

Mexican Organized Labour at a Critical Juncture

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Abstract – This article reviews the current political situation of Mexican organized labour and the academic debate regarding unions’ relevance to Mexican democracy, drawing attention to the importance of Federal Labour Law reform. With the 1997 parliamentary elections, Mexico entered a critical juncture of regime change. Civil society’s – particularly labour’s – participation in policy-making is crucial to the establishment of inclusive political structures beyond the electoral arena, to stabilize this fledgling democracy. Given labour’s political weakness leading up to, and potential representational importance at, this critical juncture, I suggest that the participation of both official and independent labour in the *mesa* working to craft Federal Labour Code reform provides an important reference point for studies of the quality of Mexican democracy.

Introduction

Through their research of Latin American politics, Collier and Collier (2002 [1991]) have arrived at a framework of “critical junctures” for studying regime construction. Their argument that key events over (possibly) relatively long time spans converge to shape political outcomes aims to help scholars see how and why political arenas are shaped and why they change. This approach is significant in the present, as students of democracy attempt to pinpoint changes that may lead to the deepening of democracy in countries that have undergone recent transitions.

According to Tocqueville (1981), one of the keys to democracy is the active political participation of various civil society groups. If we combine the critical junctures framework with Tocqueville’s assertions regarding participation, we find it necessary to follow the activities of civil society organizations and the government’s openness to their demands, to find periods during which democracy deepens. Given that the Mexican transition to democracy took place very recently, in 2000, this case lends itself to studying the role of citizens’ groups in political decision-making. Since organized labour has been a key force in Mexican politics in the past, and is now actively attempting to affect labour law reform processes, the interaction between labour and the state is an excellent point of departure.

The aim of this article is twofold. First, it provides an overview of the current political situation of Mexican organized labour and the academic debate regarding unions’ relevance to Mexican democracy. Second, it draws attention to the importance of Federal Labour Law reform to this question. That is, the reform per se and the nature of the negotiations surrounding it may have significant repercussions for organized labour, its relationship with the state, and democracy more generally. Therefore, they merit further study.

The literature on Mexican organized labour is replete with excellent works covering unions’ history, evolution, and relationship with the state – among others Collier and Collier (1979, 2002 [1991]), Hamilton (1982), Grayson (1989), de la Garza (1991, 1994, 1998), Collier (1992), Bensusán (1995, 2000), Middlebrook (1995), Teichman (1995), Cook (1996), Patroni (1998, 2001), Payne (1998), Burgess (1999), Bellin (2000), Clifton (2000), Murillo (2001a and b), and Bizberg (2003). Pieces published from the mid-1980s onward, tend to focus on organized labour’s strategic and power crisis, caused by economic liberalization and political

transition. There is a general consensus that the role of labour in national politics has narrowed – but this may not be an altogether negative development. It heralds the demise of the old-style corrupt corporatist unions, and may allow formerly or newly independent unions to reconstitute a movement that could act as a more effective mediator between citizens and the state.¹

The existence of civil society organizations – labour unions among them - to mediate between citizens and the state is elemental to representative democracies. Tocqueville (1981) argues that such groups contain leaders' despotism; Putnam (1994, 2000) finds that they are the life-blood of healthy democratic regimes; Dahl (1971, 1989) writes that true democracy cannot exist without citizens making their preferences known and that this must take place through representatives in modern-day large countries; and Roberts (1996) explains that their failure results in populist politics. Regarding the particular role of organized labour in Latin American politics, O'Donnell (2002, p. xii) contends, "the ravages of economic and social crises and policies, under both authoritarian and democratic rule, have significantly diminished the absolute and relative weight of the working class. Still, it is very hard to imagine a democratic future (other than a rather perversely updated version of oligarchic rule) without a vigorous presence of the working class in what this book calls "the political arena"".

With the 1997 parliamentary elections, Mexico has entered a new critical juncture of regime change (see Collier and Collier, 1991, explained in further detail below). Civil society's – and in particular labour's - participation in policy-making is now crucial to the establishment of more inclusive political structures beyond the electoral arena, thereby stabilizing this fledgling democracy.² Given labour's political weakness leading up to, and potential representational importance at, this critical juncture, I suggest that the participation of both official and independent labour in the *mesa* that has worked since 2001 to craft a reform to the Federal Labour Code (LFT – Ley Federal del Trabajo) provides an important point of reference for studies of the quality of Mexico's young democracy.

This article is divided into four sections. The first provides a brief history of Mexican unionism; the second, an outline of Collier and Collier's (1991) critical junctures framework and their analysis of organized labour's alliance with the Mexican state, as well as an explanation of the current critical juncture; and the third an overview of current or recent investigations of Mexican labour's political capacity. The fourth section discusses labour's participation in LFT reform.

The History of Organized Labor in Mexico

During the Mexican Revolution, the Constitutionals - who would emerge victorious – allied themselves with organized labour. The latter mounted "Red Battalions" to fight on the Constitutionals' side, in return for organizational freedom. In the 1920s and 30s national political elites sought to continue this alliance because labour was the most important mass political organization at the time, constituting a possible source of support as well as one of

¹ Corporatism is "a sociopolitical system organized on the basis of functional groups rather than individualism or one man – one vote; it tends to be top-down, mercantilist, statist, and authoritarian: a mechanism for controlling change and keeping interest groups in line. It is usually anti-liberal, anti-pluralist, and anti-free enterprise" (Grayson, 1998, p. xi). Independent labor unions are organizations that, under the PRI's authoritarian regime, challenged the established corporatist union system and undemocratic state policies; sought autonomy from political parties and other official organizational structures; sought to increase worker representation to, and influence on, internal policy-making processes; whether they were members of the Labour Congress (CT – Congreso de Trabajo – the largest organized labour umbrella organization, founded in 1966) or not (De la Garza, 1991, pp. 154-5).

² See Bizberg's (2003) discussion of electoral vs. deeper social change.

potentially destabilizing militancy. Political elites thus sought to develop the state's administrative capacity to respond to labour's political mobilization. Many workers' organizations, on the other hand, viewed favourably the state's intervention on their behalf in conflicts with employers, especially after the inclusion of Article 123, protecting workers' rights, in the 1917 Constitution. In addition, links with the state gave labour leaders the opportunity to increase their own influence within the movement. Presidents Obregón and Calles thus both made pacts with the major labour confederation, the Confederación Regional Obrera Mexicana (CROM), although the politics of both finally disappointed labour, not least because Calles' National Revolutionary Party (PNR, the predecessor of the Partido Revolucionario Institucional) did not include it. The 1931 Federal Labor Code (Ley Federal del Trabajo, LFT), written to operationalize the constitution's labour clauses, exemplifies the "contradictory alliance" between labour and the state. This law both protects labour rights and subjects unions to pervasive state controls (Middlebrook, 1995, pp. 2, 30, 43-4; Collier, 1992, pp. 9-20).

In 1938, Mexican President Lázaro Cárdenas organized the ruling political party in such a way as to comprise four important sectors of Mexican society: peasant, labor, popular, and military. Cárdenas felt the support of these sectors to be crucial to the continuing success of the post-revolutionary regime, and ensured that the primary allegiance of all four was to the PNR, renamed Party of the Mexican Revolution (PRM), as they were integrated in a corporatist structure where the members of each sector were guaranteed official recognition and substantial political concessions in exchange for their loyalty. In 1940 President Avila Camacho excluded the military sector (in an attempt to depoliticize the military) from the PRM, and in 1946 President Aleman changed the party's name to Institutional Revolutionary Party (PRI). Cárdenas' radical populist politics were discontinued by subsequent leaders, but the corporatist structure would remain essentially unchanged for the next 54 years of PRI power (Grayson, 1989, pp. 20-1; Collier, 1992, p. 24-5).

After 1936, the Confederation of Mexican Workers (CTM) became the labor sector's most important organization, continuing to dominate even once the Labor Congress (CT) was created as an umbrella organization for the entire official sector in 1966. Its, and other official unions', purpose developed into helping the PRI maintain economic and political stability by ensuring that workers remained quiescent in exchange for socioeconomic gains. Workers may thus not have been able to directly voice their preferences, but economic perquisites helped to balance the scale until the 1980s. Official union members voted for the PRI, accepted wage-cuts without protest during economic downturns, and did not strike outside of government-sanctioned arenas. In return they received higher wages during stable economic periods and better subsidies, such as health care, food, gas, and clothing, than other workers (Teichman, 1995; Samstad and Collier, 1995).

During the recession of the early 1980s, it became apparent that the Mexican economy could no longer sustain its debt or fiscal deficit. As a result, protectionist economic policies were jettisoned for neoliberal structural adjustment, including foreign trade, domestic price, and investment liberalization; state-owned enterprise and bank privatization; currency devaluation; and economic deregulation (Murillo, 2001b, pp. 92-7). The implementation of the North American Free Trade Agreement (NAFTA) in 1994 finalized the state's decision to remove itself from running the Mexican economy. Together with increased political liberalization measures, principally in terms of electoral law reforms to allow increased political competition beginning

in the mid-1970s and continuing through the '80s and '90s,³ economic liberalization would end the PRI's stranglehold on political power. It no longer had access to the state's financial resources that had enabled it to buy the corporatist sectors' political loyalty. Moreover, political liberalization through electoral reform allowed voters a meaningful choice between various parties in relatively free and fair elections, which had traditionally been manipulated to ensure PRI victory. As a result, the PRI lost its congressional majority in 1997 and the presidential election to the PAN's candidate, Vicente Fox Quesada, in 2000.⁴

In sum, democratization and economic liberalization eroded the PRI's financial and political power and eventually ended its political monopoly, decreasing its control of the corporate sectors through a growing inability to maintain order using political and monetary favors or force. Official organized labor consequently had fewer incentives to remain loyal to the party, as it lost much of its traditional access to power and the concomitant ability to influence policy-making seemed reduced. This process was likely exacerbated by the 1997 death of Fidel Velázquez, leader of the CTM since 1936, which left the future of the CTM as an official union uncertain without his formidable personal political networks (Payne, 1998).

Independent unions also suffered from economic restructuring, since those businesses that had previously allowed independent organization increasingly turned back to official unions that would control and limit workers' wage demands, thus increasing companies' international competitiveness (Middlebrook, 1995, pp. 269-275). However, some independent unions are active in economic sectors that have survived economic restructuring and are actually thriving, such as telecommunications, banking, education, aviation, and electricity. A number of these, along with some previously corporatist as well as independent non-restructured unions, are now organizing more actively at a national level, having inaugurated the National Union of Workers (UNT) in 1997 as an alternative to the CT (De la Garza, 1998; Payne, 1998, p. 25; Patroni, 2001, p. 266).

The politics of early 20th century labour relations have had a lasting effect on the Mexican regime, but this legacy now appears to be undergoing important changes. How can the post-revolutionary state-labour alliance help us to explain more recent events?

Critical Junctures: Framework and Application to Mexico

In their study of organized labour's role in shaping the Latin American political arena, Collier and Collier (1991, pp. 3-39) propose a framework of "critical junctures" to explain key moments in time that result in major political regime changes. They point to international and domestic socioeconomic crises that trigger cleavages – tensions between societal and/or state groups and their preferred policies – which then lead to significant political changes: the critical juncture. The "aftermath" of this process is characterized by reactions to the change. Subsequently, the characteristics of the regime can be drawn back to elements of the conditions that existed prior to the crisis and to those that appeared as a result of the juncture. This is the "legacy" or "heritage" of the process. The extent of the legacy's stability depends on the degree of institutionalization of responses to post-junctural conditions; on the mechanisms that reproduce it. It should be noted that these steps do not necessarily occur in rapid succession.

³ Authoritarian leaders facing pressures to democratize often promote political liberalization, in the belief that it will be enough change to legitimize their rule by decreasing demands for democracy and increasing their own support, thereby allowing them to continue ruling without truly changing the system (O'Donnell and Schmitter, 1986, p. 9).

⁴ See, for example, Middlebrook (1995), Grayson (1989), Teichman (1995), and Samstad and Collier (1995); for 1997 elections, see Payne (1998), and Patroni (1998); for 2000 elections, see Schedler (2000) and Shirk (2000).

Collier and Collier (1991, p. 32) point out that the entire sequence may be confined to “*moments of significant structural change*” (quoting Cardoso and Faletto, 1979) or stretched across several presidential administrations.

Applying this framework to Mexico, to explain the roots of its mid-20th century political regime, the Colliers (1991, and Collier, 1992) argue that the growth of the export economy in the late 19th and early 20th centuries resulted in commercial and industrial growth that weakened the landed oligarchy, while spawning growing working and middle classes. This socioeconomic change was manifested in two main cleavages. First, the labour sector’s demands on capital and the state became more difficult to ignore or repress as workers’ organizational capability increased. Second, the new middle classes sought to reform the oligarchic state from a classical, laissez-faire organ into an activist one. The critical juncture, a period of “radical populism” spanning the period from 1917 to 1940, brought concessions to labour and its incorporation (along with the peasant and popular sectors) into the ruling party. These populist policies resulted in a conservative backlash (the aftermath), but the party was able to retain power by moving toward the political center and including conservative socioeconomic interests in its alliance. Thus, the PRI consolidated its one-party regime and created a stable legacy by institutionalizing the dependence of all societal sectors on the party through a corporatist structure.

However, in the 1970s and especially the 1980s, new socioeconomic changes began to threaten the stability of the post-revolutionary critical juncture’s legacy. International phenomena include the demise of the Keynesian Welfare State, the debt crisis, and the globalization of production, finance, and trade. In Mexico, the state has withdrawn from the economy, the private sector has become stronger, and increasing urbanization has resulted in the decline of the peasant class. These events brought about new cleavages: the private sector and state technocrats pressured for increasing economic orthodoxy while leftist groups – among them most of organized labour - and old-style *priista* politicians stressed economic intervention and nationalism; the PRI was torn between jettisoning its old labour alliance to respond to the demands for flexibilization by foreign and domestic investors and maintaining labour’s guaranteed political support; and unions opposed employers in seeking greater security (Collier and Collier, 1991; Collier, 1992; Middlebrook, 1995). Collier (1992) argues that these divergent economic interests began to look to political liberalization to achieve their goals. Thus, the conservative PAN pressed for more competitive politics so that it could play a role in accelerating neoliberal economic projects, while the leftist PRD’s pro-democratic stance was due in part to its rejection of economic liberalization, and the PRI’s political opening of the state was intended to broaden its support base since the foundations of its traditional alliances contradicted its new economic policies. These struggles continued through the 1990s.

I suggest that a new critical juncture began with the PRI’s willingness to admit loss of congressional majority in the 1997 parliamentary election (a point referred to as a “watershed” by Levy and Bruhn (2001, p. 3)), progressed through the PAN’s 2000 victory in the presidential election, and continues today. The transition to meaningful electoral competition significantly democratized and altered the character of the regime. Ugalde (2000, p. 164), for example, shows that the Congress and Judiciary are more confident and have, since 1997, been able to block presidential initiatives found to be unwarranted or unconstitutional. Mexico can, thus, no longer be labeled authoritarian, but neither can it be described as a *quality democracy*, in which:

- a) the state functions as a Rechtsstaat...in which *all* citizens are treated equally by the law and the judiciary and *all* citizens' interests are considered equal by policy-makers;
- b) government is accountable to citizens through elections and civil liberties that allow them to voice their demands and opinions (vertical accountability) and the actions of state institutions and officials are checked and balanced by each other (horizontal accountability);
- c) citizens accord legitimacy to the state;
- d) citizens actively make their preferences known to others;
- e) citizens' conflicts are resolved peacefully; and,
- f) the state assures citizens access to primary education, health care, and an adequate level of income to live decently.⁵

Because questions regarding freedoms of expression and organization, accountability of officials, and equal rights between socioeconomic sectors persist, Levy and Bruhn (2001, pp. 112-48) describe Mexico as a "semi-democracy".⁶ Similarly, Quiroz (2001, p. 97) contends that the 2000 election is by no means the death knell of the authoritarian regime, but merely the beginning of a process whose outcome depends on the actors involved, and Verduzco (2001) criticizes the Fox government's continuation of exclusionary politics. Carothers (2002) warns that Latin American post-authoritarian regimes have tended to consolidate systems exhibiting both authoritarian and democratic characteristics – they are not necessarily unstable, but do not appear to be evolving into full democracies.⁷ Given these issues, it is not yet entirely clear what quality of democracy will emerge from Mexico's current junctural process, but it appears that labour still has an important role to play.

Labour's Capacity to Effect Political Change

Collier and Collier (1991, pp. 40-4) argue that labour is a crucial force in the evolution of the national political arena because other social and political groups are forced to position themselves vis-à-vis unions. Because workers are "spatially concentrated" and have the potential to affect the economy through work stoppages and because the capitalist state dependent on the global economic system needs labour support to legitimate itself, unions have the capacity to create political support or opposition and thereby become a political force (see also Valenzuela, 1989). Even in cases, such as 1940s Colombia, where the labour movement as such is weak, other actors' positions are defined by their relationship with labour (Collier and Collier, 1991, p. 40). Furthermore, Collier and Collier (1991, pp. 44-6) are careful to point out that formal organized labour should neither be seen as representative of informal labour, or other sectors of society, nor should it be regarded as a strictly homogeneous group. However, intra-

⁵ Hilgers, 2003, p. 2. This definition is based on those put forth by Dahl (1971, pp. 1-2), Linz and Stepan (1996, pp. 16, 18-19), O'Donnell (1998, pp. 112-13, 117), and Becker (1999, pp. 142, 144-5). A Rechtsstaat is "a state subject to law", where all significant actors work under the rule of law, which is interpreted by an independent judiciary and is fair and equal towards all citizens (Linz and Stepan, 1996, pp. 18-19).

⁶ See also Bizberg's (2003) critique of the transition as having taken place purely in the electoral arena without bringing about social change.

⁷ See also O'Donnell's (1994, p. 56; 1999, pp. 204-5) discussion of "delegative" democracies. These are electoral democracies where some vertical accountability exists through elections, but horizontal accountability is weak since institutions to democratically regulate political power, interaction, and conflict have not been established. Furthermore, socioeconomic problems have been addressed unsuccessfully or not at all.

movement struggles to change institutions that may not benefit everyone are precisely what render the movement so politically relevant, and pressures from labour leaders and the state to create a controllable movement generate enough homogeneity to allow study of organized labour as a group.

Bizberg (2003, pp. 199-201) might agree that independent and official unions can be seen as a homogeneous group, in that leaders of both still define power in terms of acting as the state's privileged interlocutor. However, he also contends that Mexican organized labour is atomized since it is prisoner to sectoral union identities that hinder formulation of coherent policy positions to pressure the state. Labour leaders are intent on amassing power through political alliances with the state on the one hand, and protecting their rank and file's sector specific interests. As a result, Bizberg writes that labour and other civil society groups may not have the strength to dismantle remaining authoritarian institutions and build new democratic ones. Ultimately, the persistence of authoritarian institutions could result in a restoration of the old regime (2003, pp. 183-4). Nonetheless, he concludes that the transition has allowed greater expression of conflicts in the labour sector, eroding traditional authoritarian labour politics, and that this could, eventually, result in coherent policy positions and the reemergence of a strong labour movement (2003, pp. 228-9).

The importance of political change to the modernization of Mexican labour politics is likewise highlighted by Bensusán (1995, 2000). She shows that economic liberalization was not opposed more actively by labour organizations because official union leaders' concern lay in maintaining their political influence and socioeconomic power through a continued alliance with the state, rather than protecting their members' interests, and independent unions' opposition was braked by repression (1995, p. 78; 2000, pp. 15-16). However, Bensusán (2000, p.28) argues that independent unions (she labels them "new unionism" as opposed to "corporativism") have developed their organizational capacities with the political opening. Official unions have been unable to develop power sources independent from the state, while independent unionism "has effectively increased its coordination capacity due both to the organization's inner strengthening and to the construction of the UNT" (2000, p. 28). As a result, Bensusán rejects analyses pointing to the end of Mexican unionism, proposing instead that it is increasingly relevant as a counterbalance to neoliberal economic policies and has been renewing itself with the process of political transition (2000, p. 30).

Similarly, de la Garza (1998, pp. 228-2) disagrees with those who doubt the potential of non-corporatist unions' ability to revive Mexican labour. He points to members of the independent Labour Forum (antecedent of the UNT) as highly capable of reorganizing the labour sector at a time where state political controls are waning. This capability is based in their activity in sectors that existed prior to economic restructuring (telecommunications, electricity, banks, education, aviation, among others) and have emerged from the reforms with the enriched experience of having survived them without being weakened.⁸

Murillo (2001a, pp. 315-16, 334-5) argues that the influence of labor mobilization is reduced by economic liberalization, as well as after a democratic transition, when the principal medium of preference expression becomes elections. Unions have to find new strategies –

⁸ Many of the founding members of the Forum joined the UNT, but some broke away before the UNT's formation because they wanted to remain within the CT (see Bizberg, 2003, p. 198). Some of the latter have since formed a third alternative umbrella organization, the Frente Sindical Mexicano (FSM), but being linked with this group has not necessarily meant renouncing CT membership. Spearheaded by the Sindicato Mexicano de Electricistas, the FSM opposes neoliberalism and labour law reform (La Jornada, Nov. 17, 2002).

making new alliances, choosing organizational independence, moving to industrial participation - to make their demands heard, but they have been very slow in doing this in Mexico. However, when she discusses the weakening of labour's previous strategies, Murillo refers mainly to the old official unions that had institutionalized corporatist links to the state (2001a, pp. 336, 339). Murillo concludes, "in new democracies that are undergoing enormous institutional reform and where civil society is weak, the inclusion of organized groups, such as labour unions, in the public debate could contribute to avoiding disillusion with the political process and to democratic consolidation" (2001a, pp. 340-1).

With the exception of Bizberg (2003), there appears to be an emerging consensus that Mexican organized labour continues to be an important element in state-civil society relations, and could be on the brink of developing a coherent political force. Bizberg also points out that independent unions have been successful in protecting workers' interests, but argues that these organizations act too individualistically because they represent only their own members, rather than coordinating a united political stance to promote labour demands as a whole. But, following Collier and Collier (2002), unions' present achievements may suffice for the moment. The fact that they *do* represent and protect their members' interests forces other political actors to take a position in relation to organized labour. In sum, Mexican workers' organizations continue to be a "player" in the political arena. Moreover, their position could be strengthened if restrictive elements of the labour law are removed.

The Project for Reform of the Ley Federal de Trabajo (LFT)

Deliberations regarding LFT reform began in the late 1980s, with a suggestion from the Confederación Patronal de la República Mexicana (COPARMEX, employers' association). Subsequently, both the PAN and the PRD presented amendments to Congress, but all proposals were shelved. Since President Fox' electoral promise to revise the LFT, however, the debate is again on the table (Alexander and LaBotz, 2003; *Economist*, 2000, p. 37.), but opinions are divided. Some, such as Murillo (2001a, pp. 335-6, 339-40) regard legal reform to be a necessary step to not only ensuring democratic union politics, but also increasing workers' capacity to express themselves as democratic citizens and members of organized civil society. Patroni (1998, p. 126) also argues that, "the renewal of unionism in Mexico can only be meaningful in the context of freedom of association, union democracy, and autonomy from the state", a context which requires removing restrictive clauses from the LFT. The Sindicato de Telefonistas de la República Mexicana (STRM), founding member of the UNT, and the UNT aim to reform the LFT to end the government's control over strikes and union leadership elections, so that independent unions may expand their ability to initiate political projects.⁹ Middlebrook (1995, pp. 37, 326-8), as well, finds that the most important impediment to democratic change in Mexico continues to be the state's use of the LFT to arbitrarily control labour. Of course, he came to this conclusion prior to the 2000 transition, but the prejudiced management of unions through the labour law remains an obstacle in the path to quality democracy today. Nonetheless, Middlebrook cautions that reform will be risky since it will likely include the removal of clauses protecting workers' rights – clauses that are especially important given global demand for cheap and flexible labour.

In this vein, the Sindicato Mexicano de Electricistas (SME, one of the most important independent labour unions) defines opposition to labour law reform as one of its principal

⁹ Personal interview with Eduardo Torres Arroyo, STRM Director of Press Commission and Spokesperson, August 2002.

political challenges. This union finds the UNT's reform project dangerous, labeling it too ambiguous to ensure that workers' rights will be adequately protected. The SME insists that the existing law is useful because it guarantees workers' individual and social rights, and that labour's project should focus on forcing authorities to fully implement it, rather than change it.¹⁰ This position has led the SME and approximately forty other unions and civil society organizations to form the Frente Sindical Mexicano (FSM), which officially opposes LFT reform (Jornada, 2002; Socialismo 2002). Verduzco (2001) also adamantly opposes reform, describing it as the business-Fox coalition's ace for consolidating an anti-worker environment in alliance with the UNT and the STRM, which she sees as neocorporatist and corrupt.

The Federal Labor Code causes such diverging standpoints because it represents the legal embodiment of labour's contradictory position in the post-revolutionary regime. The LFT reiterates many of the rights guaranteed by Article 123 of the Constitution - such as safe working conditions, standard working hours, a minimum salary, the right to organize and strike - and also provides for injury compensation and profit sharing, and establishes such administrative agencies as conciliation and arbitration boards. Moreover, it prohibits unions from partaking in religious affairs and from owning enterprises for profit, ostensibly protecting workers not only from their employers' views and goals, but also from those of their own representatives. These rights are further defended by the requirement for grounds of expulsion to be specified in union constitutions, and, in the case of expulsion, each member's ability to defend themselves at a general assembly. Also, union officials must report to the membership their use of dues every six months (Middlebrook, 1995, pp. 62-7; Patroni, 1998, pp. 111-12).

However, many analysts argue that the progressive elements of the LFT were nothing more than incentives for labour to accept those components that established modes of state control over workers' organizations.¹¹ Registration procedures and reporting mandates, for example, allow the government to politically control unions. The law provides that unions have no collective bargaining rights unless they are officially registered by local Arbitration Boards or the national Ministry of Labor and Social Welfare. Registration requires presentation of the union's constitution, a membership list of at least 20 persons over the age of 14, and notarized minutes from the organizational and electoral meetings. Leadership and constitutional changes must be reported to the appropriate state labor authority within ten days and changes in membership every three months, and the union is required to provide documentation of its activities upon request by the authorities. If the original documents are not in order, registration may not be granted, and it can be revoked at any time the union ceases to satisfy requirements or officials find irregularities in internal elections (Middlebrook, 1995, pp. 64-7; Alexander and LaBotz, 2003, pp. 2-4). These regulations allow the state to restrict or deny the activity of organizations whose leadership or objectives are not in accordance with state economic or political goals.

Moreover, internal union procedures are governed in such a way as to allow non-democratic activity. Elections do not have to be by secret ballot, meaning that constitutions calling for election by open show of hands or for centralized governance become legally

¹⁰ Personal interview with Sergio Sánchez Guevarra, SME Sub-Director of External Relations, August 2002. See also Alexander and LaBotz (2003, p. 13 n22).

¹¹ Collier and Collier (1979) argue that the progressive aspects of the Labor Code have successfully been used as inducements to convince unions to accept its restrictions. A similar "carrot and stick" argument was put forth by Hellman (1978) as an explanation for the success of the Mexican one-party regime in general (see also Hamilton, 1982).

enforceable if the union is registered. This facilitates reprisals against workers who do not vote for official union candidates. Alternative union organization is curbed by allowing officially recognized unions to run closed shops¹² – where only one union may be active - and use exclusionary clauses, such as stipulations that all employees must be members. Strikes are permitted only if they strive to revise or enforce a collective contract or to negotiate wages. They must be supported by the majority of workers and a petition to strike, including goals and time, has to be presented to both the employer and the relevant Arbitration Board at least six days in advance. The Board may declare the strike inexistent 72 hours after it has begun, at which point the employer is free to hire other workers if the strikers refuse to return to their jobs. If a majority of strikers engage in violence, the Board may declare the strike illegal, resulting in automatic job-loss (Hamilton, 1982, pp. 95, 143; Patroni, 1998, p. 114; Alexander and LaBotz, 2003, pp. 2-4).

Under the PRI's rule, the Mexican state interpreted the Labor Code in such a way as to severely restrict union independence, taking full advantage of state ability to block strikes and register only those unions that would be willing to join the PRI's corporatist structure. Therefore, all strike petitions that appeared to have political goals contrary to those of the state were denied on principle, and spontaneous or forbidden strikes were simply declared "inexistent" and often violently repressed. These measures made it extremely difficult for independent unions to successfully represent their members' preferences (Grayson, 1989; Teichman, 1995).

Nonetheless, a careful reading of the LFT's stipulations reveals that, if government were to take a less active or more pluralistic role in labor politics, this law and Article 123 combined would give labor considerable power vis-à-vis employers. Consequently, Mexican corporations, foreign investors, and international financial institutions have been pushing for amendment since the late 1980s, to make labor more flexible, giving employers the ability to change workers' hours and assignments and making it less costly to fire them. By contrast, independent unions', expressly those affiliated with the National Workers' Union (UNT), rationale for amending the LFT stems from their belief that only a removal of state control would allow them to successfully organize the Mexican workforce. They feel that the labour law has been the legal basis for the past official labor-state alliance and must be changed to accommodate freedom of association, democratic internal governance, and independence from the state. After the PRI's 1997 loss of congressional majority, the PAN and PRD pressured for discussion of LFT reform in Congress (Patroni, 1998, pp. 121-6, and 2001, p. 264, 266; Alexander and LaBotz, 2003, pp. 4-5).¹³

In 2001, with the PAN in power, talks regarding reform - labeled "Mesa de Modernización y Actualización de la Legislación Laboral" - began between business, state, and union representatives (UNT and CT), with an understanding that the state would only move ahead with a proposal that was supported by all negotiating parties. Nonetheless, concerns soon arose that the independent unions' perspective was being marginalized. The UNT representatives felt that their input was not given serious consideration, and that, in fact, there were backroom dealings excluding them. In response, the UNT presented its own reform with support from the PRD and PT (Partido del Trabajo), as well as several PRI and PAN congressional deputies (Alexander and LaBotz, 2003). While the UNT and its lawyers are now

¹² In 1996, several Mexican Supreme Court rulings formally eliminated the closed shop in public sector unions. The rulings are also relevant for private sector unions, but de facto practices continue to diverge from these decisions (Torriente, 1997).

¹³ Though, of course, this was done from opposite standpoints: the PAN as a representative of business interests and the PRD as a protector of citizens' social and political rights.

back at the bargaining table (talks have been ongoing since this summer's congressional election), more radical independent organizations, such as the Sindicato Mexicano de Electricistas, that are neither affiliated with the CT nor with the UNT, and the Frente Sindical Mexicano have never been directly represented at the mesa (although it should be reiterated that they oppose *any* reform).

Alexander and LaBotz' (2003) analysis of the LFT reform presents both the UNT-PRD and the Fox-PAN proposal. The President's project aims to further increase the already restrictive clauses relating to independent union organizing, making it "virtually impossible for workers to change unions, to create or join an independent union, or to strike" (Alexander and LaBotz, 2003, p. 6). The plan also intends to give employers greater flexibility in hiring practices, especially involving temporary workers, and to weaken existing protections – by, for example, allowing discriminatory hiring practices and the extension of work hours. The UNT-PRD proposal also allows for some flexibilization of labour, but simultaneously attempts to safeguard workers' rights and to assure freedom of association and organization without state interference.

The definition of new labour rules from the Constitution, regulated and developed in a congruent Federal Labour Law, constitutes an opportunity to change the terms and the focus of economic restructuring, to construct an approach combining the economic and productive exigencies of the country, in the context of globalization, with its social exigencies. In sum, to attain a harmonious and equilibrated convergence between the productive and the social (UNT, 2003a; my translation).

That is, the UNT-PRD initiative includes clauses that further extend existing safeguards of workers' social, political, and economic rights (protection from discrimination, reduction of work week, subjection of piece work to minimum wage, etc.) hold employers liable for complying with the LFT, and guarantee the freedom to organize and bargain collectively (Alexander and LaBotz, 2003, pp. 8, 12-13 n20).

There are, thus, three main positions concerning LFT reform. The Fox-PAN team suggests flexibilization to satisfy employer demands; the UNT-PRD aims to implement progressive amendments that would allow more unproblematic independent union organizing, while safeguarding workers' rights; and the SME-FSM opposes change altogether. However, the purpose here is not to argue whether LFT reform should or should not go forward, or in what form, but rather to point to the significance of the discussion and its content for the evolving Mexican democratic regime.

Conclusion - LFT Reform as a Case Study of Regime Evolution

The Mexican political regime entered a critical juncture with the 1997 parliamentary elections. While political and economic changes had been taking place since the 1970s, 1997 marked a watershed (Levy and Bruhn, 2001) in that the PRI was willing to admit extensive electoral defeat at the congressional level. This trend was maintained by President Zedillo's declaration of defeat to the PAN's candidate in the 2000 presidential race. Nonetheless, the young Mexican democracy so long in the making cannot, yet, be described as a quality democracy. Institutional transition continues and the legacy left by currently experienced modes of change will depend, in part, on the role played by organized labour as a mediator between state and civil society.

The economic and political restructuring of the past twenty years have weakened workers' political capacity. A majority of their representatives have been loath to change the political strategies that gave them power in the context of the post-revolutionary state-labour alliance, making them unfit to mediate between their members and the state in the new context. Conversely, some unions – largely those that were previously independent from the corporatist system – have taken advantage of the political changes to organize more actively and openly, reconstructing the labour movement. On the whole, workers' associations were politically weakened, but certain sectors have benefited. Among the latter are those that have formed the UNT, which is regarded by some labour analysts as a strong candidate for an effective state-labour interlocutor, and by some even as a motivator for mobilization among other civil society sectors.

Given the current precariousness of Mexican democracy and the prospect of a reconstituted and dynamic labour movement, it will be interesting to examine how current policy-making negotiations are handled and what results they bring. The discussions around proposals for Federal Labour Code reform are particularly relevant, since: 1) the reform's substance will affect the nature of workers' associations; 2) the character of the negotiations surrounding the reform affect the politics of policy-making negotiations, and, therefore, the institutionalization of a certain type of bargaining processes; and, 3) the reform and negotiations together will affect the level of democracy of state-labour relations. If inclusionary policy discussions become the norm, democratic political processes will become institutionalized, strengthening the quality of Mexican democracy. If backroom dealings remain customary, the Mexican regime may not move beyond what Carothers (2002) calls "grey-zone" democracy. At this critical juncture, it is thus important that the UNT should be present at the negotiations alongside the CT. At the same time, the absence of independent unions not affiliated with the UNT is cause for some concern.¹⁴

¹⁴ It should be noted that not all of the excluded groups desire presence at the *mesa*. The SME-FSM, for example, explicitly state that they do not wish to form part of the negotiations surrounding a reform process that they oppose (Jornada, 2002).

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