Global Alliance aims to contribute to achieving a sustainable ethos of social justice in the world, where all communities live in truly democratic environments that provide full enjoyment of human rights and sustainable living standards in accordance with human dignity. To accomplish this, it contributes to the liberalisation of the democratic institutions of society that have been captured by the owners of the market. With that purpose, it is devoted to research and analysis to provoke the awareness and critical thinking to generate ideas for a transformative vision to materialise the truly democratic and sustainable paradigm of People and Planet and NOT of the market.
- ❖ **About the authors:** **Enrique de la Garza Toledo** and **Gerardo Otero** are Sociologists at the Autonomous Metropolitan University in Mexico City and Simon Fraser University in Vancouver, respectively. Direct correspondence to egt57@hotmail.com or otero@sfu.ca. Enrique's website is: <http://sgpwe.izt.uam.mx/pages/egt>, and Gerardo's is: <http://www.sfu.ca/people/otero.html>.
- ❖ **About this essay:** Work and Unionism in Mexico: Challenges for MORENA and the Fourth Transformation Government, was originally published in English by Rupture magazine in February 2020.
- ❖ **Quote this paper as:** Enrique de la Garza Toledo and Gerardo Otero, Work and Unionism in Mexico: Challenges for MORENA and the Fourth Transformation Government – The Jus Semper Global Alliance, November 2020.
- ❖ **Tags:** Capitalism, Labour Rights, Trade Unions, Mexico, Democracy, NAFTA, Living Wage.
- ❖ The responsibility for opinions expressed in this work rests only with the author(s), and its publication does not necessarily constitute an endorsement by The Jus Semper Global Alliance.



Under Creative Commons Attribution 4.0 License  
<https://creativecommons.org/licenses/by-nc-nd/4.0/>

© 2020. The Jus Semper Global Alliance  
Portal on the net: <https://www.jussemper.org/>  
e-mail: [informa@jussemper.org](mailto:informa@jussemper.org)