

The North American Free Trade Agreement (NAFTA) and the Rights of Mexican Workers

The Continental Crucible

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The central purpose of the North American Free Trade Agreement (NAFTA), which celebrated its twentieth anniversary on January 1, was the consolidation of the neoliberal domestic agendas of the three member countries (Canada, United States and Mexico). Private corporate interests and the governing bodies of the three countries systematically sought to decrease labour costs and militancy, erect barriers against economic nationalism, and push the public sector and common goods into the profit streams of private capital.

By incorporating low-wage, low-rights Mexico into the continental production system, a process that was well under way before NAFTA, big business sought both to discourage labour militancy as well as to harmonize labour costs downward in Canada, the United States, and in the older industrialized and unionized regions of Mexico. NAFTA “constitutionalized” these transformations by treaty, seeking to make them near impossible to change. As Jaime Zabludovsky, the coordinator of Mexico’s negotiating team for NAFTA put it: “By consolidating the opening of its economy in an international treaty with its powerful neighbour, Mexico made economic reforms permanent and, thus, extended the planning horizons for domestic and foreign investors.”



Workers in Mexico, Canada and the United States stand up for their rights.

And now, 20 years later, the roadblock of the nationalized Mexican oil company, PEMEX, already permeated by disguised and partial policies of privatization, has largely been removed by the energy reforms recently passed in Mexico.

State power has not declined in Mexico’s transition from a one-party state to a regime of constrained electoral competition and an imagined ‘free market.’ The Mexican state continues to play a central role in shaping the economy and repressing resistance. Its coercive role is greater than ever as shown in the rise of human rights abuses throughout the country. The liberalization of the electoral system has taken place within the straightjacket of growing corporate hegemony and the increasing fusion of state and big business. Public assets continue to be sold to private capital at very low prices; workers’ rights continue to be violated by business and the regime, and those workers who challenge these violations face brutal repression through state and private violence.

The Growth of Privatization and 'Free Market'

The publically owned goods (natural resources, especially mines and [energy](#)) won in the Mexican revolutionary process are all being transferred to the hands of the rich and powerful. And the drug war, a real conflict between rival factions of the state-drug cartel complex, is being fought out in the very regions of recent industrialization, such as the northern border, and in the key regions of transport of global commodities, such as the state of Michoacán. The brutal drug war is a powerful, if unintended, force of intimidation against attempts at collective organization and public protest.

The ongoing war of big business against workers in Mexico, as well as the continuing transfer of the national patrimony to corporate hands, has been sped up in the first year of the presidency of Enrique Peña Nieto. One of Peña Nieto's first actions in office was to arrest [Elba Esther Gordillo](#), the corrupt, authoritarian head of the national teachers' union who had once been a powerful force in Peña Nieto's own party. It was clear to all Mexicans that Gordillo was arrested not for her well known and officially tolerated self enrichment, but for her opposition to the new president's neoliberal agenda in the field of public education. This was a clear message to teachers and to all unionists that any resistance to neoliberal transformation of education was hopeless, a message modeled on a similar action at the beginning of the presidency of Carlos Salinas, Peña Nieto's mentor, against the head of the oil workers' union.

Peña Nieto, as Salinas before him, has shown a willingness to authorize ferocious repression. Mexico's electoral liberalization has been accompanied by a deepening repressiveness of the regime as described in many of the articles in this report. Space for electoral competition has been opened up within limits at the same time that space for workers' struggles has been sharply narrowed by state, private, and corporatist union repression and now by labour law changes designed to undermine if not completely destroy workers' rights and unions.

The State of Mexican Workers

The working-class constitutes the vast majority of the Mexican population, a population that is overwhelmingly urban. Sixty-three percent of Mexicans live in cities or municipal centers with over 100,000 people, that is, 75 million of a total population of 120 million as of mid-2014. Official statistics in 2013 show that there were 52 million people in the economically active population as of the last quarter of that year, of which 20 million were women, the highest share in Mexico's history. If we add the 8 million workers born in Mexico who work in the United States, we arrive at a grand total of 60 million people in the Mexican labour force. The average wage of workers covered by the Mexican Social Security system (i.e. formal-sector workers), both blue collar and white collar, is \$2.60 per hour as compared to \$12.50 per hour of foreign-born Latino workers within the United States. If we only looked at blue-collar workers within Mexico's formal sector, the hourly wage would only be \$1.30 per hour. But the vast majority of waged workers are actually in the informal sector where wages and working conditions are even worse.

The neoliberal reorganization of the Mexican economy and its integration into a continental production system has involved a massive geographical relocation of industry and a restructuring of the labour market and labour processes. Just as factories left the U.S. midwest and northeast in the 1980s and early 1990s to head for the anti-union south and

southwest, so factories left central Mexico and re-established themselves near the northern border both to escape areas of strong union traditions as well as to take part in the continentalization of North American production. As the north was sparsely populated, new workers, from a variety of regions and backgrounds, were recruited for the then-expanding sector of assembly plants known as maquilas or maquiladoras.

The first wave of maquilas – electronics and textiles – mainly recruited young women for their plants. But in later waves of maquila development, especially in auto parts, men were the main recruits. The recent character of migrations to the border, along with extremely repressive corporate and government policies, has made collective organization and resistance very difficult, though there have been recurrent attempts to organize genuine unions.

The decline in unionization rates in the country has been a decisive factor in the decline in real wages in recent decades. The rate of unionization of the working population decreased from 22.4% to 13% between the first half of the 1990s to 2012. Having said that, however, we must add that Mexican unions – excluding the very large number that are phantom unions with only a paper existence – are hybrid institutions that blend features of a state institution, a party machine, and an authoritarian union. Their leaders have been part of a state-linked elite whose career paths often flowed from their role in authoritarian unions to important positions in the ruling party, the government, state enterprise, and even the private sector. Their personal advancement depended on controlling their members. They were the ‘labour lieutenants’ of Mexico’s one-party, state-guided capitalism and continue to play that role for Mexico’s neoliberal capitalism. In the past, a challenge to a corporatist union in any important sector was seen as a challenge to the state. Now, it is seen as a challenge to the new regime of neoliberal authoritarianism and its fluid, and fragile system of labour control.

There are very few independent unions, and even fewer that are both independent and democratic. And all, whatever their ideology and structure, have to function within the iron cage of Mexico’s sophisticated system of labour exploitation. Mexican workers face the challenge of gaining democratic control of existing state-linked unions and building new ones, two aspects of the same struggle.

A common thread in the struggles of electrical workers, maquila workers, and miners alike is over the right to choose their own union. A second common thread is the right to dignity, including safe working conditions, respect for labour rights, funding for the school system (in the case of teachers), and freedom from harassment and arbitrary management practices.

The task of navigating between the immediate and short-term interests of the members and the long-term goals and necessity of transformation is a terribly difficult one for unions, whatever the strategy, structure, and politics of the union. It is all the more complex and difficult in Mexico’s situation of multiple crises (economic, political legitimacy, drug war, violence). And the complexity is deepened by the trans-border character of the Mexican working-class and of integrated continental production, which would make major conflicts in Mexico resonate almost immediately throughout much of North America.

The Mexican working-class has been formed and has formed itself in the shifting cauldron of class dynamics within two nations that have become more and more economically integrated. Mexican industrial workers, on both sides of the border, are often part of an increasingly continental system of production. And all Mexican workers in the United States,

whether in the industrial or the service sector, are linked through their own lives, their families, their collective organizations, and their experiences to the working classes both in Mexico and the United States. Developments in either society, especially developments in the struggles for labour, democratic, and social rights, are likely to have important ramifications on their consciousness and politics. Hopes, sentiments, ideas, accountings of experiences, and strategies will travel both ways along the length of this transnational working-class through myriad means. There are the beginnings of formal transnational organizations of Mexican workers as well as a variety of formal and informal links within binational Mexican communities.

Mexican workers provide a vast reservoir of cheap and vulnerable labour to U.S. capitalism, both in Mexico and in the United States. Over 58 per cent of Mexicans who are employed in the formal economy are employed continentally – either in the United States itself or in activities that are part of a continental production process, such as maquilas, auto assembly, trucking, export agriculture, and mining. One of four industrial workers in Mexico is employed in a maquila and as many as one of three employed Mexican nationals are working in the United States. One of six workers in the United States in 2010 was Latino and it is estimated that Mexicans make up 63 per cent of the 50 million Latinos in the United States.

A Continental Labour Response?

The deep integration of the continent makes a continental labour response necessary and possible. However, the prospects of such a response depend on the political evolution in the Mexican working-class on both sides of the border, the political evolution of unions in North America, and more general developments in the politics and economy of each country. A continental movement will have to struggle in the framework of each of the three NAFTA states. The attempt to lock in neoliberal domestic changes, as articulated by Jaime Zabudovsky, has to be challenged at the level of each national state. But because of the very integration of the continent and the pre-eminent power and ambition of the U.S. capitalist class and state, the struggles, to be successful, have to be both national and continental at the same time. The transformation of the continent could well start in its politically weakest, albeit most repressive link, Mexico, but to be successful it would have to extend well beyond Mexico.

There are many important local struggles taking place in Mexico as well as in Canada and the United States. The challenge is to help these movements grow and coalesce with each other into larger regional, national, and continental movements. But to have any hope of halting and challenging the neoliberal juggernaut, they will eventually have to challenge capitalist power at the national and continental level. The building of such a movement will necessarily require an inspiring vision of transformation and major organizational resources sooner or later, whether the movement starts as actions from below or a strategy from the major organized unions of North America. These unions can only play this role if they themselves transform their vision, their strategies, and their politics, and propose a continental economic strategy that facilitates solidarity and not competition. Such a strategy could be built around a set of immediate, concrete demands that directly challenge [Mexico's low-wage, low-rights regime](#) and the neoliberal transformation of all of North America.

These demands could include the right to freely choose a union, the right to a job, [the right to migrate or stay home](#), the right to a living wage, and the right to safe working conditions. Such a movement would, of course, face great repression in Mexico, and continental and

international workers' solidarity would be crucial to its survival. La lucha sigue. •

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They are the authors of [Continental Crucible: Big Business, Workers and Unions in the Transformation of North America](#) (2013). See the book launch in Toronto, [LeftStreamed No. 171](#).

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