

U.S.-Mexico Contemporary Perspectives Series, 20  
Center for U.S.-Mexican Studies  
University of California, San Diego

---

### Contributors

Mariclaire Acosta  
Emilio Álvarez Icaza Longoria  
Sarah Anderson  
Fernando Bejarano  
Ron Blackwell  
David Brooks  
John Cavanagh  
Jonathan Fox  
Manuel García Urrutia M.  
Susan Gzesh  
Karen Hansen-Kuhn  
Luis Hernández Navarro  
Raúl Hinojosa-Ojeda  
Mary E. Kelly  
Karen Lehman  
Ted Lewis  
Bertha Elena Luján U.  
Jesús Martínez-Saldaña  
Gaspar Rivera-Salgado  
Raúl Ross Pineda  
Lynn Stephen  
Heather Williams

## CROSS-BORDER DIALOGUES

U.S.-Mexico Social Movement Networking

*Edited by*

David Brooks and Jonathan Fox

LA JOLLA, CALIFORNIA

Center for U.S.-Mexican Studies  
University of California, San Diego

2002

## 2

## Labor Perspectives on Economic Integration and Binational Relations

*Ron Blackwell*

### NAFTA GENERATES NEW RESPONSE FROM LABOR AND SOCIAL ORGANIZATIONS

In 1991, when national labor, environmental, and farmer organizations met on Capitol Hill to declare that they wanted a role in the NAFTA debate, it marked the beginning of a new position for social organizations in confronting international economic integration in North America. We in organized labor recognized that economic integration had been proceeding in North America for years. Looking back, the experiment with the "Bracero Program," for instance, was a major moment in that integration process and revealed some of its key features. The Mexican debt crisis was another. But neither of these earlier efforts raised the issue of U.S.-Mexico integration itself, and neither one produced very powerful responses—at least in the United States—to integration, despite the efforts of many activists. It was the run-up to NAFTA that provoked an unprecedented response from labor and social organizations to economic integration in the region.

Although we recognized that the trade pact itself was not the source of integration—that it was just a proposal to change the rules of integration, at least on the trade and investment front—NAFTA nevertheless had the effect of posing the challenge of integration to all the people of North America. Between 1991 and 1994 and, to a lesser extent, after the passage of NAFTA and the 1995 economic crisis in Mexico, there was an elevation of the issue of integration, in all of its facets, in the public consciousness. No proposal prior to NAFTA had produced such an enormous amount of cross-border social interchange nor a trilateral reflection on what was happening and what ought to be done. Because of this, it was a very promising period.

Many of us recognized that the simple passage of NAFTA did not qualitatively change the relationship, but it did present a political op-

portunity to change the rules in our direction, more in favor of the people, instead of the corporations, of North America. This became the focus of our activity during that time.

It is notable and disappointing that this type of activity did not continue at the same pace after the passage of NAFTA in 1994 nor in response to the economic crisis in Mexico in 1995. The building of binational popular organizations and forums in the labor, environmental, and farm sectors did not grow apace, and it even seems to have subsided somewhat. Although cross-border dialogue and cooperative efforts among social sectors in terms of economic integration are now on a much higher plane than before, the level of participation seems to have plateaued.

### LABOR'S FIRST RESPONSES AT THE TRANSNATIONAL LEVEL AND THE QUESTION OF PROTECTIONISM

One of the first responses of the Amalgamated Clothing and Textile Workers Union (ACTWU) in the run-up to NAFTA was to convene a meeting in Venezuela of clothing and textile workers' unions from all over the Americas to take up the challenges of integration. As a result of that meeting, we could represent the viewpoint of workers throughout the continent in the political debate on international economics in the United States. The meeting was an extremely educational event for ACTWU, and it brought us to an awareness that in this sector, which has always been one of the lead sectors of integration, the fate of workers in the North and in the South was tied together. We also understood that the strategy of simply stopping imports at the border to save our jobs was not one that was going to succeed and, further, that a different strategy had to be adopted to "protect" jobs and relatively high living standards in the United States and Canada. The new strategic premise was to fight for the establishment of worker rights as a part of any trade and investment agreement (one of the efforts that led to the establishment of a labor side agreement to NAFTA).

We recognized during this period and as a result of the NAFTA debate that the conditions of working people in the United States and Canada cannot be protected in the face of international integration without protecting the standards of workers in the South. As a consequence, we tried very hard to reform the strategic focus of the ACTWU and the entire labor movement to complement this view. That was the period during which, for the entire labor movement, trade-based worker rights became the lead demand placed before all international trade agreements and bodies, including the World Trade Organization (WTO). Today it is the central demand that the world labor movement

places on international integration agreements: protection of workers' rights as a condition for trade and investment.

This was a historic advance. Previously there was no widespread recognition that the protection of workers' standards in the United States required the protection of standards elsewhere. Nor was there an international demand that workers' rights be a condition of trade and investment. I believe that this was one of the permanent accomplishments of the struggle around NAFTA.

This was not a shift away from protectionism. Protectionism is a core mission of unions and all sorts of social organizations. They must protect themselves and their members from the brutality of the marketplace, in this case the international marketplace, which otherwise will structure itself to advantage capital and employers and disadvantage workers and their unions. But it is "protectionism" as used by Karl Polanyi that is society protecting itself from the utopia of markets as the only institution required to establish a just and sustainable economy. As the market becomes international, so too must that which is to be protected.

We are obliged to respect the demand of workers to protect their jobs and living conditions. Unions have to assess the objective interest of working people in Mexico, the United States, and Canada, along with their perception of how their world has changed and how unions serve their interests and their most deeply felt work-related concerns. It is here that there has been some evolution. There is still a visceral demand that workers must defend the security of their jobs and the living conditions of their families and communities. In its initial form, this is a heavily protectionist impulse. And one can see it manifested in both Mexico and the United States. In Mexico, it is expressed as nationalism—that sentiment that arises from the constant challenge of living so close to a power like the United States without yielding up an identity, a culture, or a way of life. Likewise, protectionism is expressed in the same way in the United States. But beyond that, there is an evolution in thinking about how to serve legitimate protectionist impulses, and there has been a movement away from the simple demand of stopping imports and integration and toward a position that we need to engage and shape the rules of integration to allow us to serve protectionism in the broader sense, both here and in Mexico.

But the debate continues. There is a spectrum, running from the most immediate reaction to the challenges of integration (just wanting the world "to stop") to a more reflective response to integration in which an attempt is made to change the rules.

Current conventional wisdom promotes the notion that integration is inevitable; it is not. Nothing in human affairs is. And neither is it by nature necessarily good; that all depends on the rules that shape it. Ex-

5/7

PAGE

ID.

MAY-13-04 16:43 FROM:

ing rules were instituted by our governments and our employers, and their interests are not those of workers. For the rules to reflect the interests of workers, we had to participate. That is what the fight was all about. So there remains, in the working populations of both the United States and Mexico, a spectrum of views about the best way to deal with integration, about the trade and immigration agreements and proposals—and the debate is ongoing. This was manifested when mobilization of a coalition generally portrayed as a left-right alliance contributed to the denial of fast track authority to the president. Although “left” and “right” might not be the best way to characterize this spectrum of actors, it was a coalition motivated on one side by people acting from an immediate impulse to try to stop integration at any level and, on the other, by those who were fighting to change the rules in a way that gave working people a chance to survive. This is a continuing political dynamic.

But even though the demand or strategy for defending workers' interests intensified, the actual changes that were made in the agreements are, as we know from experience with the NAFTA side accords, very unsatisfactory. The labor side agreement was a concession by then presidential candidate Bill Clinton to gain the political support of labor. But the side agreement took the shape it did because, had it changed the rules in the direction that labor wanted, employers would simply have walked away. They would have withdrawn their political support, the Republicans would not have supported it, and the agreement would not have won passage in Congress. So Clinton promised us changes to NAFTA, but he could not deliver. Hence I see the side agreement as really only a step in the right direction, a concession that recognized, for the first time and after bitter debate, that trade policy had to recognize not only the interests of capital but also the concerns of working people and the environment. Even more importantly, it was an expression of a change in power relationships in the shaping of trade agreements.

#### ECONOMIC INTEGRATION LINKS WORKERS ACROSS BORDERS

Integration and the notion of a free trade area are just part of what in the rest of the world is referred to as “neoliberal economic policy.” This policy encompasses elements other than trade, including “independent” central banks regulating economic growth and the pressures of the labor market, privatization, balanced budgets, and labor market flexibility. Economic neoliberalism is unfolding in every country of our hemisphere, and we know that there are parallels in the rest of the world as well. One of neoliberalism's effects is that it threatens the living conditions of workers as income is redistributed from working

people to employers, from labor to capital. And insofar as unions defend workers in the fight against this redistribution, neoliberal economic policies threaten to weaken the labor movement.

But not all of the policies opposed by labor movements around the world link workers across borders. The free trade aspect of neoliberalism, its unique feature, is that it did just that: it required workers to seek out their counterparts in the South, as we did in our meeting in Venezuela. It was not just an issue of privatization, which we all experienced in our own countries; economic integration was something that immediately united international workers' interests. We had to deal with the same companies in many countries. And our ability to deal successfully with those companies depended on our ability to work together—from exchanging information and research on a corporation that affected our common interests, to mounting strategic campaigns in defense of those interests, to acting together in the policy arena with common positions. In fact, out of the Venezuela summit, we produced a joint document entitled “No a la Integración sin la Participación Laboral” (“No Integration without Labor Participation”), a title that sums up a new continental consensus among counterpart unions. This consensus resulted from the neoliberal project, and it was labor's resistance to “standard” neoliberalism that pulled labor movements together, whether they saw it that way or not.

On the other hand, the economy was changing in the North as well as in the South. The South was not just a colony, another place to extend business. Many of these companies were active in Mexico before the integration process began. But they were not integrating their production processes between the United States and Mexico. They were producing for internal markets. In this new period, businesses in the United States and Canada are now internationalizing their production process. It is not only trade and investment flows; it is an integration of the international relations of production that places workers in countries with high living standards in direct competition with much poorer and more oppressed workers in the South. Therefore, U.S. and Canadian labor movements have to think about the South in a way that poses southern workers' interests as complementary to their own. They are doing that, and this is a developing story that is crucial for the future of this debate—an element that was not present ten years ago. The other consideration that was a distorting factor in labor's international policy was a preoccupation with Cold War concerns. But ten years after the fall of the Soviet Union, those concerns are now moot. The current challenge is not Communism; it is the international operations of multinational corporations and the geopolitical project of “imperial” powers.

PAGE 6/7  
ID. 4

## LABOR'S CHALLENGE: CONFRONTING TRANSNATIONAL CAPITAL

The discussion to this point has concerned the way in which labor was attempting to engage in the realm of public policy, in the regulatory regimes of North America. There is also a second track, which is a change in strategy in the labor movement's direct dealing with workers and companies in the context of integration. It is one thing to promote the rights of workers internationally; it is another to build the structures that help those workers exercise their rights. On this front, through the early run-up to NAFTA there was a lot of cross-border activity among workers. There were shared visits by unions, by workers in the same companies, and by leadership and memberships of unions. But that kind of activity appears to be plateauing, and that is disappointing. There are a few agreements among unions in North America, but we do not have international unions, or international joint ventures among unions, or even strategic alliances among unions. We still have a level of union cooperation in tactical situations, and we are very helpful to one another. But we are not at a point where we have broad strategic alliances or unions in both countries that are dealing with the same employer, that are self-consciously building a strategy to deal with the operations of that employer in changed conditions.

There are reasons for this. One of the major obstacles is the difference in power between companies and workers and the geographical scope of their operations. It is much easier for capital to move internationally than it is for working people, who are much more tied to the communities or the countries in which they live.

We have to recognize that the heart of integration is that business is the leader. The corporation is the most powerful political force, not only in North America but around the globe, in this post-Cold War period. Business and government are moving rapidly to define the process of economic integration. Some of us who are involved in social organizations feel that we need to "catch up." We are lagging behind. But keep in mind that this is not "our" game; there is no catching up with transnational corporations and governments. We are struggling in response to a game whose rules we did not make, a game directed by forces that are much more powerful than we are. We must appreciate this power, understand the dynamic under which this power is moving, and find, wherever we can, opportunities to fight more effectively to defend the social interests we represent.

We have been successful in a few cases, but efforts to date have been largely exploratory. We cannot simply ask the peoples of North America to stand up against the corporate and government worlds. We must be patient—but at the same time understand the urgency, because

government and industry are moving with great speed and power to implement their defined strategies, strategies that can only work at the expense of the peoples of North America. Whether it is in the labor sector, the environmental sector, or the agricultural sector, we must find our own strategies with which to fight back.

The engine of this process is the corporation, the dominant institutional form of capital in our time. Private corporate interests are exercising competitive strategies that increase their success and compensate their executives handsomely by redistributing income from poor and working people to the people who own these companies. Private corporate interests also attack the state in the process, disregarding environmental concerns or the rights of people. Their tendency to overreach is our hope. But let us not mistake the central character in the process of integration. To talk about this process without talking about these corporations is to discuss *Hamlet* the play without mentioning *Hamlet* the character.

The structure of power behind this process also includes the subordinate role that governments play in relation to corporations. At the same time, there are differences in the geopolitical interests of the United States and the corporate interests of General Electric, and we ought to be able to mine that for opportunities to divide them and fight back. But only when that relationship is understood—both economically, in terms of the projects of corporations, and politically, in terms of the structure of state power in this part of the world—can the terrain on which this battle between social sectors and corporations is being fought be identified. From this, one can devise more effective strategies for defending the interests of workers, their families, and their communities throughout North America.

Another reason we "lag behind"—aside from the existing power structures and those who make the rules—is that corporate interests are clear, while we are still identifying the broad scope of the social interests affected by economic integration. Our interests are social interests; they are particular to us, and it takes us a while to find each other. What do unions have to do with fighting for a just society on the border? What do farmers have to do with workers? What do both have to do with environmentalists? It takes us a while to find ourselves, identify our common interests, and then devise interest-based strategies that work. Then, of course, there are the differences in interests within and between social sectors in each country.

But what we share—the basis for organizing and developing collective action—is the need to build up our own power in relation to corporate power so that we can, in our direct dealings with corporations, effectively organize, bargain, and campaign for our interests, as well as

increase our capacity to fight political battles over the shape of trade agreements and other policies.

Even as workers' fates become intertwined across borders, the logic of the development of their consciousness, of their identity, does not change as a result—not automatically, at least. Workers' consciousness and identity must be changed by the people who go about organizing, those who see the bigger picture. This is parallel to the dynamic around responses to free trade: the evolution from an immediate response to the "threat" to one's living conditions (the narrow sense of protectionism) to a more effective strategy that develops over time. The question then becomes, why have workers' organizations not moved more aggressively to help educate and lead workers to defend their interests under these conditions? Some have, and much has been accomplished. But what has not yet rooted itself securely throughout the American and Canadian labor movements—and, I suspect, in the Mexican labor movement—is the need to rethink strategically the relationships between counterpart organizations to educate workers and provide them with channels for collective action that respond more effectively to the challenges they face.

### LESSONS LEARNED

What was learned by U.S. labor in the run-up to NAFTA is that no labor movement can respond to the neoliberal project and the policies of integration unilaterally, without relating to labor movements in other countries. And within each country, one cannot succeed without relating to nonlabor social sectors as well—farmers, environmentalists, women, and so on.

We must recognize the changes that have taken place in the leadership of labor unions in Mexico and the United States, and recognize the need to understand the context of these new relationships. In terms of what has changed in the United States, the international operations of the AFL-CIO are now more centered on influencing the rules of international trade and exploring the possibilities of strategic alliances among workers. That is the real challenge for the future.

Unless the labor movement can succeed in changing the rules toward a more socially just and environmentally sustainable international regime and succeed in building strategic alliances to lend it the strong support of workers and others, we will not be able to protect workers here or in the South, nor will we be able to influence the historic changes under way in North America.

## 3

### The Authentic Labor Front in the NAFTA-Era Regional Integration Process

*Manuel García Urrutia M.*

In early 1990 President Carlos Salinas de Gortari toured Europe with the goal of attracting foreign investment to support Mexican modernization. The trip did not meet expectations. But Mexico seemed to be unwilling to consider another alternative that could satisfy Mexico's investment needs—a trade agreement with the United States. Presidents Ronald Reagan and George Herbert Walker Bush had both proposed a U.S.-Mexico trade agreement, primarily as a means to counter the power of regional economic blocs arising elsewhere in the world and to increase U.S. competitiveness in strategic productive areas where countries like Japan and Germany already excelled. However, Mexico still felt it was not ready to enter into such an accord. In fact, in March 1990 Secretary of Commerce Jaime Serra Puche specified several conditions that Mexico had to meet before it could even contemplate a North American trade agreement—lower inflation rates, improved buying power, and a technological restructuring of Mexico's productive apparatus.

Nevertheless, just two months later the Mexican government was convinced that investment flows into Mexico would be insufficient without more U.S. participation, and it decided to put a new spin on its previous statements against a free trade agreement. Despite a widespread uneasiness over the idea of increased economic integration with the neighbor to the north, the Mexican Senate convened business leaders, academics, and social leaders to a forum that legitimized its recommendation that Mexico enter into a North American Free Trade Agreement (NAFTA) with the United States.

In June 1990 the Mexican and U.S. governments announced their interest in negotiating a trade agreement. They were later joined by a re-