

Business as usual - Mexico's president ignores old-style labor repression

Wendy Patterson, Chronicle Foreign Service

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Atlixco, Mexico -- When workers at the Kuk Dong assembly plant went on strike earlier this year, the result was business as usual -- state police stormed the factory to break the strike, and the company fired hundreds of workers.

The old guard had once again triumphed.

Back in control of the factory was its longtime union, loyal to the Institutional Revolutionary Party (PRI), which had lost the nation's presidency last year. The union had opposed the strike and encouraged management to sack the dissident workers. So it goes in several high-profile labor conflicts in the maquiladoras, as Mexico's assembly plants are known. President Vicente Fox, who defeated the PRI last year with promises to dismantle its corrupt machine, appears to have turned a blind eye to one of its central cogs -- labor unions, which have long exercised iron-fisted control over Mexico's industrial workers.

By accepting the status quo, the Fox administration is drawing growing protests from Mexican reformers, U.S. activists and congressional Democrats that Mexico is violating internationally recognized labor rights.

"Fox says, 'We're the good guys, the reformers who are going to clean up labor abuses,' but so far it's only words," said Martha Ojeda, executive director of the Coalition for Justice in the Maquiladoras, an alliance of U.S. labor unions, church groups and Latino organizations.

"The only proof is that workers still are not allowed their rights to organize and elect their own leaders."

In Atlixco, 70 miles southeast of Mexico City, foreign pressures appear to have done more than the Fox administration to help the 900 employees of Kuk Dong, a South Korean firm that makes Nike and Reebok sweatshirts for U.S. universities.

Kuk Dong workers had a union of sorts, the Revolutionary Confederation of Workers and Peasants (CROC), which was controlled by the PRI. But unlike most factory workers in Mexico, Kuk Dong's employees did more than grumble quietly. Early this year, 800 went on strike after the company fired five workers who had complained about low wages and rancid cafeteria food.

State police intervened to end the strike, siding with company management. An agreement was eventually hammered out to let strikers return without reprisals, and all but a handful of key leaders have been allowed to return.

Kuk Dong manager Hoon Park says workers should be grateful for receiving high pay and generous benefits. "Puebla state recommends paying 35 pesos (\$3.80) a day, but we pay 43 pesos (\$4.68) per day," he said.

Workers respond that they merely want what is guaranteed by Mexican law -- the right to choose their own representatives. Although the company's repressive actions appear to have violated federal labor law, the Fox administration has not taken a stand on the dispute, saying it is the responsibility of the Puebla state government. The PRI still controls Puebla state, where Atlixco is located.

In fact, the Fox administration's position appears to be to say as little as possible. In an interview, Fernando Franco, the federal undersecretary of labor, said the Kuk Dong conflict has been blown out of proportion by critics. "That's just one case. We want to eliminate irregular practices" in labor disputes, he said. When pressed about the critics' charges that labor rights had been violated, the tight-lipped Franco said only: "That's one opinion."

Meanwhile, the Kuk Dong dispute has become a cause celebre of U.S. labor unions and student activists. United Students Against Sweatshops, an alliance of activists at more than 180 university campuses, has carried out a protest campaign against Nike, picketing stores and asking the clothing giant to twist the arm of its contractor.

The tactic worked -- Nike pressured Kuk Dong to take back the striking workers, and most have returned. In addition, state authorities have scheduled a new union election at Kuk Dong for August, and activists hope the government will not allow the vote to be marred by intimidation.

The Fox administration also has avoided federal action in a high-profile labor conflict at a maquiladora in Rio Bravo, Tamaulipas state.

For years, employees of Duro Bag -- owned by the Duro Bag Manufacturing Co. of Ludlow, Ky. -- were controlled by a PRI union. But two years ago, employees called for a secret vote to see who wanted to join an independent union despite intimidation and firings. Under current labor law, workers do not have the right to use secret ballots in union organizing drives.

As a result, Duro Bag workers, who churn out decorative gift bags for Neiman Marcus and Hallmark, were forced to announce one by one in front of management and PRI union officials whether they wanted to join a new, independent union or stay with the PRI union. Only 502 employees voted out of a total 1,400, and only four voted for the independent union.

American unions wrote to Fox, saying that the election was undemocratic and that workers were intimidated and demanding that he intervene. More than 40 members of the U.S. Congress complained in a letter about "apparent intimidation."

Franco, the undersecretary of labor, dismissed the criticism. "A nonsecret vote is not necessarily anti-democratic," he said. "They (workers) would have voted the same with a secret vote."

Fox has also said little about a groundbreaking case now being investigated by a special committee set up under the North American Free Trade Agreement. Critics say that case shows how U.S. and Canadian companies come to Mexico to escape higher labor standards in their own countries.

The complaint was the first under NAFTA to deal with health and safety. It charged that workers at two plants -- Auto Trim and Custom Trim in Tamaulipas state, owned by Breed Technologies Inc. of Florida -- were exposed to toxic glues and solvents with limited ventilation when gluing leather trim to the steering wheels of luxury cars. Many employees complained of chronic nausea, headaches and severe respiratory problems, and an unusually high number of miscarriages.

Overall, Mexican and U.S. labor advocates say the Fox administration has carried out endless negotiations over reform proposals but has done nothing. They say he has not implemented a 20-point reform program that he signed with independent labor leaders last year, including changes that would clarify workers' right to organize a union without being fired and the right to vote by secret ballot during union elections.

In recent months, Fox has courted PRI union leaders with frequent meetings and lavish praise.

Some labor observers say this relationship is a marriage of convenience. The PRI labor machine needs the president to preserve its power while Fox needs it to maintain a stable workforce during a time of economic uncertainty.

The Central Bank expects economic growth of less than 3 percent in 2001, down from 6.9 percent in 2000. The last thing Fox needs, these experts say, is a string of unions asking for higher wages and organizing strikes. "I don't think we'll see any change with Fox, especially in the maquiladora sector," said Graciela Bensusan, who specializes in labor relations at Mexico City's Metropolitan Autonomous University. "Fox is most concerned about investment, which is most likely to come with low-wage jobs."