

The Matamoros Strike: With López Obrador In, Mexican Workers Have the Confidence to Walk Out

Mexico's new president has raised wages, and maquiladora workers have gone on strike along the border.

By <u>David Bacon</u> Global Research, February 10, 2019 <u>American Prospect</u> 6 February 2019 Region: <u>Latin America & Caribbean</u> Theme: <u>Global Economy</u>, <u>Police State &</u> <u>Civil Rights</u>

The election of **Andrés Manuel López Obrador** as president of Mexico has raised the hopes and expectations of millions of Mexican workers. There could be no better evidence of this than the strike of tens of thousands of workers in Matamoros, a city at the eastern end of the U.S.-Mexico border, across the Rio Grande (Rio Bravo in Mexico) from Brownsville, Texas.

During the past month, between 30,000 and 40,000 of the 70,000 maquiladora workers in Matamoros plants have walked off their jobs. The maquiladoras are factories, mostly foreign-owned, that manufacture goods destined for sale in the United States. They are the product of a development policy begun by the Mexican government in 1964, allowing the construction of foreign-owned plants, so long as their products were sold outside Mexico. The attraction for foreign companies has been a wage level far below that of workers just a few miles north, and the lax enforcement of environmental and worker protection laws. As a result, along the border today, more than two million workers labor in these factories.

"Workers and employers from Tijuana to Juarez are looking at the courageous actions of the Matamoros workers," says **Julia Quiñones**, director of the Border Committee of Women Workers in Ciudad Acuña, and a veteran of three decades of labor conflicts. "Workers are thinking about following the Matamoros example, and of course employers are worried they'll do exactly that."

The strikes have their immediate origin in a promise made by López Obrador in his speech to the Mexican Congress, and repeated in Mexico City's main plaza, the Zócalo, as he was sworn into office on December 1.

"From January 1," he promised, "the minimum wage [on the border] will be doubled."

Keeping his word, on January 1 he raised that wage from 88.36 pesos (\$4.63) per day to 176.72 pesos (\$9.25).

In Matamoros, however, factory owners declared that the wages of their workers would not increase because they were already making what López Obrador had ordered. According to Juan Villafuerte Morales, general secretary of the Union for Workers in the Maquiladora

Industry, the workers were earning between 156 and 177 pesos per day. Villafuerte's union is affiliated with the Confederation of Mexican Workers (CTM), which, during the past 25 years of the North American Free Trade Agreement (NAFTA) has been a labor partner of the pro-corporate Mexican governments that preceded López Obrador's. On the border especially it has acted as a labor enforcer for the government policy of using low wages to attract foreign investment in maquiladoras.



Two busses take residents of Derechos Humanos and Fuerza y Libertad barrios to the factory parks where many work, and others to the bridge over the where they cross the border over the Rio Grande to Brownsville, Texas.

Villafuerte said the union's agreement with Matamoros companies permitted them to cancel bonuses if they faced an "economic emergency."

Quiñones, however, says the employers were really playing tricks with the way they calculate wages.

"The base wage in most maquiladoras is 90-100 pesos. But workers also earn a number of bonuses—for productivity, attendance, transportation, and other reasons. They depend completely on these bonuses. When the workers said their base wage should be doubled, as the government promised, the companies said they'd eliminate the bonuses and the result would be the same as not raising the wages at all."

Many older Matamoros workers remember a pre-NAFTA era when their wages were much higher and the CTM union was run by a different kind of leader, Agapito González Cavazos. From the late 1950s to the late 1980s, the period in which the maquiladora industry mushroomed, the Matamoros maquiladora union had 50,000 to 60,000 members. In the 1970s, when the national minimum wage was 140 pesos (then worth \$11.20), in Matamoros it was 198 pesos (\$15.84). In 1983, González negotiated a famous agreement with a 43 percent salary increase, and an arrangement in which workers were paid for 56 hours of labor, but only worked a 40-hour week.

González also opposed the neoliberal reforms of President Carlos Salinas de Gortari, which included privatizing national enterprises, ending land reform, and preparing the ground for NAFTA. Matamoros's largest employers considered him an obstacle to passing and implementing the treaty. In February 1992, as NAFTA's terms were being finalized, Salinas had him arrested and taken to Mexico City. González had been negotiating union contracts with 42 companies, including General Motors, and his arrest was protested by the United Auto Workers and the AFL-CIO in the United States.

In the NAFTA era that followed, labor opposition was weakened and wages fell drastically. In 1992, workers were demanding \$19.50 per day. The new minimum wage, even after being doubled by López Obrador, is \$9.27. The workweek has gone back up from 40 hours to 48 hours in most factories. Making matters worse, while Matamoros's maquiladora wages aren't the lowest in Mexico, the cost of living on the border is much higher than in the rest of the country.

The price of many basic necessities, like milk, is actually higher in supermarkets in Mexican border cities like Matamoros and Tijuana than it is just across the line in Brownsville and San Diego. A woman on the assembly line in Tijuana has to labor for half a day to earn enough to buy a gallon of milk. Prices have been rising rapidly in Matamoros, according to the Tamaulipas office of Mexico's Federal Consumer Affairs Prosecutor. A pound of serrano chiles now costs 55 pesos, more than half a day's wage at 88 pesos. The price of tomatoes has gone up by 20 percent and onions by 26 percent.

Delfina Martínez, a worker at Trico Componentes, which makes auto parts for AutoZone and other U.S. retailers, told reporter Julia Le Ducof the Mexico City daily *La Jornada* that she was overjoyed when she heard about López Obrador's promised wage increase.

"Then the union delegate told us that it was only for those who were earning minimum wage, and we didn't qualify."

Instead, she discovered in her paycheck that the company had raised her wages by just 5 pesos a day. Then she found out it wasn't going to pay the 3,000-peso annual bonus either. Instead of helping her, the Federal decree raising the minimum wage "gave a pretext to the factory to not pay us what we'd normally get every January … We went to the union, and on Saturday we put up the red and black strike flags."

Matamoros workers began making demands directly on the factory owners in early January, and organized wildcat walkouts to pressure them into raising wages. Like Martínez, workers were additionally enraged when the companies refused to increase the aguinaldo, an additional month's wages companies are obligated by law to pay workers at the end of the year.

Soon work stopped in many plants, including Polytech 1, Polytech 2, Dura 4, AFX Autoliv, and Cedras de México. A large percentage of the striking workers came from factories producing auto parts for U.S. assembly plants. AFX, for instance, is a supplier to General Motors. According to the Matamoros Maquiladora Association, companies lost \$100 million in the first ten days.

Thousands of workers marched through the streets of Matamoros. On January 18, the

workers—2,000 strong—occupied the offices of their own union, which Villafuerte had closed, fearing the strikes and demonstrations. Angry workers accused him of caving to company demands, especially in a new contract being negotiated for 2019. One of their chants (which rhymes in Spanish) was "The people are tired of so many damned tricks!" Workers organized their own independent network, called the Workers Movement of Matamoros.



Many families survive by running small businesses from home, and at the same time going to jobs in the maquiladoras. This family sells buns, chocobananas and tostada snacks.

Villafuerte was forced to announce that the union would mount an official strike. The workers' basic demand was a 20 percent increase in pay, and an increase in the productivity bonus from 3,500 pesos yearly to 32,000 pesos. Some factories offered a 10 percent wage increase, and a 10,000 peso bonus, but workers rejected it. On January 24, they began walking out at the 45 factories covered by the union agreement.

According to La Jornada's Le Duc,

"in some factories it was a violent process, because the managers ordered the security guards to block the doors to prevent workers from leaving the production lines."

Workers also tried to blockade the doors into some plants themselves, suspecting that managers might try to sneak out machinery to continue production elsewhere.

Rolando Gonzalez Barron, a leader of the employers' association, called the workers "ignorant" and threatened to fire them if they participated in strike actions. Nevertheless, on January 24—the very first day that workers walked out—four factories agreed to the workers' demands. Over the past week more than 20 more have given in, thereby getting their workers to return to the assembly lines.

The anger directed by workers at the CTM may have far-reaching consequences. Last year,

before López Obrador took office, the previous government was forced to ratify Convention 98 of the International Labor Organization, guaranteeing freedom of association. The Mexican Congress then passed a constitutional reform, embodying these changes, including the right of workers to vote on contracts, elect their own leaders, and form unions of their choice—practices that the government and its cooperating unions did not previously recognize. Sweetheart agreements, called "protection contracts" because they protect the employer from any effort by workers to form independent unions and raise wages, will no longer be legal.

In Matamoros, one result of the strikes and organizing may be a decision by workers to use the labor law reforms and leave the CTM. Other national independent unions may also challenge the CTM. The miners' union has been active in organizing on the border, and has supported the Matamoros workers, although it has no union contracts in the city.

While the López Obrador administration has promised that the legal mechanisms protecting the old "protection" unions will be dismantled, it has been slow to support the movement in the streets of Matamoros. In a November interview, Alfredo Domínguez Marrufo, deputy to the new **Labor Secretary Luisa María Alcalde,** said that

"this government will defend the freedom of workers to organize," and that "we're not just fighting for an economic goal, not just for decent wages, but for the revitalization of the democratic life of workers."

Nevertheless, Domínguez held a press conference in Matamoros on January 25, and asked workers to postpone their strike for ten days while negotiations took place.

"I expected more," Quiñones said. "It was a very cold response. I think Alcalde should have come to Matamoros herself."

The lukewarm response didn't earn the government any breaks from employers either. Maquiladora owners are angry with López Obrador for having raised workers' expectations.

"Andrés Manuel López Obrador is burying the export industry in this country," said **Luis Aguirre Lang**, president of the National Maquiladora and Export Industry Council, "which has been a successful model for business and regional development for 53 years. It's sending the world a very wrong message of distrust about Mexico, that it's no longer a safe and attractive place for investment."

Some maquiladora owners are threatening to close their factories, or move them to another city. The employer association for the auto parts industry declared that what the workers want is impossible. Instead of coming to terms with them, recalcitrant employers blamed the conflict on Susana Prieto Terrazas, an attorney from Juarez helping the strikers, calling her an outside agitator.

When the strikes started, the state labor board said that it had no jurisdiction over the Matamoros conflict, because it fell under Federal purview instead. But on January 29 it declared the strike "non-existent" in 16 factories. Such a declaration allows a struck company to bring in strikebreakers and fire striking workers. However, another feature of

the new government's labor law reform is the replacement of the labor boards, which have historically defended employers, with a neutral system of labor tribunals. The actions of the labor board in Matamoros provide strong evidence supporting the need for this change.

Following the labor board's announcement, Tridonex fired 600 workers, with the support of the CTM. In protest of the firings, a former union leader, Leocadio Mendoza Reyes, began a hunger strike in the city's downtown plaza.

"These people were fired because they asked for wage increases, and the head of the union—who's my brother—turned his back on them," he told La Jornada.

Despite the firings and repression, workers have succeeded in winning significant wage increases in a number of factories. Of the original 47 that workers struck, companies agreed to the workers' demands in all but 11, and strikers returned to work following those agreements. The strike has spread to three other plants, Toyoda Gosei, Fisher Dinamic, and Robert Shown, where workers rejected an 8 percent raise negotiated by another CTM union. Nearly 1,000 other workers at the non-maquiladora facilities of Coca-Cola and Matamoros's main milk distributor, Leche Vaquita, also walked off their jobs, demanding the same 20 percent raise and an end to unpaid overtime.

Quiñones says that the situation of workers everywhere on the border is changing rapidly, in part because of their rising expectations.

"They're tired of abuse and exploitation, and if they can see some hope for change, they will act. What we're seeing in Matamoros is that rank-and-file workers are becoming more conscious and aware, and that makes me optimistic."

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