

Mexico's double standard

International Forum denounces Mexico's support of fraudulent unions, attack on legitimate union

AS DELEGATES to an international forum on Multinational Corporations and Protection Contracts gathered in Mexico City on October 15, they were forced to turn their attention to the plight of over 44,000 members of Mexican Electrical Workers' Union (SME) who were marching that day to protest Mexican President Felipe Calderon's decision to terminate the Luz y Fuerza del Centro (LyFC) power company and eliminate their freely negotiated collective agreement.

On October 10, in the middle of the night, Mexican federal police occupied dozens of LyFC electrical installations across central Mexico and expelled the workers under orders from Calderon to terminate the company and put the installations under the control of the Federal Electricity Commission. At that moment SME members were stripped of one of the best collective agreements in Mexico and left without jobs.

The government's actions

were in stark contrast to its open tolerance of illegitimate unions and their so-called 'protection contracts,' the topic that brought international labour rights organizations and unions to the Mexico City forum. At the forum the connection between multinationals and the widespread use of these protection contracts was called one of the major barriers to freedom of association in Mexico.

Protection contracts are collective agreements signed between a company-friendly union or an individual lawyer and an employer without the affected workers' knowledge or consent. Such contracts usually keep wages and benefits at or below the legal minimum and protect the employer from the threat of workers organizing a legitimate, democratic union to negotiate for better conditions.

Francisco Hernández Juárez, a recently elected representative to Mexico's national congress and leader of the National Union of Workers (UNT), opened the forum by declaring that a staggering



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"90% of collective agreements in Mexico are protection contracts. These contracts are made in open complicity with the authorities," he added.

According to Hernández Juárez, the invasion of Mexico by multinational corporations beginning in the 1990s, when the federal government deregulated industries such as telephone services, exacerbated the situation. "These companies came with collective agreements already signed before they got to Mexico; the workers did not even know which companies they were going to work for and already they had collective agreements and unions in place," he explained.

An example of this type of government complicity is the case of Mexican "protection contract tsar" Ramon Gamez who holds the title to over 2,000 collective agreements registered with local and federal conciliation and arbitration boards. In 2005 Gamez was arrested and charged with "corruption of minors," but was controversially allowed to walk out of jail by a judge who absolved him of all charges. This decision was later overturned by a higher court which sentenced Gamez to 16 years; he has been evading the authorities ever since.

"Although a fugitive from justice, Gamez was handed three more protection contracts for call centres a month ago," noted Hernández Juárez. "The police cannot find him

to put him in jail, but still he manages to register new protection contracts."

The forum examined three cases in which protection contracts at facilities owned by multinational corporations are impeding workers exercising their right to organize democratic unions. These included Johnson Controls International, a major auto parts manufacturer, in Puebla, Nokia in Reynosa, Tamaulipas, and ATENTO in Mexico City. ATENTO is the Mexican subsidiary of Spanish telecom giant Telefonica, which runs call centres employing over 18,000 youths in Mexico.

Eduardo Vargas, an ex ATENTO worker who was fired for his organizing efforts, spoke on behalf of the ATENTO call centre workers' independent coalition. He described the classic situation of an illegitimate union with a protection contract in place that no worker had knowledge of or access to. It was

not until workers began to organize that the union appeared on the scene, and only then to demand that new employees could not be hired unless they joined their protection union.

"The protection union functions as a kind of police force dedicated to detecting and disposing of workers who are trying to organize or who complain about the precarious situation that we live every day," said Vargas.

Fortunately, with support of the Mexican Telephone Workers' Union (STRM) and the AFL-CIO Solidarity Center, workers at ATENTO have managed to register their own union as an affiliate of STRM.

As Ben Davis of the Solidarity Center explained, "pressure from Spanish unions on the parent company (Telefonica) which in turn put pressure on its subsidiary" made it possible for this to happen.

"Here is an example of the potential of international solidarity targeting multinational corporations in support of local struggles in Mexico against protection contracts."

The victory at ATENTO is still not assured. The protection union, run by none other than the protection contract Tsar himself - Ramon Gamez - is still in place. The independent union is now preparing to face the difficult challenge of winning the union representation election (recuento), which will determine which union will gain title to the collective agreement.

The forum on Multinational Corporations and Protection Contracts in Mexico took place inside the Mexican Chamber of Representatives (the Mexican Congress' lower house). It was co-sponsored by the Freidrich Ebert Foundation, the Service Employees

International Union (SEIU), the AFL-CIO Solidarity Center, the Netherlands Trade Union Confederation (FNV) and the Maquila Solidarity Network.

On October 16, forum participants held a press conference to express their solidarity with members of the SME and to denounce President Calderon's anti-union behaviour as being in violation of ILO Conventions 87 and 98 on the right of workers to freely associate and bargain collectively. ■

What should brands do?

MSN HAS BEEN ENGAGING WITH BRANDS that source goods in Mexico to identify concrete steps that international buyers can take to ensure that workers in their Mexican supplier factories can exercise their rights to freedom of association and collective bargaining.

While brands should not be expected to replace the role of governments or to judge the legitimacy of any union, there are proactive steps they should take to encourage respect for freedom of association and prevent violations from taking place.

Our new publication, *What can brands do to support freedom of association in Mexico?* sets out some of these steps in detail. The publication can be downloaded for free at www.maquilasolidarity.org/node/882.

