

# **Neoliberal restructuring and union reaction in México**

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This paper aims to show how union organizations have reacted in Mexico to the changes resulting from the neoliberal restructuring of the last two decades. It also intends to identify the main factors explaining the strategies adopted by unions in consideration of the following aspects: a) the economic and political opportunity structure in which they acted, b) the nature, kind and sources of power resources. Due to the lack of space only the main trends will be included here and some similarities and differences will be shown in the light of the strategies adopted by union organizations in Brazil and Argentina, with the aim of highlighting the influence of these factors.<sup>1</sup>

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<sup>1</sup> The approach and the results presented in this paper come basically from the following projects: a) Union strategies in face of the restructuring and the NAFTA in Mexico, United States and Canada, undertaken by the author of this study (who was coordinator for both projects) and the following researchers: María Cook (Cornell University), Ian Robinson (Michigan University), Gregor Murray (Laval University), Bodil Damgaard (FLACSO-Mexico) financed by CONACYT and the Fideicomiso para Estudios Trinacionales, COLMEX, between 1996 and 1998; b) Union strategies in the face of integration processes: a comparative vision between the NAFTA and the MERCOSUR, with the participation of Héctor Palomino (De la Empresa University), Cecilia Senen (Buenos Aires University), Marisa Von Bülow (Brasilia University), Silvia Portella (CUT), Bodil Damgaard and Landy Sánchez (both from FLACSO-Mexico), and the author of the present work, financed by CELAG and undertaken between 1998 and 1999. In both projects the union behavior was analysed at the national level in three sectors highly affected by the restructuring and the integration: automobile, electronics and garments.

The hypothesis guiding this analysis holds that although the existing structure of economic opportunities<sup>2</sup> in Mexico acts against the defense of the workers, for the first time in many decades there were positive political conditions for the consolidation of a “new unionism” (defined as opposed to corporativism). Its main actors showed in this period a greater response capacity towards the government and company policies with respect to the old unionism and were able to gain economical and political power. In the new context the union’s compulsory or voluntary nature, their autonomous or subordinated character towards the State and the companies, as well as the sources providing their power resources (social and state) influenced the greater or lesser response capacity of the unions. Considerable differences were drawn within and between the countries under consideration.

### **Economic opportunity structure**

The neoliberal restructuring in Mexico implied the redefinition of the state’s role in the development, the deregulation and the increase in economic competition, trade liberalization and the celebration of agreements on regional integration. These processes resulted in significant adjustments in the labor market and in labor relations systems, tending to increase the flexibility in labor engagement, use and payment (Dombois and Pries, 1995).

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<sup>2</sup> The concept of *political opportunities structure* comes from the literature on social movements and has been adopted by Robinson, 1999, to consider the factors of a political nature intervening to increase or reduce the union’s performance opportunities. Also, this author extends the concept to the economic field and refers to the *economic opportunities structure* to identify the factors affecting the power between unions and employers. This work adopts both concepts.

The shift in the economic policy had a significant impact on the labor world. The development model through import substitution (ISM) put forward in the 1940's allowed for the expansion of the Mexican economy to reach annual rates of a 6.5% average in the 1960's and 1970's and was based on the expansion of domestic demand, the protection of domestic industry (through tariff policies, subsidies, credits, and so on), a growing monetary policy and a growing public expenditure. (Lustig, 1994). In this model, unions, mostly in the strategic sectors and in the state firms, had a preeminent place in the political scene and had optimal conditions to achieve increases in real wages, a situation that has evolved conversely since the 1980's to these days.

As for commercial matters, the protection of the industry until the 1980's allowed some margins for the collective negotiation, while a social policy to invest in health, education and public subsidies for transport and food supply caused a substantial improvement in the living standards of urban workers (Friedman *et al.*, 1995). Also, the labor legislation allowed for the spreading of official unions and provided them with legal tools for their consolidation (Bensusán, 1999).

Conversely, since the 1982 crisis, a policy aimed at adjusting the aggregate demand was implemented by the government. To this end public deficit was lowered (by means of reducing government spending) and the currency rate was devalued (Heredia, 1997). The fiscal adjustment resulted in lower social expenditure, in diminished wages and in tax increases (Lustig, 1994). At the same time devaluation triggered a fall in the effective income and a rise in the product prices with a lowering of purchasing power (Friedman *et al.*, 1995).

Between 1989 and 1994 a period of recovery and a certain stability was felt by the Mexican economy, growth resumed (with average rates of 3.4%) and inflation fell (Hernández Laos, 1990). The latter was achieved through policies towards structural changes and stabilization. These stabilizing policies were implemented through economic deals and looked for a positive balance in the public account, as well as a monetary policy based on a flexible yet controlled currency rate. The structural change policies implied a greater trade opening, deregulating of goods and services and the privatization of public firms (Hernández Laos, 1999).

During this period social spending rose significantly from 5.7% of the GDP in 1988 to 9.1% in 1994.<sup>3</sup> Nevertheless, this increase did not benefit union's position because it was allocated through the Solidarity National Program and substituted the general subsidies to the basic consumption with approaches oriented towards the extremely poor population affecting the consensus basis of union corporativism.

The jobs created in the context of the neoliberal restructuring can be considered of "poor quality" because the number of workers without fringe benefits or social security rose and the participation in the PEA (economically active population, force labor) of non income earning labor increased to 50% (OECD, 1997: 95-102; OECD, 1999: 81). From 24.7% non formal jobs in EAP in 1980, the number increased to 39.9% in 1985, to 44% in 1990, and to 48% in 1995. This negative evolution for the union's growth and performance took place in sectors such as building, commerce, services, transport, manufacturing and finance (Hernández Laos, 2000).

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<sup>3</sup> President Salinas' Sixth Government Report (1994).

Even when inflation was under control, wage restriction was continued once the trade liberalization began in order to foster investment coming to Mexico after the signing of NAFTA, when one of the main comparative advantages of the country with respect to its trade partners was low wages. So, while in 1980 Mexican labor costs per hour in manufacturing equaled 23% of the United States, in 1997 they lowered to 10%. The contrast between the effects of economic policy on the workers before and after the 1982 debt crisis can easily be proved with the evolution of minimum wages: from 1960 to 1981, minimum wages rose 151.2 % in real terms, or a real annual growth of 7.56 % in those twenty years. In contrast, from 1981 to 1999, minimum wages fell 72.2 %.

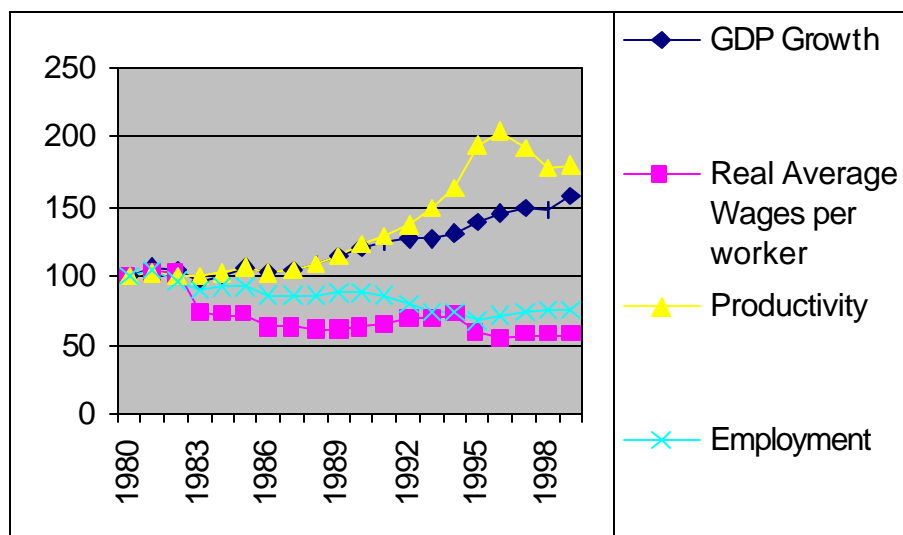
The growing power of investors resulted also in the government support of their restructuring strategies including dramatic adjustments in employment and cutbacks in the power of unions in the collective recruitment of labor. The employers agreed with the official unionism mainly in branches with strong unionist tradition and increased their resistance against independent union organizations in exporting sectors such as the automobile industry and the frontier maquila industry, an option which implied growing costs for the workers.

### **The gap between wages and productivity.**

Even when some studies show that the gap between productivity levels in Mexico and the US has deepened from 1972 to 1994, when this indicator went from 50.6 to 50.% (Guzmán, 1997), labor productivity in Mexico rose 80% between 1980 and 1997. In

the meantime wages lost nearly half of its purchasing power and employment decreased by almost one third, as shown in the following figure.

Figure 1. Main indicators of the Manufacturing Industries (1981-1999)



Source: Author's own calculations with data from INEGI, Encuesta Industrial Mensual. Up until 1993, the Survey included 129 types of activity. From 1994 onwards, it includes 205 types. Data has been crossed to identify the trend. 1980=100.

Due to the fact that productivity growth depends on additional factors such as investment levels, technological innovation, research and development, industry, firm size and resources dedicated to training, a great disparity remains in the performance of different economic entities. In this respect, improvement took place mainly in the industries characterized by economies of scale and which were export-oriented since mid-80's: chemical, steeling and auto industries, among others. (Guzmán, 1997:182-184).<sup>4</sup>

<sup>4</sup> Given the fact that productivity is correlated to firm size, it is worth noting that in Mexico the proportion of large firms is marginal (1.9 per cent of total) as compared to the number of micro, small

A recent study on the evolution of labor costs in Mexico shows that between 1984 and 1987 labor productivity rose in 16 industries and fell in 24, while between 1987 and 1993 (i.e. when the effects of trade liberalization and economic restructuring were most notorious) it only fell in 7 industries. Productivity growth was rapid in some cases, such as the auto industry, where it averaged more than 20 per cent per year. (Hernández Laos, 1997: 187; Bayón y Bensusán, 1997).

Even when indirect labor costs (taxes and social security costs) grew, this growth was offset by increases in labor productivity and diminishing direct labor costs (wages and fringe benefits), with a resulting increase in competitiveness during the first period (1983-1987). However, the subsequent management of exchange rates (overvaluation of the Mexican currency) led to a generalized decrease of competitiveness between 1987 and 1994, although there were a few exceptions as was the case of the auto and electrical appliances industries which remained competitive. Once again in 1995 manufacturing industry competitiveness was restored through a drastic devaluation of the peso. The analysis of this data suggests that the evolution of this indicator was determined by macroeconomic factors and not by problems related to labor costs (Hernández Laos, 1997: 182).

Additional important data that sheds some light on the trends resulting from productive shifts in Mexico is the relationship between labor costs and input costs on the industry.<sup>5</sup> It has been calculated that in 43 of 49 analyzed manufacturing industries,

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and medium-sized firms (98.1 per cent of total), even if the former occupy 48 of the total labor force (Guzmán, 1997:187).

<sup>5</sup> Input costs of a firm include labor costs and materials directly used in production processes (Hernández Laos, 1997: 195).



labor costs as a proportion of input costs on the industry significantly decreased between 1980 and 1990 (Ibid: 196).

Likewise, increases in exporting industries productivity levels had no relation with wage evolution, which fell again after the 1994 crisis. This event was more significant in the case of industries subject to strong competitive pressures. As has been said, this is explained by the fact that wage evolution depended on macroeconomic factors (Alberro,1997), such as anti-inflationary agreements (*pactos*) while unions lost bargaining capacity in the context of new public policies that privileged external markets and commitments to the international financial institutions. The auto industry is a good example of this trend, which also applied to the fringe benefits that resulted from collective bargaining, as shown in the following table.

Table 2. Compensation index in the auto industry (1987=100)

	Real Average Wages to workers	Real Average Salaries to employees	Fringe benefits
1987	100	100	100
1988	90.14	98.37	85.00
1989	92.58	116.66	89.22
1990	110.31	127.91	88.04
1991	114.01	138.35	93.79
1992	129.59	164.21	107.31
1993	128.51	168.65	108.07
1994	123.06	170.84	96.50
1995	95.85	137.81	81.36
1996	94.68	133.67	59.12
1997	99.37	134.43	60.91
1998	100.77	142.86	61.96
1999*	98.66	139.09	60.09

Source: Encuesta Industrial Mensual, INEGI, Webpage, enero 2000

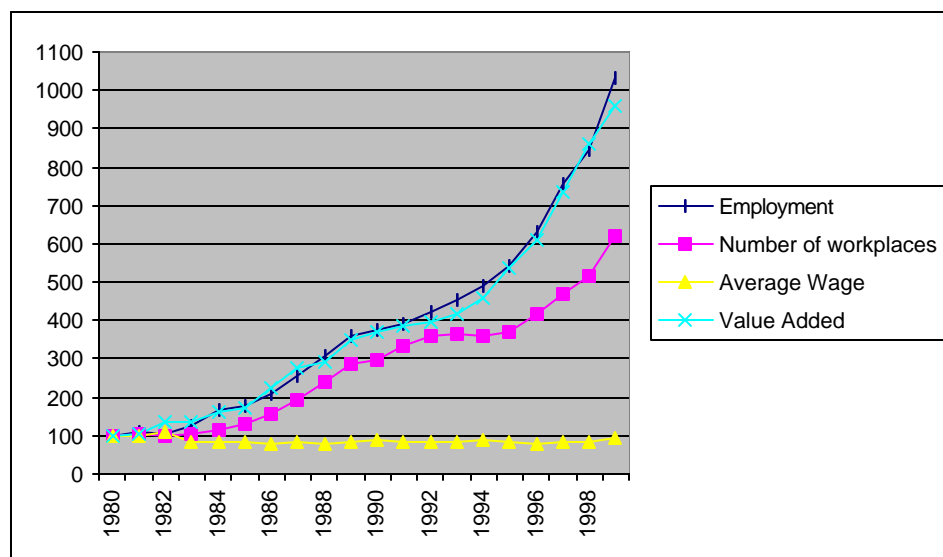
\* January-November. Preliminary data

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Likewise, the evolution of productivity, employment and pay in *maquiladora* industries (which currently employ over 1 million workers and were the only manufacturing sector to continuously grow during the 80s) is illustrative of the unequal bargaining power of labor and capital in this sector, featuring weak or no unions at all (this is the case in electronic firms in Chihuahua and Cd. Juarez, with low levels of unionization).

Figure 2. Evolution of the Main Indicators of the *Maquiladora* Industry, 1981-1999.

(1981=100)



Source: Author's own calculations with data from INEGI, Industria Maquiladora de Exportación, Enero 2000,

The previous analyses reveal a patent loss of economic union power that led to the elimination of the wage gap between unionized and non-unionized workers. This

gap reached 40 per cent and then fell to 10 per cent in 1989 and to 3 per cent in 1992 (OCDE, 1997: 98, and footnote 78).

Summing up, under the neoliberal policies the economic opportunity structures proved negative for Mexican unionism in its different types. On one hand, the old unionism experienced the elimination of the advantages favoring its members due to the political exchange with the state during the MSI, which resulted in the loss of its consensus basis and in the intensification of its coercive traits. On the other hand, the employers had a greater participation in the organizational process and had the government's backing to avoid independent unions and stop their expansion while the economic conditions resulted unfavorable for the mobilization of members and the search for new ones. The fall in the number of strikes between 1982 and 1998, that went from 675 to only 33 shows the demobilization of workers caused by the fear of losing their jobs. (Informe de Gobierno, Presidencia de la República, 1994 and 1999). On the contrary, political changes would affect unions in a different way according to the nature of their ties with the state.

### **Political opportunity structure**

The greater opening of the Mexican political system from 1988 generated two kinds of changes that radically modified the role of unions allied to the government, as an instrument to win the corporate vote or as a barrier against the penetration of ideological or political currents different to those of the Mexican Revolution, In the first place, the electoral reform widened the limits for the opposition parties by creating administrative instances guaranteeing equity in the elections and implied new

competitiveness requirements for the candidates of the official party (PRI), just when the results in neoliberal policies withdrew consensus bases from the traditional workers leaders.

Some data indicate the change in the electoral scene as a result of the PRI abandoning its commitments to the sectors (workers, farmers, and so on). While in the 1982 presidential elections the PRI won 68.43 % of the votes, in 1994 this party got only 50.35 % of the votes. At the Deputies Chamber, in 1982 the PRI won 74.1 % of the seats, while in 1997 the percentage went down to 47.8%.

Also, since 1989, the PRI has begun to lose total control in the state governments. From a total 32 states, uninterruptedly governed by this party until 1988, ten years afterwards the opposition had already won ten (six the PAN, and four the PRD).

The victories of the opposition parties in local governments have not, however, resulted yet in more favorable conditions for the workers, because these -regardless of their political banner- continued to keep basically the status quo in their respective labor policies. The governments of the PAN have showed respect for the preeminent place of the CTM and have kept from taking decisions that might discourage investment in the *maquiladora* zones where they rule. In the case of Mexico City, ruled by the PRD, no significant changes have occurred in the relationships with unions, such as a greater transparency regarding contracts and political opportunities for the expansion of independent unionism (Bouzas and De la Garza, 1999).

Official unionism has nevertheless been one of the most affected by the loss of political power when their positions at the Congress were drastically reduced, for they

went from having 99 seats in the Chamber of Deputies in 1988 to only 42 in 1997. This evolution reflected the decreasing importance of this power resource in traditional unionism as a result of from the new political plurality.

Another crucial aspect of political change was the reduction in the “political-administrative” powers of the presidency resulting from the neoliberal restructuring (mostly with the privatization of the main state firms), the electoral growth of the opposition and the internal pressures (from the National Liberation Zapatist Army, EZLN) and foreign pressures towards the political regime’s democratization.

The Executive’s ability to favor the allied union leaderships was reduced by these processes. Also the possibilities of vetoing the presidential proposals were increased due to the 1997 PRI’s loss of the majority in the Chamber of Deputies in favor of the opposition.

Although the range of possibilities for political alliances was open for the new unionism thanks to the growing strength of opposition parties, its representatives have not yet obtained their own positions. Nevertheless, after the 1994 political and economic crisis and, even in the 1997 PRI’s defeats -after the death of Fidel Velázquez, the legendary leader of the CTM (Confederation of Mexican Workers)-a new atmosphere of greater tolerance for the consolidation of a new unionism and the weakening of official unionism was made possible because of the political transition. This can be explained as well as other changes, by the decreased coercive capacity of the state stemming from external and internal factors, such as the EZLN arrival and the greater visibility derived from the signing of the NAFTA and the negotiations with the European Union.

Among the new political conditions, there should also be mentioned the greater relevance of the non government organizations and of the foreign support provided by the United States and Canada with the aim of widening cooperation and to developing strategies in common to face the growing power of transnational firms. In this respect it should be noted that since 1995 changes in the leaderships of the AFL-CIO tightened its relationship with the Mexican union movement. Nevertheless, as will be seen later, the interest to gain strength through the search for more allies was greater among independent unions, while traditional unionism remained trapped in its alliance with the state and kept seeing those organizations as a possible threat to its intentions to cooperate in order to attract investors through Mexican low wages.

Briefly, limited Mexican presidentialism and reduced margins for political exchange with unions affected their traditional allies. On the contrary, unions that had always been autonomous with respect to the state or that had gained autonomy during the last decades and depended less on state origin resources -material and others- found better political opportunities for development in the new scene. This does not mean that they have always profited from these opportunities to force political transitions towards democracy or to get better institutional conditions for their performance.

### **Union strategies**

Strategies developed by unions in Mexico came about in a differentiated way, depending mainly on the degree of political commitment towards the government and the PRI. Thus corporatist or old unionism was subordinated to the government and

firm policies, while the organizations in the “new unionism” used both cooperation and confrontation, depending on the case in question, lessening to a certain degree the impact of neoliberal restructuring.

### ***Corporatist unionism***

Both in a macroeconomic and microeconomic level, the CTM intended to be the main interlocutor of the government and private firms and gave up in matters of wages, fringe benefits, and job quality, allegedly as a way to protect employment and competitiveness in the country.

As for the legislation aspect, all the neoliberal policies were supported by the PRI worker deputies in the Chamber of Deputies and by the senators in that sector. Only the proposals to reform labor legislation were resisted in order to prevent the official unionism from losing its preeminent role in the flexibilization of labor standards and its corporatist privileges. Likewise, the CTM’s attitude towards the NAFTA consisted of accepting its negotiation and unconditionally backing up the government’s decision. It limited itself to demanding that the included labor legislation did not deal with union freedom nor that it threaten affiliation monopolies.

With respect to union affiliation, the CTM continued to rely on the agreements between leaders that would consolidate its influence and the coercive affiliation in sectors crucial to the exporting model and in other sectors with low levels of affiliation, in exchange for its obedience. Nor was a commitment towards the workers pursued within CTM; on the contrary, repressive solutions were preferred to stop internal

demands and attempts at dissent. This policy was supported by the government, mostly in exporting sectors such as automobile and *maquila*.

Finally, it must be pointed out that the CTM's economic strategy based its discourse on the modernizing position held by the government and the management of the firms, but without goals of its own to gain the support of its members. Its attempt to develop interest alliances with firms failed, among other reasons due to its subordination to the government and its members' lack of mobilization. In other words, it represented, as interlocutor, no real threat to the government who limited itself to guaranteeing the affiliation monopolies in exchange for union obedience towards the restructuring.

As for political strategy, this confederation continued to be corporatively affiliated to the PRI, although this pattern was banned by the 1996 electoral reform and worked traditionally as a firm defendant of the old regime against political and social opposition.

### ***The new unionism***

Although there was an increase in the opportunities for the development of a "new unionism" based on the critique of traditional corporatism and the search for new power resources, today this alternative is still reduced within the union structure and is going through many obstacles and lack of definition. The UNT, an organization founded in 1997 with the aim of being an alternative to traditional unionism, has little more than 326 thousand workers within federal jurisdiction (STyPS National Association Registry, 2000). This organization includes service unions (universities,



IMSS (Social Security Mexican Institute), telephone operators, aviation, transports, and others) as well as industry (automobile, metal, and others) which undergo very different problems and negotiating conditions in their negotiation with the employers power. There are also different approaches on the economic and political strategy to be adopted, depending on the diverse kinds and origins of the unions.

One of the most noticeable outcomes of new unionism is the success achieved by the STRM through its negotiating strategy towards the privatization and restructuring of TELMEX. Casting aside its previous statist positions and accepting a greater functional flexibility as to work organization, this union managed to develop a real negotiation in the firm during changes that might have seriously damaged the jobs and work conditions of its members.

The FAT also underwent several experiences that enabled it to achieve a true negotiation with the firm and got benefits for its members focusing on bilateral flexibility to avoid threatening the stability of the jobs and to increase productivity. This was the case of the automobile firm Sealed Power, where union representation is held by STIMAHCS. The firm producing for Ford Motors has come to accept the benefit of cooperation for both sides, considering that in the long run the relationship with the union affiliated to FAT turned out to be more beneficial than the one it held with the CTM, because FAT has the actual support of the workers and can engage in the achievement of productive challenges.

The growing interest of northern countries unionism towards the Mexican labor scene was better taken advantage of by independent unionism. With respect to NAFTA, FAT's strategy was different from the one followed by the CTM, the STRM

and the STRM. The Fat, with another organizations, created the RMALC, which headed in Mexico the opposing front against that agreement and formed an alliance with its opponents in the two other countries, demanding guarantees for the workers interests and environment protection.

In the field of mobilization, both the FAT and the STRM have sought to fill the space left by official unionism in the May 1st demonstrations, and they also brought their efforts together, first in the Unionism before the Nation Forum and afterwards in the UNT, in order to increase the economic and political power resources of unionism.

### **Union organizations´ power resources and capacities**

The analysis of power resources and capacities developed by Mexican union organizations with respect to neoliberal restructuring allows also to identify two different trends: corporatist unionism and new unionism. The former has chosen to keep its political alliance with the PRI as its main power resource, and to keep the status quo in legal matters, guaranteeing captive affiliation. Conversely the new unionism has chosen to increase the strategic capacity of its leaders, to ally in due time with opposition parties and with international workers defense organizations, and to strengthen other power resources different to the institutional ones, such as the relationship with professional and intellectual sectors.

### **Corporatist unionism**

This sector has concentrated its major efforts to guarantee that the corporatist game rules keep on excluding independent unionism from the economic key sectors. The

establishment of exclusion clauses and the signing of collective employment contracts with the approval of labor authorities and the willingness of employers is the main economic and political power source of Mexican unions.

Nowadays the CTM also intends to affiliate non salaried sectors, such as street salesmen, taxi drivers, carriers, with the aim of extending its influence and gaining new followers in the informal economy sector given the extinction of jobs in the manufacturing industry.

An idea of the evolution of unionism can be drawn from the following data: In 1978, the affiliation rate including federal and local jurisdiction was 16.2% of the labor force (PEA) and 27.9% of the potentially unionizable population (employees and non agricultural workers aged 14 years or more) (Zazueta and De la Peña, 1984). The available data do not allow making calculations for 1999. Nevertheless, considering federal jurisdiction exclusively, the absolute number of affiliated workers grew by more than 1 million 160 thousand workers in that period, mainly because of the employment growth in the public sector, although, compared to the number of salaried jobs created in that period, a fall in the affiliation can be seen.<sup>6</sup>

The trend in the reduction of the affiliation is also observed in the statistics about the manufacturing industry. These data show a reduction of the percentage of affiliated establishments between 1992 and 1995 (from 15.2 to 14.1%) and the union rate for the manufacturing industry between 1993 and 1995 (from 50.21 to 42.2%) that exceeded the employment reduction in the industry. Indeed, while the employment fell

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<sup>6</sup> If we consider the proportion of the labor force affiliated in the federal jurisdiction it can be seen that it went from 10,4% to 7,4% between 1978 and 1999.

only 4% the union rate decreased 8% and the absolute number of affiliated workers 19% (ENTM, 1993 and ENESTYC, 1995).

A decrease in the union rate was also observed in six of the nine registered manufacturing branches, while it rose in three of them (Chemicals, Coal, Rubber and plastic derived products, basic metal industry, and other industries). There was also a notable fall in the percentage of affiliated workers in the branches of Foods, Beverages and Tobacco (13.4%), Wood Industry and Wood Products (8.2%) and Mineral non Metal Products (9.5%) (Ibid.)

Also, recent data show that CT affiliation power has gone down in the last 20 years. While in 1978 the CT had 4.5 members per each one in the independent sector in the federal jurisdiction branches, A section (Zazueta and De la Peña, 1984), this proportion changed to 1.8 to 1 in these days. It must be stressed that from the 488.581 affiliated workers outside the CT, 326 873 were part of the UNT, a fact showing the relevance of this organization. Nevertheless, its weakness lies in that 70% of its members belong to only one union: the SNTSS (National Association Registry, 2000). In fact, the UNT is the second most important organization of A section after the CTM and before the CROM and the CROC National Associations Registry, 2000).

In its inner structure, the CTM preserved its vertical organization (powerful leaders, weak affiliation units) and the antidemocratic practices that allowed for a controlled decision taking from the top, all of which made it possible for the CTM to repress the attempts of internal dissidence or limit renewing leaderships, without too many costs.

Its discursive capacity was reduced when the credibility in the revolutionary ideology -abandoned by the government in 1982- went down, and a modernizing discourse asking the workers to sacrifice themselves was adopted.

In the political field, the CTM's capacity to get enough support to stop any labor reform that would question its corporatist privileges has diminished due to the increased opposition parties participation in Congress and to the obstacles for the triumph of PRI's labor candidates.

This situation represents a real threat for the survival of the traditional union structures and gives way to expect its replacement.

### **New unionism**

Since the 1990's, after having left behind the resistance era, organizations in this sector have tried to improve their resource availability in order to widen their capacities. Thus, for instance, with the aim of expanding its strategic capacity, this sector strengthened its links with academic and professional sectors, it also increased the number of its counselors and turned to specialists in fields other than traditional ones. It also got support from foreign alliances to improve this capacity and regain experience in the organizational and discourse areas.

Both the FAT and the STRM are good examples of these achievements. The former was able to develop an outstanding international presence, and, through the RMALC and *Alternativa*, its diffusion magazine, as well as many more publications, it turned into an information source with a certain credibility among the public opinion

media as for labor and social problems related to trade liberalization and globalization.

The STRM established alliances with telecommunication unions and is an active participant in IPCTT. Both organizations have benefited from developing alliances with USA unions to denounce the violations of labor rights by Mexican firms based in that country in the context of ACLAN.

The problems for the new unionism, however, are evidently greater than its achievements.

Most of the members of the UNT have very limited material resources and they have scarcely contributed to sustain the expenses of the new organization.

Given the generalized exclusion clauses in the collective contracts and the role of the government in the union and leader registration, the withdrawal of the institutional restrictions to the expansion of independent unionism is now a necessary condition for its consolidation and for the replacement of the old unionism; consequently a legal reform is being promoted looking for allies among the opposition parties.

Despite the institutional obstacles and the labor market problems, the UNT expects to expand its membership in the future, to strengthen its coordination capacity at a sectorial and regional level, and to develop its own research and analysis organism. As uncertain as its perspectives might result, if compared with the CTA, the UNT has better capacities and more adequate resources to face a negative political and economic scene for the exchange between state and unions.

## Mexican unionism's nature and strategies in a comparative perspective

Comparative analysis of the Mexican unionism strategic capacity<sup>7</sup> (both the new unionism and the corporatist) with respect to the other two countries, considering the specific nature<sup>8</sup> enables us to view more clearly the impact of neoliberal policies on their evolution.

Thus to the extent that in Brazil and Argentina<sup>9</sup> the unionism experienced similar processes to the Mexican (as for neoliberal restructuring) although the scope

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<sup>7</sup> Here we use the concept *strategic capacity* as the union organization's ability to "understand" its environment, track its opportunities and develop possible and attractive alternative policies in a rapid and creative way, with respect to national economic policies or else in the negotiation of a collective labor contract. We understand *discursive capacity* as the ability to express opinions efficiently and to convey a message to its members, followers and/or interlocutors. (Robinson, 2000). This same author mentions other union capacities: *mobilization capacity* (measured in terms of member affiliation and their willingness to actively support the union's demands and proposals); *coordination capacity* (that it can take an intra union dimension- the action coordination between the members of a union organization and its leaders - or an inter union dimension as coordination between different unions, federations and confederations), and the *legislative capacity* (the possibility to influence the legislative process) (*Ibid.*)

<sup>8</sup> The nature of the unions is related to the following variables: a) the main source of its economic and political resources (state or social); b) its relationship with the state (autonomy or subordination and its position towards the economic policies (support or questioning); c) its relationship with the employers (cooperation, subordination or confrontation); d) its inner democracy level, and the kind of prevailing incentives to get the support of the members with respect to the goals of the organization. Based on these indicators the organizations can be classified in three kinds: corporatist statist, social unionism and social movement unionism. The former is characterized for its dependency on the state to get political and material resources, so it subordinates to its policies and to employers, and it also represses every questioning as to inner democracy. Social unionism gets its resources from state and other sources. Instead of subordination to the state or to the firms, it tends to establish negotiations at the firm level and its organizational structures are characterized by middle democracy levels. Pro movement unionism depends basically on the support of its members and its relationship with other social movements. It is noticeable for questioning the economic government project and its recurrent confrontation with employers; the organizational structures give great relevance to the assembly. With these respect, see Robinson, 2000.

<sup>9</sup> In the cases of Argentina and Brazil, besides considering the three kinds of unionism mentioned above (statist corporatist, social and social pro movements) a fourth category must be established, which belongs to voluntary unionism (because of its affiliation method) named "business unionism". This characterizes for being excluding (for it concentrates on better qualified workers and provides highly specialized services of its members y collective negotiation and in the handling of conflicts in exchange for quotes), for ignoring inner democracy, independently from formalities and questioning the capitalism values. It is based on institutional resources and relies on partisan political allies. With this respect, see Robinson, 2000.

and timing were different in those policies, it is useful to compare the dominant union strategies in the three countries. In advance it can be pointed out that given the similarities of hegemonic unionism in Mexico and Argentina (of a statist corporatist kind) in both cases similar difficulties were faced to defend workers interests with innovative strategies. On the other hand, in Brazil, where social unionism prevails, there was a greater capacity to lessen the effects of economic changes, due to a more advanced and consolidated union renovation. In the following table similarities and differences in behavior are shown:

#### **Dominant union strategies**

Kind of strategy	Mexico	Argentina	Brazil
Economic (macro politics level)	Approval	Approval	Opposition
Micro economic and sector level (collective negotiation)	Cooperation and cession of acquired rights	Cooperation and cession of acquired rights	Confrontation/ limited cooperation/ in some cases preservation of acquired rights
Politic	Conservative	Conservative	Innovating

Source: Bensusán, Damgaard and Sánchez, 2000 based on Bensusán, 1998; Senen and Palomino, 1999, and Portella, 1999.

In Brazil the unionism of a social-militant kind implemented a strategy in economics which combines a strong criticism of the economic model with positions towards negotiating and participating in specific measures and policies that directly concern their members. The Brazilian unions also proposed sector economic policies

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which were an option to modernize the industry and raise their affiliates' wages. So was the case in the automobile sector (Bensusán and Von Bülow, 1997).

That same position reflected on the collective negotiation level. The union organizations agreed to take part in restructuring the firms under the condition that its affiliates got benefits from the process ( Bensusán and Von Bülow, 1997). In any case, in Brazil the CUT held a more confronting policy than their Mexican and Argentinean peers in order to get a recognition as interlocutor.

Hegemonic unionism in Argentina and Mexico did not oppose any resistance against neoliberal policies and it even supported them although they were negative for their members. Their demands were adjusted to the limits established by public policies in terms of wages, social benefits, and so on. That is to say, in those countries dominant unionism adopted the logic of the economic model as its own (Palomino and Senén, 1999; Bensusán, 1998). The arrival of divisions within traditional Argentinean (CTA) and Mexican (UNT) unionism relates precisely to the adoption of critical positions against neoliberal policies.

At the collective negotiation level, the prevalent strategies in Mexico and Argentina tended to be cooperative with the firms and to more or less actively support production reorganization, introduction of new technologies and forms of work organization, or not opposing any obstacle to them (Ibid.)

In these countries, cooperation with employers was part of a global strategy supporting their historical political allies -the PRI and the PJ- with the logic of preserving privileges for the union structures. This represents a paradoxical effect of the respective institutional backgrounds: The unions had important legal prerogatives

but scarce autonomous resources, so they depended on the institutional resources and this represented a weakness more than a strength factor in the struggle for power to achieve a more balanced distribution of costs and benefits in the adjustment processes.

Brazilian unions, with less institutional resources than their counterparts in the other two countries and much more autonomous with respect to the state, carried out actions directed to increase its allies getting near social movements and political currents that supported their critique of the economic model as a whole. They were also concerned with getting consensus and endorsement for their positions among the public opinion (Portella, 1999). So the CUT supported the PT hoping for a political alternative of its own.

In Mexico, the continued alliance between corporatist unionism and the PRI is an obstacle against the regime's democratization and at the same time it limits the possibilities of traditional unionism in a context of greater political plurality and economic instability. On the other hand the close relationship between the CGT and the PJ in Argentina was an obstacle to gain economic and political power during Menem's rule.

### **The construction of new unionism power resources<sup>10</sup>**

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<sup>10</sup> By union power resources we understand here the resources widely (but not completely) under union control that can be used to increase its coercive capacities (as in the case of strikes) exchange (in problems of a macroeconomic kind as unemployment) and persuasion (in front of the government or employers). Essentially six union power resources can be identified: material resources, mobilization capacity, coordination capacity, strategic capacity, political capacity, and discursive capacity. (Robinson, 2000).

In the context of neoliberal restructuring the union organizations whose negotiation power was less reduced were those that depended less on institutional resources and had their own power resources under control, which allowed them to build and/or renew their capacities. This led them to use innovative strategies which, in the context of its respective political and economic opportunity structures enabled them to recover different power degrees. This statement is valid only if we compare different countries as well as different organizational types. This point is more clearly shown in the following table:

### Capacity evolution per unionism type

Capacity	Country and union type								
	Mexico			Argentina			Brazil		
	CU	SU	SMU	CU	BU	SMU	CU	SU	BU
Mobilization	-	+	+	-	-	+	-	+	-
Coordination	-	+	+	-	+	+	-	+	+
Strategic	-	+	+	-	+	+	-	+	+
Discursive	-	+	+	-	-	+	-	+	-
Political	-	+/-	+/-	-	-	+	-	+	+

Source: Bensusán, Damgaard and Sánchez, 2000. Based on Robinson, 2000; Bensusán, 1998; Palomino and Senén, 1999, and Portella, 1999.

Su=Social Unionism, SMU=Social Movement Unionism, BU=Business Unionism, CU=Corporatist Unionism

In Mexico corporatist unionism has shown a patent incapacity to produce power sources different to the institutional and to that generated by the traditional alliance with the government. Schematically it can be pointed out that organizations kept -and in some sectors even increased- their number of unionized members, as a result not of a consistent affiliation task but of the legal dispositions that make affiliation easier and ban the ending of the affiliation. (Bensusán, 1998). This is, nevertheless, a critical resource, while employers are pushing harder to get rid of unions in crucial sector of the exports model such as maquiladora industry. Also the traditional unions did not develop new mechanisms to strengthen the coordination within and between unions, but instead they preserved the ones that guaranteed political control of its members and sections through a paradoxical fragmentation in a formally centralized structure. In the same sense, the lack of progress in strategic and discursive capacity can be also mentioned (*ibid.*).

On the other hand social unionism and social movement unionism show in Mexico a better evolution in the development of its capacities. Although many of these unions belong to intensely restructured sectors, as a whole the number of its members has not decreased but neither have they achieved a significant expansion. Nevertheless what has effectively increased is its coordination capacity due both to the organization's inner strengthening and to the construction of the UNT.

Social movement unionism represented by the CIPM (Coordinadora Intersindical Primero de Mayo) has approached opposition groups placed in a vague border with illegality and consequently its capacity to influence wide society sectors

has been limited. Social unionism, such as the UNT, seeks to develop its own instruments to influence the political process, though the creation of the MST as political organization and the presence in independent spaces.

In Argentina corporatist unionism shows strong similarities with Mexican unionism as it undergoes a constant fall in its capacities, while business unionism has achieved a more favorable balance in aspects such as coordination and strategic capacity, while it was able to take part in restructuring firms and find opportunities to get stronger under the market logic.

In the economic field its support of Menem's government limited its independence and negotiation power. Social movement unionism achieved a positive balance; its economic power went down but its political power increased and its capacities improved.

In the Brazilian case, the capacities of the old corporatist unionism have notoriously declined, while social unionism presence has strengthened and its general capacities have improved. On the other hand, business unionism in that country experienced achievements and losses; while it was able to increase its coordination and strategies, its mobilization and discursive abilities were reduced. This evolution explains its political position because its support of the present government and of the allied political parties have opened new opportunities for it to grow, take part in determining public policies, and benefiting from employers restructuring policies. In short, in Brazil social movement unionism, a product of an earlier innovation than in the other two countries, ranked first in resources and capacities, a fact that supports the hypothesis that the greater autonomy towards the state and the government, the

voluntary nature of affiliation and the extension of the agenda and the social alliance constitute positive traits in the present context.

### **Conclusion**

Against the limiting approaches that mechanically consider that the weakening of union power has resulted from the adverse economic context created by neoliberal restructuring, the findings presented here confirm the inequality of the impact of this process according to different factors ranging from the nature or kind of dominant unionism to the diverse regulating contexts and political systems. All these factors influence the characteristics of the union strategies used to respond to the requirements of a political and economic context subject to dramatic changes.

As a temporary conclusion this analysis not only rejects predictions about an unavoidable end of unionism derived from its incapacity to defend its members' interests in the new context, but also it demonstrates the growing relevance of unionism as a counter balance to the neoliberal policies and even its renewal in the last five years, possibly thanks to renovating processes of unions in Argentina and México, or change consolidation in Brazil. These findings force us to foster new research that can trace the process of building union power resources and give it new strength by continuously increasing the strategic capacity of worker organizations.

Finally it is important to stress that the renovation of the old union management of a corporatist-statist kind was a condition in every case to effectively defend the workers in the context of neoliberal restructuring. Consequently traditional power resources, such as alliances with the states that broke their commitments to social

justice, constituted weaknesses more than strengths in unions and turned into the main obstacle to adopt innovative union strategies, based on new capacities and resources.

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