

A Revolution of Workers: Labor Issues and Reformatations in Mexico

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Introduction

In 2019, Mexico saw a series of labor law reformations under the Morena party led by President Andrés Manuel López Obrador. These changes made to the country's Federal Labor Law seek to allow workers to unionize fairly, and additionally to increase the minimum wage. This study will examine the pushback from Mexico's protection contract unions, which are essentially employer-dominated collective bargaining agreements that give very little benefits to the workers themselves and instead take advantage of them. This study will also investigate the relationship between Mexico's labor laws and the International Labor Organization (ILO) conventions through the lens of workers' rights.



Figure 1. Factory workers in Mexico on strike for fair wages in 2019. Image from AFL-CIO.

Mexico Labor Statistics

- Total Population: 128.9 million
- Workforce Population: 55 million
- GDP in 2019: 250 million USD
- Average hourly wage: 4.45 USD

Protection Contract Unions

- Nicknamed "ghost unions," exclude employees from decision making processes
- Companies hire lawyers to create a collective contract which claims to represent the employees
- Employees are not allowed to form unions of their own
- 90% of Mexico's trade unions follow this model

Labor Law Reformatations

- Mexico has ratified all 8 of the fundamental conventions and an additional 80 of the 190 conventions.
- In 2018, Mexico ratified Convention 98, the Right to Organize and Collective Bargaining Convention.
- ILO Convention 98 and the Federal Labor Law both dictate that employers and authorities must recognize all trade unions without interfering in their organization, leadership, or actions (ICLG).
- As of 2019, unions will need to have support of at least 30% of workers to be officially recognized.
- Labor ministry has 4 years to review existing contracts.
- Local labor boards will be replaced by governing bodies on a national level.
- Base minimum wage for all workers will be raised by .71 USD.

"They made me join a union I never saw. What does that union do for the workers? Practically nothing. It's on the side of the company. It takes no notice when we ask for higher salaries and it lessens the benefits we get."
- Leonardo Reyes, Honda employee

Employer Response

- Harassing and threatening workers and their lawyers
- Pay incentives to vote against independent unions
- Cutting perks and benefits as punishment for unionizing



<http://www.upte.org/MexicanLaborRights.html>

Conclusion

While many changes are being made to Mexico's existing labor laws, the fight for true freedom of association is long from over. Existing protection-contract unions are using fear to their advantage in controlling how employees vote. Oftentimes employees vote against the independent union due to pushback from their employer. In order to see real change in Mexico's labor market the government must continue to take radical steps in the dismantling of employer-driven unions and place the power back in the hands of the employer, enabling them to make decisions as a collective body without fear of repercussion.

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