

ILR New Conversations Project



SUSTAINABLE LABOR PRACTICES IN GLOBAL SUPPLY CHAINS

Social Dialogue in the 21st Century

Mapping Social Dialogue in Apparel: **Mexico**

January 2021

ALEX COVARRUBIAS V.

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Cornell University School of Industrial and
Labor Relations & The Strategic Partnership for
Garment Supply Chain Transformation

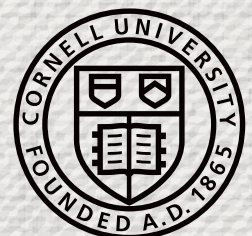
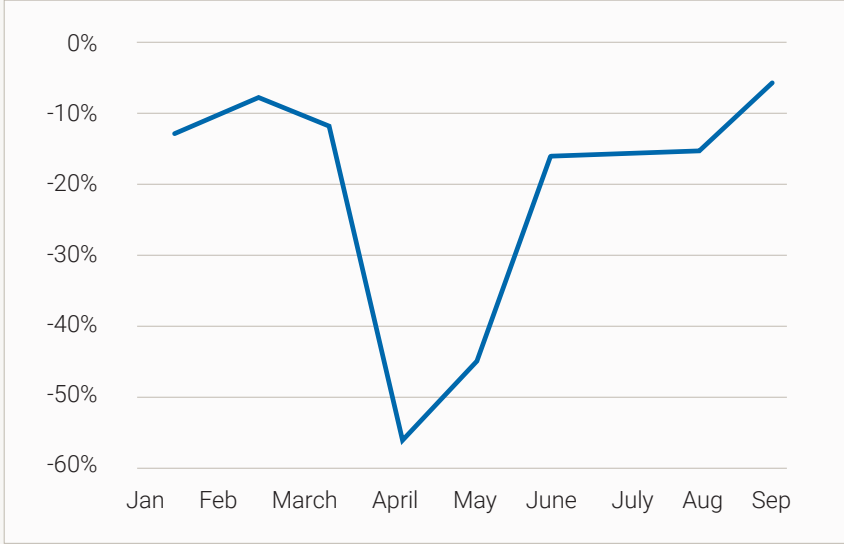


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Mexico COVID-19 Garment Industry Impacts

State of COVID-19 ¹	<p>As of December 7, 2020,</p> <ul style="list-style-type: none"> • Confirmed COVID-19 cases: 1,175,850 • COVID-19 deaths: 109,717 • Case-Fatality: 9.3% • Deaths/100K Pop: 86.95 																				
<p>Year on year US & EU imports from Mexico 2020 vs 2019² show an overall 25% decrease from January to June with imports rebounding after April.</p>	 <table border="1"> <caption>Year on year US & EU imports from Mexico 2020 vs 2019</caption> <thead> <tr> <th>Month</th> <th>Import Change (%)</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>-12%</td> </tr> <tr> <td>Feb</td> <td>-8%</td> </tr> <tr> <td>March</td> <td>-12%</td> </tr> <tr> <td>April</td> <td>-55%</td> </tr> <tr> <td>May</td> <td>-45%</td> </tr> <tr> <td>June</td> <td>-15%</td> </tr> <tr> <td>July</td> <td>-15%</td> </tr> <tr> <td>Aug</td> <td>-15%</td> </tr> <tr> <td>Sep</td> <td>-5%</td> </tr> </tbody> </table>	Month	Import Change (%)	Jan	-12%	Feb	-8%	March	-12%	April	-55%	May	-45%	June	-15%	July	-15%	Aug	-15%	Sep	-5%
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Length of apparel industry lockdown	March 31-June 1, 2020																				
Job losses or workforce capacity reduction percentage	6.2% decrease June 2019 – June 2020 in the Maquiladoras and Manufacturing Industry and Export Services (INMEX-INEGI).																				
Government support specific to apparel industry	None.																				
Characterization of social dialogue activities	Management dominated.																				

1. Data from the Johns Hopkins University Coronavirus Resource Center <https://coronavirus.jhu.edu/data/mortality>

2. Imports refer to imports of products with HS commodity codes 61, 62, 63, and 64. Data from UN Comtrade.

1.0 Introduction

This study examines both the historic and current importance of the Mexican textile, garment, leather and footwear industry (henceforth MTGLFI) as the largest employer of women in Mexican manufacturing. It posits that social dialogue in the industry has been very limited due to the dominant model of unionism with state intervention, which has suppressed wages and working conditions as a way to attract investment. This has been a process that has marginalized and repressed the independent actors (unions, solidarity organizations, professional associations and NGOs) who have tried to create a different type of unionism and open ways to social dialogue. To the extent that most local companies and transnational corporations have lent their consent to these practices, they have created isomorphic—mimetic, or simulated—management practices that impede authentic collective bargaining and social dialogue. We identify seven dimensions of this issue in these workplaces: the absence of bilateralism in labor relations, absolute numerical and functional flexibility, the absence of gender language and actions, social protections and working conditions that fall outside the law, clientelist union practices based on closed-shop clauses, and precarious wage levels.

An important asset for social dialogue gained throughout the NAFTA-NAALC (North American Free Trade Agreement-North American Agreement on Labor Cooperation) era was understanding the importance of creating networks of transnational collaboration and solidarity as a condition for advancing a labor agenda in the region.

With the inauguration of the government of President Andres M. (AMLO) in 2018, Mexican labor law has been reformed, salaries have been raised and there have been commitments made to protect labor rights in the context of the new NAFTA, i.e., the US-Mexico-Canada Agreement (USMCA). These events, added to the fact that independent entities contributed to President López Obrador's victory, feed the expectation that the country can now make further inroads into social dialogue.

However, as shown by the high-risk labor conditions resulting from the COVID-19 pandemic, nothing is guaranteed and the absence of independent rank and file organizations means workers continue to be subject to adverse conditions.

This paper is divided into five chapters. The first provides a historical overview of the industry and traces its re-orientation as an industry directed towards the external market and outlines its evolution within the framework of NAFTA. Chapter two identifies the contemporary features of the MTGLFI, emphasizing its characteristics and the power dynamics between its stakeholders. It also identifies the current evolution of jobs, productivity and salaries. Terms of collective bargaining and social dialogue are the focus of the third chapter; it identifies the challenges posed by the unions and

protection contracts (that is, false collective bargaining agreements) that have prevailed in the MTGLFI and documents the most significant labor struggles. The fourth chapter looks at how the industry was ravaged by the COVID-19 pandemic and the adverse effects of this on workers. The final chapter summarizes findings and offers conclusions aimed to advance social dialogue.

The study was based on extensive fieldwork. The researchers interviewed a state leader from the CTM; a CROM leader with a ***contrato ley***; five union leaders from the industry that have collective bargaining agreements; and seven leaders from independent labor bodies, NGOs, professional organizations, and international solidarity organizations. These include leaders from the Authentic Workers Front, the Maquila Solidarity Network, the Mexican Action Network on Free Trade, the Friedrich Ebert Foundation, the Citizen Observatory on Labor Law Reform, the National Association of Democratic Lawyers and the Center for Worker Action. In addition, I analyzed two of the ***contrato leyes*** and 50 collective bargaining agreements with companies—including some local companies, subcontractors with global chain leaders and their suppliers.

The fourth chapter is based on interviews conducted with leaders of organizations that promote rights and the independent organization of maquila workers. This chapter was supplemented by an exhaustive review of newspapers and magazines that have covered the story of the industry during the months of the COVID-19 health emergency and the ‘new normal’.

2.0 Industry change and external reorientation in recent years

2.1 From Import Substitution Industrialization to Export-Oriented Industrialization

The Mexican textile, garment, leather and footwear industry (MTGLFI)¹ has traditionally been an important activity in the productive life of the country. It has been characterized by the production of textiles, clothing, footwear and bath linens, and its variety of fabrics, textures and thicknesses has earned it a place in the world.² The quality of Mexico's cotton vegetable fibers competes with Egyptian and Indian threads; and it is a major denim producer.

As the country began to industrialize, the MTGLFI was a particularly strong force in national manufacturing. During the 1940s, it employed 29 percent of the work force—or approximately 150,000 workers—and generated 25 percent of manufacturing's total value. In subsequent decades, and as the strategy for import substitution industrialization progressed, the MTGLFI grew. However, it would lose its importance in macro-economic make-up to the national advance of intermediate, durable and capital goods industries. Thus, in the 1960s, the apparel industry's contribution to the manufacturing GDP decreased by 12 percent, with a 20 percent decrease in employed workers—of the 150,000 jobs at the time (data from Vera and Vera, 2013). Despite this, the MTGLFI reached the final third of the twentieth century as a relevant industry, albeit it plagued by inefficient practices and considerable inequalities and lags in technology.

During the 1970s, the industry experienced average growth rates of 5.5 percent and maintained its 12 percent contribution to the manufacturing GDP. Government plans to consolidate the industry and make it more efficient led to the absorption of various companies while others left the market, pressured by the first generation of the *maquiladora*³ industry that arrived in the country, mainly from the United States. Additional pressure was exerted by the so-called second wave of industrial emigration on a global scale. This referred to the emergence of Hong Kong, South Korea and Taiwan—the first wave being Japan—as the new suppliers of the sector's industries. At the same time, the coming into force of the 1974 Multi-Fiber Arrangement imposed selective quotas and restrictions for apparel entering the markets of developed countries, creating a scenario for which domestic producers were not prepared.

1. In this study, we use the terms clothing industry, garment industry and apparel industry interchangeably.

2. Prior to the Spanish conquest, Mexico had a strong artisanal tradition in textile and clothing work with natural fibers, cotton, quetzal feathers and animal skins. The tradition was nourished by the abundance of fibers and unique dyes, such as cochineal – capable of creating unique colors.

3. Maquilas are factories that receive duty exemptions for importing materials and equipment to produce goods for export back to the source country. Maquilas first emerged in the 1960s under the US Tariff Code Article 807, which allowed for duty free import of products assembled using US-made components (Bair 2002: 205). These factories mostly involve routinized assembly work and hire mostly women (Plankey-Videla 2012: 26). The maquila apparel sector expanded in 1986 with Mexican adoption of the General Agreement on Tariffs and Trade (GATT) and continued expanding with the North American Free Trade Agreement (NAFTA) coming into effect in 1994.

The debt crisis and productive instability of the 1980s would further hit the MTGLFI. In the second half of the decade, the industry's contribution to the manufacturing GDP fell to 10 percent with the number of jobs decreasing to 43,000 (Cr. Arroyo Lopez et al, 2010). The Mexican government addressed the crisis by completely abandoning the ISI strategy and replacing it with the strategy of externally reorienting its economy. Markets were opened, the economy was deregulated, and the search for foreign exchange and foreign investment became priorities. The country entered an export-oriented industrialization (EOI) stage, one that would culminate in the signing of NAFTA in 1994. Meanwhile, the liberalization of trade led to the closure of 80 percent of Mexican MTGLFI firms and the loss of more than one hundred thousand jobs between 1982 and 1994 (Rothstein, 2005).

2.2 Labor Relations and corporatism under PRI rule

The prolonged period from ISI to EOI corresponded to the rule of the *Partido Revolucionario Institucional*, or Institutional Revolutionary Party (PRI). During the PRI's 71 years in office, trade unionism in Mexico featured a “strategic alliance with the state”.⁴ PRI leaders created corporatist union structures and installed leadership as they wished, in order to control and influence the labor movement. Thus corporatism—also known as official unionism—was characterized by three main traits: a) the creation of dominant, compulsory and non-competitive organizational structures to integrate and vertically control the labor movement; b) the institutionalization of the labor movement by controlling trade union demands, leadership and internal functioning; and c) control over interest groups and their leadership via incentives (such as political positions and money) and by restrictions or repression when necessary (Cook, 2007; Bensusan and Middlebrook 2013; Covarrubias 2009).

The *Central de Trabajadores de México*, or Confederation of Mexican Workers (CTM), established in 1936, became the leading union structure. However, in order to ensure that unions could not develop into a strong and potentially autonomous center of power, the CTM was not granted a monopoly on worker representation. The PRI did not allow it to organize public servants nor peasants and there were always several regional and national confederations linked to the PRI through separate structures. A complex system developed involving the CTM, the *Federacion Revolucionaria de Obreros y Campesinos* *Confederación Revolucionaria de Obrero y Campesinos*, or Revolutionary Federation of Workers and Peasants/Revolutionary Confederation of Workers and Peasants (FROC/CROC), the *Confederación Regional Obrera y Campesina*, or Regional Confederation of Workers and Peasants (CROM) and the *Central de Trabajadores y Campesinos*, or Confederation of Workers and Peasants (CTC)—among others—representing worker and peasant interests under state supervision.

4. The PRI was founded in 1929 and ruled until 2000, when the right-wing Partido Accion Nacional (PAN) won the presidency.

Officially, independent unions were not prohibited, but when authorities saw fit or unions ran counter to the interests of the regime, their leaders were harassed or jailed, their resources taken away and they were dissolved or forced to merge with more pliant unions. The organized workers' movement thus became a pillar of the old political regime—the one-party, antidemocratic and authoritarian system that became the longest-lasting in the Americas.

When Mexico defaulted on its foreign loans in 1981, it was forced to accept a bailout program from the International Monetary Fund (IMF), which imposed a neoliberal macroeconomic policy geared towards export-promotion. This ended the ISI era and replaced it with EOI policies, set low wages, and promoted flexible labor agreements and export industries such as the maquiladoras as the new paradigm for economic success. This policy direction was entirely supported by official unionism and further consolidated in the 1990s when Mexico joined NAFTA in a free trade zone.

2.3 From NAFTA to a new industry paradigm to the crisis of local producers

Within the NAFTA framework, the MTGLFI entered a new stage of growth and orientation towards the external market, and to the United States in particular. The treaty outlined the gradual reduction (over 8 years) of tariffs and quotas for Mexican clothing exports to the US market. Boosted by exports, the industry grew at an annual rate of 21 percent between 1994 and 2001, of which 70 percent went to the country's northern neighbor. This corresponded to an increase from USD \$1 to \$7 billion over this time. Imports increased at an annual rate of 13 percent, creating a trade surplus. As a result, employment in the sector grew from 42,231 to 265,935 and garment manufacturing spread throughout Mexican territory. Of this total, 189,000 jobs were distributed between 797 maquiladoras in the textile and clothing sectors (data from Buitelaar and Rodriguez, 2000).

It was thought that Mexico could develop and integrate the industry value chain as the Asian Tigers had done—i.e. South Korea, Hong Kong and Taiwan. Gereffi (2000) wrongly argued that the country could be an example of the Latin American way of integrating “the complete package” of the industry value chain, setting the standard for Latin American and Caribbean countries. This did not happen.

The bonanza experienced by the Mexican industry continued until 2001 when China joined the WTO and the third wave of industrial global emigration began. The end of the Multi-Fiber Arrangement in 2005 completed the industry's new regulatory framework, which included the disappearance of the quota system, and a surge in global competition and rivalry between countries to secure markets and investment flows.

In 2001, Mexico was the primary exporter to the United States of thread, textiles and garments, exporting as much as USD \$7.8 billion and accounting for 4 percent of the

world market. By 2012, Mexico had dropped to 17th place in exports and its contribution to the global market decreased to 1 percent, overtaken by newcomers to the market in the third wave, such as Bangladesh, Turkey, Vietnam, India, Indonesia and Malaysia. It had also been displaced by 2002 as the main supplier to the United States by China. In contrast, in the same 2000 – 2012 period, China more than doubled its market share, increasing from 18 percent to 38 percent (Najera O., 2015:37). In fact, since 2010, China has been the leader in all four sectors of the industry as indicated by the ILO (2014:15), and the world's factory for textiles, clothing, leather and footwear.⁵

In the current wave, a move towards a new industrial paradigm has become apparent. Fashion cycles that govern the market have been shortened and diversified with new technologies, products and services, giving way to a production model where flexibility, speed and cost containment acquire a premium. With so-called "fast fashion," the industry has become more volatile and unpredictable, and profit margins have been reduced, particularly for mass products sold by large commercial chains and branded clothing (Cr. ILO, 2014). Subcontracting has increased, and with it, pressure on the last link in the global production chain.

Within this context, the Mexican industry has experienced increasing limitations regarding its ability to develop its own value chain and insert itself advantageously in global chains: it is highly concentrated in maquila manufacturing and in the assembly of clothing items; it imports the majority of its fabrics; and the gap in technological and productive optimization has increased vis-a-vis advances in machinery, equipment, synthetic fibers and new materials offered by European, Asian and North American producers.

A specialized report in 2013 revealed all of the industry's shortcomings: low grade internal value added and integration, large presence of maquiladora companies, inadequate production scales, lack of own designs, lack of technical qualifications of workers and reduced quality control. Added to this was the growth of a contraband market within the MTGLFI: 60 percent of the USD \$16 billion domestic apparel market in that year corresponded to imports of contraband goods, while 20 percent were legal imports and the remaining 20 percent was accounted for by local producers (Vera and Vera, 2013; A. Saucedo Delgado, 2013:4-5).⁶ According to the National Chamber for the Clothing Industry (CANAIIVE) and the National Chamber for the Textile Industry (CANAINTEX), the situation regarding contraband continues in similar proportions to this day, leaving domestic producers in crisis.⁷

5. In 2012, China accounted for 33% of the global textile market, 38% of garments and 60% of leather and footwear (ILO, 2014).

6. A. Saucedo Delgado (2013), "The textile industry in Mexico: NAFTA, China and globalization. An analysis in support of an integral development strategy". White Paper. Anahuac University.

7. Cited by ANTAD (May 2, 2019), "The textile industry confronts a crisis and this is why." Online, <https://antad.net/la-industria-textil-enfrenta-una-crisis-y-estas-son-las-razones/>.

2.4 Labor under NAFTA's NAALC

During the NAFTA negotiations, attempts were made to promote a labor agenda that would be favorable to Mexican workers and incorporated into the treaty's agreements. These attempts were spearheaded by the AFL-CIO labor federation in the United States as well as by academics and activists from all three countries who supported effective and independent worker organization in Mexico and attempted to steer official unionism towards an open position in order to build a transnational alliance.⁸ These attempts failed as they faced fierce opposition not only from the Mexican government, but also from official unions. Opponents invariably argued that: "An alliance with the AFL-CIO is not in our interest as they are defending their jobs, which are the ones we stand to gain"; "labor issues are a sovereign national issue"; or "if anyone needs to improve their labor laws, it's the United States. We Mexicans have some of the best labor laws in the world and they [Americans] don't even guarantee the right to unionize and to strike".⁹

This overview is useful as it illustrates how ceding to government positions, blocking independent efforts and impeding transnational solidarity continued unabated throughout the NAFTA era. Furthermore, these same positions were brought to the table when renegotiating and signing the new USMCA in 2018. Since Mexican public and labor representatives opposed the inclusion of labor in NAFTA, a separate body, the North American Agreement on Labor Cooperation (NAALC), was established with limited mechanisms for overseeing and advancing labor rights (Compa and Brooks, 2015).

For instance, in the maquiladora industry, seven cases were presented in the first 10 years of the treaty, the period with the most activity in the National Administration Office (NAO)—the office that had been created within the labor ministries of each country in order to monitor the application of their respective labor laws. The majority of these cases dealt with violations of the right to free association and collective bargaining. These cases involved Honeywell and General Electric, Sony, Han Young, UTAPSA and Auto Trim, and allegations regarding the right of workers to choose their own unions, the failure to provide minimum wages and gender discrimination (Maquiladora Solidarity Network, 2004).

These did not result in anything more than recommendations, ministerial consultations and—more often than not—promises from the Mexican government to review the cases and take action. Repression also continued unabated, as in the case of the Han Young union leaders who had tried to form an independent union and were physically assaulted while attending a government seminar (Cfr. Maquiladora Solidarity Network (2004).

Given the NAO's meager results, the actions brought before it gradually ceased.

8. The work of the Red de Acción contra el Tratado de Libre Comercio (RACTLC - The Action Network against the Free Trade Agreement) was particularly notable among independent Mexican NGOs.

9. Declarations made by CTM union representatives and government authorities gathered by the author as an academic supporting efforts to build a transnational union alliance for the NAFTA region.

3.0 The current face of the industry

3.1 General overview

Looking at the value of production between 2007 and 2018, the industry has lost impetus. In the textile subsector there was a decline of said value by 4 percent; in the garment and assembly subsector it was by 15 percent and in leather and footwear it was 1 percent.¹⁰

In 2018 the industry had a slight recovery thanks to the US-China tariff dispute. Mexican exports received a new boost, reaching USD \$6.6 billion. Mexico moved up the list of global supplier, coming in 13th, even if its position as a supplier to the United States remained in 6th place after China, Vietnam, Bangladesh, Indonesia, and India.¹¹ Its exports to this country were USD \$3.3 billion—only 37 percent of the export level it had experienced in 2000 when these were at their highest. Mexico is the largest supplier of men's jeans in the US, and second to China for total blue denim imports in the US on behalf of American denim brands such as Levi Strauss and Dickie's.¹²

According to the Mexican National Institute of Statistics and Geography (INEGI), the textile and garment sector breaks down into 42.1 percent clothing production, 28.7 percent leather and footwear, 27.9 percent textiles, and 1.3 percent jewelry.¹³ According to reports from INEGI and the employer chambers, about 1.1 million people work in the industry. But this figure is reached by adding the garment-related retail workforce to the rest of the industry.¹⁴ The last economic census (INEGI, 2019) shows that in the textile subsector, 100,965 people were employed; in clothing and sewing were 336,505; and in leather and footwear were 167,441. In other words, the MTGLFI closed last year with 604,911 jobs.¹⁵ Between 37 percent (leather and footwear) and 59 percent (garment and assembly) of the jobs are held by women. 38 percent of industry inputs are national, the highest percentage of all manufacturers (INEGI, 2018: 11-17).

Meanwhile, the textile subsector's jobs are concentrated in the states of Mexico, Puebla Hidalgo, Guanajuato, and Mexico City. In the garment industry, notable states are Coahuila and Chihuahua—main home of the maquiladora industry—with 25 percent of total jobs. Then Estado de Mexico, Mexico City, and Puebla provided around 20 percent of total jobs. (Figure 1 and Table 1).

10. Own calculations using data from INEGI-EMIM, 2018. The description of the period 2007-2018 comes from the fact that the data series for the industry was the most complete available from the institution.

11. <https://otexa.trade.gov/msr/catV1.htm>. In 2018, the United States imported USD \$3.3 billion of apparel from Mexico.

12. Otexa data. Ibid.

13. INEGI, Statistics on the Subject of the Fashion Industry of Clothing, Footwear, and Jewelry 2018

14. The figure includes the production and retailing of jewelry, in addition to the jobs related to retailing textile, garment, leather and footwear products. The figure of 1.1 million jobs comes from the 2014 economic census: INEGI (2018), Estadísticas a Propósito de la Industria de la Moda del Vestido, del Calzado y la Joyería.

15. INEGI (2019). Censo Económico 2019. In <https://www.inegi.org.mx/app/saic/>.

Figure 1 : Geographic distribution of factories in the garment and assembly subsector (2018)



Source: Camara Nacional de la Industria del Vestido: <http://canaive.mx/>

Table 1 Textile and Garment Industry Major Job Centers

Textile		Garment	
State	Jobs	State	Jobs
1. Estado México	24,207	Coahuila de Zaragoza	47,958
2. Puebla	22,928	Chihuahua	38,473
3. Hidalgo	10,235	Estado México	24,986
4. Guanajuato	8,889	Ciudad de México	23,712
5. Ciudad de México	8,124	Puebla	16,940

Source: CANAINTEX (2020), https://canaintex.org.mx/informacion_estadistica_/.

3.2 Jobs, productivity and salaries¹⁶

The total jobs in the MTGLFI at the end of 2018 represented 21 percent fewer positions than it had 12 years earlier. Within its subsectors, the greatest loss occurred in fashion and garments (-31.6 percent), followed by textiles (-11.5 percent). The leather and footwear subsector has maintained a better balance, with its jobs falling 3 percent.

16. This section is based on data from INEGI-EMIM 2018 (Encuesta Mensual de la Industria Manufacturera). Since EMIM works on a probabilistic sample of the industry, its data may be different from the comprehensive data provided by the economic census.

These statistics contrast with the evolution of labor productivity, measured as the value of production by total jobs. From 2007 to 2018 labor productivity in the fashion and assembly subsector grew by 10 percent; it grew by 27 percent in the textile subsector and by 4 percent in the leather and footwear subsector (Table 2).

Overall, these numbers indicate that the MTGLFI had considerable gains in efficiency and employee productivity over these years. What happened with wages?

Figures 2, 3 and 4 show the wages of production workers in the MTGLFI. We note that textile industry workers earned USD \$1 dollar per hour in 2018, or MXN \$20 (Mexican pesos), garment workers earned USD \$0.66 (or MXN \$13), and leather and footwear workers earned USD \$0.72 (or MXN \$14). More notable is the fact that from 2007 to the present, wages have oscillated between stagnation and decline: textile workers have lost 13 percent, garment workers have remained the same and leather and footwear workers have lost 18 percent.

Table 2 Changes in jobs, value and labor productivity, (percent) 2007-2018

Variable/Subsector	Textile	Garment	Leather, Footwear
Jobs	-11.5	-31.6	-3
Production value	-4	-15	-.7
Labor productivity	10	27	4

Source: Author's elaboration with INEGI-EMIM (2018) data

Hourly wages in the MTGLFI 2007 - 2018 (USD)

Figure 2: Textile Workers

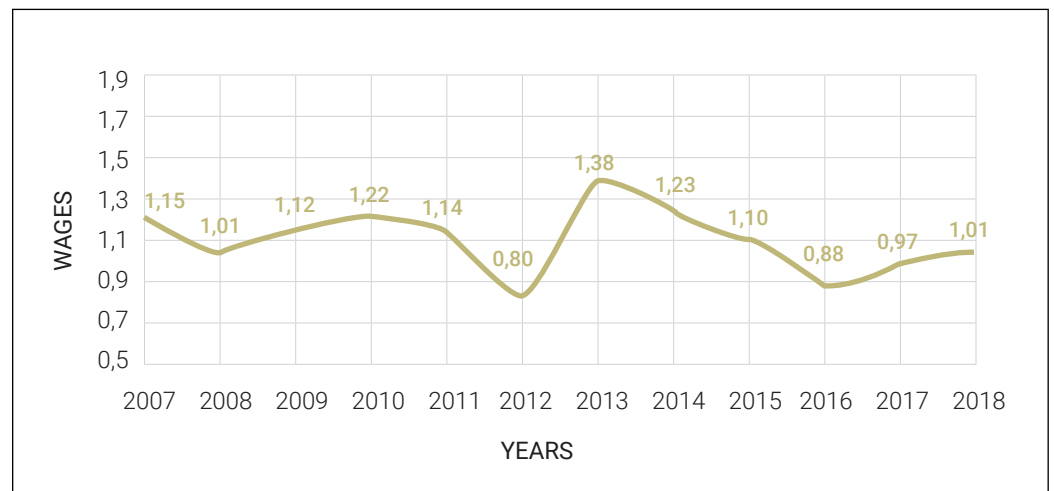


Figure 3: Garment Workers

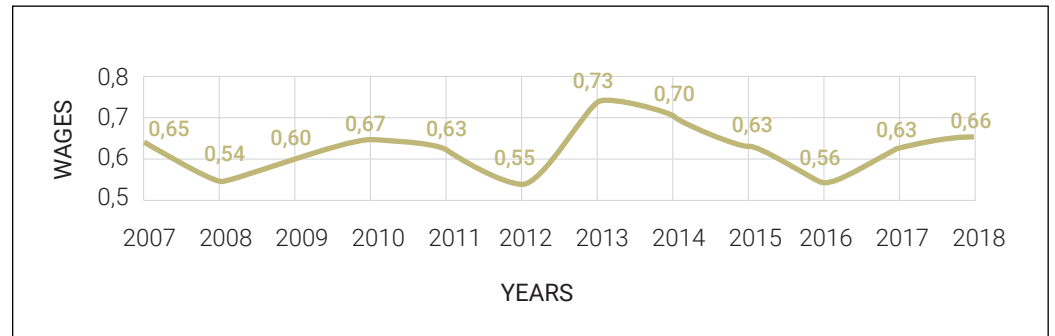
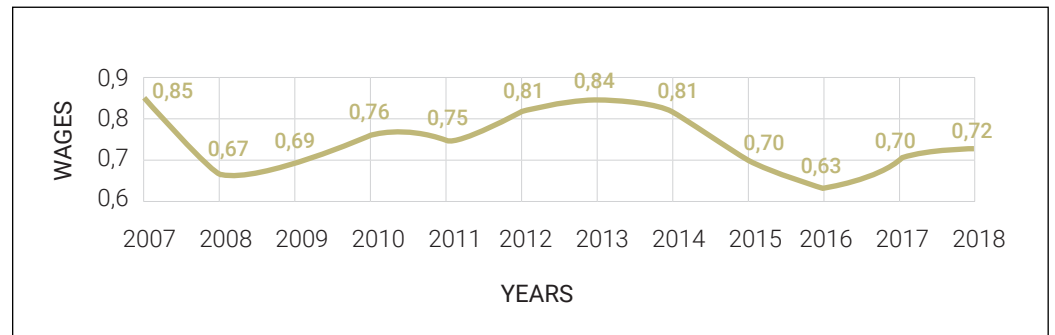


Figure 4: Leather and Footwear Workers



Source: Author's elaboration with INEGI-EMIM (2018) data

4.0 Collective Bargaining and Social Dialogue

4.1 Collective Bargaining

Mexican labor law provides higher levels of protection for workers than some OECD countries, and are certainly much better than those of the US and Canada in protecting workers against individual and collective dismissals, as well as regulating temporary forms of employment.¹⁷ In addition, Mexico, like Canada, has ratified all eight of the ILO's Fundamental Conventions. The US has ratified just two, namely C. 105 regarding the abolition of forced labor and C. 182 regarding the worst forms of child labor. (see Tables below). Therefore, the country has the social legislation needed to better tame market forces, as compared with its principal NAFTA partners. In practice, however, it is the other way around.

Mexican shortcomings in this respect are twofold. Firstly, there is an extended problem of enforcement of labor rights in Mexico. Secondly, the most critical problems revolve around the right to organize and collectively bargain. In the 2020 **ITUC Global Rights Index**—a survey of violations of trade union rights: freedom of association, collective bargaining, and the right to strike, as defined by the ITUC—**Mexico and the U.S. are rated '4', meaning there is systematic violation of rights, and Canada is a '2', meaning there is repeated violation of rights (ITUC, 2020: 12-13).** This helps to explain the government's reluctance to ratify ILO Convention 98 for many years despite the fact that Mexican labor law already granted workers the right to organize and engage in collective bargaining.

4.2 Protection contracts and unionism

Related to what we have described so far, is the prevalence of the so-called “protection contracts” (*contratos de protección*). This is a practice within the corporatist model of unionism with state interference, where contractual relations are concluded between union leaders and the employer without workers being aware of the agreement. A protection contract works as a false collective bargaining agreement with the objective of preventing any independent trade union representation, and most afford employers full discretion with respect to wages, hours and employment conditions. There has also been a good deal of corruption involved in such practices. Official union leaders receive a lump sum and monthly payments from management for signing a labor contract committed to keeping worker demands under control.

17. “Employment protection legislation (EPL), as the ILO states, is a key labor market institution” (ILO 2016: 1). Table 3 shows OECD indicators of EPL which are based on ILO (2015) EPLex2 database.

Table 3. The OECD indicators on Employment Protection Legislation, 2013

Scale from 0 (least restrictions) to 6 (most restrictions), last year available

	Protection of permanent workers against individual and collective dismissals	Protection of permanent workers against (individual) dismissal	Specific requirements for collective dismissal	Regulation on temporary forms of employment
Can	1.51	.92	2.97	.21
US	1.17	.49	2.88	.33
Mex	2.62	1.91	4.38	2.29

Source: Author's elaboration with data from OECD, 2013, *Indicators of Employment Protection*.¹⁸**Table 4. Fundamental ILO Conventions. North American countries**

Convention	U.S.	Canada	Mexico
C. 29 Forced labor		X	X
C. 87 Freedom of association and protection of the right to organize		X	X
C. 98 Right to organize and collective bargaining		X	X
C. 100 Equal remuneration		X	X
C. 105 Abolition of forced labor	X	X	X
C. 111 Discrimination (employment and occupation)		X	X
C. 138 Minimum age		X	X
C. 182 Worst forms of child labor	X	X	X

Source: Author's elaboration with data from ILO (2017).¹⁹

These practices did not end with the coming of the neoliberal economic paradigm or the electoral defeat of the PRI. The new party in power, the Partido Accion Nacional (PAN, in power from 2000 to 2012), allowed them to continue as it served as a convenient way of applying a low wage policy. Over the years, the employer protection contracts grew unchecked, coming to represent more than two-thirds of the existing union registrations and collective bargaining agreements—a number that has continued to rise in recent years (Bouzas and Cervantes, 2008; De Buen 2011).

At the local level, the protection contracts are registered with the full knowledge of the local conciliation and arbitration boards. The Mexican system of conciliation and

18. Accessed online at: <http://www.oecd.org/els/emp/oecdindicatorsofemploymentprotection.htm>19. Accessed online at: <http://www.ilo.org/global/lang-en/index.htm>

arbitration boards have been widely criticized for a lack of effectiveness, for political partiality, and corruption. Although they are nominally tripartite, in practice, these boards are controlled by the executive authorities.

The violations of basic labor rights in Mexico and the existence of protection contracts have been denounced in both national and international forums. ILO supervisory bodies—the Committee of Experts and the Conference Committee on the Application of Standards, among others—have received various allegations relating to such violations as well as to cases of violence against and the arrest of independent union leaders presented by international labor confederations including the ITUC and IndustriALL.

Before the arrival of Andres Manuel López Obrador in office at the end of 2018, efforts to advance independent unionism in labor relations had limited success and it is no surprise that union membership has not only been low in Mexico but in decline. Between 1978 and 2014 the unionization rate among the employed population in Mexico fell from 18.1 to 13.6 per cent. By 2018, it was down to 12 per cent (data from INEGI ENOE, 2020).

4.3 Organizing labor: Experiences and outcomes in the MT-GLFI

While social dialogue encountered obstacles within the NAFTA/NAALC framework, particularly from the State and Mexican corporatist unions, social action and cross-border solidarity increased in size and importance (Cfr. De la O, 2008., Scipes, 2016).²⁰ In particular, the work of local, bi-national and cross-border NGOs intensified, combining the labor agenda with that of other vulnerable groups such as women, children and migrants.

On both sides of the Mexico-United States border, grassroots social organizations had existed before NAFTA, working with and for migrant communities on human rights issues.²¹ With the combination of the maquiladoras on the northern border and NAFTA, the work of these organizations acquired a greater importance, with their main objective—highlighted by De la O—being support organizing by maquila workers “to ensure the wellbeing of their families and communities”. This was most evident in organizations focused on workers’ issues, such as the American Friends Service Committee (AFSC), *Servicio Desarrollo y Paz* (Sedepac, Development and Peace Services), *Comité de Apoyo a las Maquiladoras de San Diego* (CSM- Committee for the Support of San Diego Maquiladoras), *Coalición Pro Justicia de las Maquiladoras* (Pro-Justice Coalition in Maquiladoras, CJM), and *Comités de Apoyo Fronterizo Obrero Regional*

20. This section is based on De la O (2008: 255-275).

21. For example, the Centro de Investigaciones y Estudios Migratorios (CIEM- Center for Migration Research and Studies), the Centro Binacional de Derechos Humanos (CBDH- The Binational Center for Human Rights), the Coalición de Mujeres de Baja California (Women's Coalition of Baja California) and the Coalición Pro Defensa del Migrante (Migrant Pro-Defense Coalition) on the Mexican side; while in the United States, based in California, are organisations such the American Friends Service Committee (AFSC), One Stop Immigration and Educational Center, the Comisión Binacional de Organizaciones Hispanas (Binational Commission of Hispanic Organizations) in California, the Asesoría Legal Rural de Estados Unidos (United States Rural Legal Aid) and the Asociación de Abogados de la Frontera (Association of Lawyers on the Border).

(Committees for Regional Worker Border Support, CAFOR). *Alianza de Organizaciones Estratégicas* (the Alliance of Strategic Organizations) is a particularly outstanding case of cross-border collaborative work between the *Frente Auténtico de Trabajadores* (Authentic Workers Front, FAT) in Mexico and the United Electrical, Radio and Machine Workers of America (UE) in the United States.

In other cases, alliances were established between NGOs that focused on women workers, the prevention of violence against these women and/or denunciations of violations of their labor rights in critical situations such as the protection of maternity. Thus, for example, *Centro de Apoyo a la Mujer Obrera* (Women Workers Support Center, COMO) linked up with the organization *La Mujer Obrera* in Texas (Woman Worker) and formed the *Coalición Binacional contra la Violencia hacia la Mujer y las Familias en la Frontera México-Estados Unidos* (Binational Coalition against Violence against Women and Families on the Mexico-United States Border). Similarly, on the northern border of Mexico with Texas and New Mexico, the *Comité Fronterizo de Obreras* (Workers Border Committee, CFO) was formed. De la O also highlights the work of *Coalición pro-Justicia en las Maquiladoras* (Pro-Justice Coalition in Maquiladoras, CJM) as it was trinational.

The best example of the importance of solidarity in transnational work, alliances, professional support and visibility, is the case of the Kukdong maquiladora in Atlixco, Puebla. Although later defeated, the union that arose through a workers' struggle—*Sindicato Independiente de Trabajadores de Mexmode* (SITEMEX, the Independent Workers Union of Mexmode)—would become one of the few success stories regarding the constitution of an independent union that managed to survive in the MTGLFI.

In short, its story is one of conflict that arose out of specific problems (poor cafeteria service, poor treatment of workers), and escalated into a conflict regarding the basic rights of freedom of association and collective bargaining in Mexico. In the process, the workers developed a collective identity and awareness of their position in the industry. Then they went on to expose and break the stranglehold by official unions and labor institutions, learning the importance of social dialogue and the strength of local and international solidarity along the way, and emerging triumphant with a union and collective bargaining agreement of their own. SITEMEX's success was made possible by a confluence of conditions and various actors from both sides of the border, who combined to form a powerful avalanche of solidarity and transnational pressure that the Mexican State, the company and official unions could not restrain.²²

The main points of this episode are as follows:

- Kukdong manufactured for Nike and Reebok, which in turn supplied garments to universities affiliated to the Worker Rights Consortium (WRC). In 2001, workers began a series of protests regarding labor violations, which escalated as described above. The company reacted badly, firing and intimidating dozens of workers.

22. Knight and Wells (2007) carried out an interesting exercise in order to interpret the Kukdong/ SITEMEX movement with an analysis of contentious, transgressive politics. They identified three salient mechanisms which shaped the course taken by the conflict: scale shift, actor decomposition, and brokerage.

- As stated on their website under the slogan, “Holding corporations accountable, protecting workers rights”, the WRC “... conducts independent, in-depth investigations; issues public reports on factories producing for major brands; and aids workers at these factories in their efforts to end labor abuses and defend their workplace rights.” (WRC: <https://www.workersrights.org/>). This was decisive as the WRC promotes and enforces labor standards among its affiliates and thus if a supplier of one of its affiliated brands violates labor rights, they are pressured in two ways: firstly, they need to commit to full restitution for rights violations and eventually pay the affected workers; and secondly, they have to terminate their relationship with the supplier and substitute it for one who respects labor rights.
- This occurred in Kukdong. The WRC conducted an investigation in which they determined that workers’ demands were valid, documented repression, discovered the presence of child labor, and confirmed that the company had a (protective) collective bargaining agreement with an illegitimate union (affiliated with the FROC-CROC) to which workers were forced to affiliate under threat of dismissal. They were thus able to put pressure on Nike and Reebok to act. With the evidence in hand, Nike terminated their relationship with Kukdong, which subsequently changed its name to Mexmode.

On the local level, the work of the *Centro de Apoyo al Trabajador* (Workers Support Center, CAT) and representatives of the *Unión Nacional de Trabajadores* (National Union of Workers, UNT) was important. The CAT, formed as an NGO in Puebla in 2000 to promote labor and human rights, initiated intense activism, diffusion of information and local education. In addition, with the help of bodies such as the AFL-CIO Solidarity Center, they took the struggle to international forums. The UNT, which had emerged in the 1990s as the main organization bringing independent unions together, reinforced national solidarity.²³

According to De la O, other intervening organizations were: Global Exchange, *Asociación Estadounidense de Estudiantes Unidas Contra Maquiladoras* (United Student Association United against Maquiladoras, USSA), *Programa de Derechos Laborales de Reebok y de Nike* (Reebok and Nike Labor Rights Program), United Students Against Sweatshops (USAS), the Canadian Labor Council, the Campaign for Labor Rights (CLR), the Korean House for International Solidarity, the International Labor Rights Fund, the Maquila Solidarity Network and UNITE.

The Kukdong-SITEMEX experience has not been easily replicable. Other movements that have had local and national solidarity as well as that of grassroots organizations such as the CAT, have failed. Jeans Vaqueros Navarra, who operated in Tehuacan, Puebla, for brands such as Eagle Outfitters, Gap and Warnaco, chose to close and relocate operations rather than allow the operation of an independent union which had been formed by the workers and affiliated to *Sindicato 19 de Septiembre*. This was

23. In the 1990s, some new initiatives towards strengthening independent unions provided space for the establishment of new structures. The main organization bringing independent unions together was—and continues being—the Unión Nacional de Trabajadores (UNT, National Workers Union), that clustered unions with decades of experience, such as the Frente Auténtico del Trabajo (Authentic Labor Front), with industrial and services unions that had been through various restructuring experiences, such as the Telephone Workers, the miners and the nuclear industry unions, the aeronautic sector, and other services unions. Others come from universities, and the auto industry (VW Puebla, Nissan Cívica, Malhe, Seglo), as well as peasant organizations and civic associations.

done despite the fact that the abovementioned brands wrote an open letter urging the company to respect the rights of workers and to not interfere in decisions regarding union representation.²⁴ Another case took place at Tarrant Ajalpan (Puebla) in 2003 where management fired all of the leaders of a worker movement which had been established to organize an independent union and promote better working conditions. Furthermore, in a factory investigation, Worker Rights Consortium found that Tarrant Ajalpan fired about “150 other workers in a further attempt to prevent factory employees from exercising their association rights”.²⁵

In 2018, Rintex, located in Jiutepec, Morelos, and producers of T-shirts for The Gap, was an important case. When workers began to apply pressure due to labor rights violations (including sexual harassment and poor treatment) and attempted to form an independent union not associated with the CROC, called the *Sindicato Nacional Mártires de San Ángel* (Union of San Angel National Martyrs), dismissals began. Initially, its six leaders were fired, followed by nearly 50 more workers who supported the movement, all with the ridiculously low severance pay of eleven thousand pesos (USD \$564). In this case, however, the movement did not survive, and the repression was extended to CAT leaders who were subsequently the object of threats.

Furthermore, SITEMEX progress was all reversed in 2011 when it passed into the hands of an *Antorcha Campesina* union, a PRI organization known for its violent and extreme forms of working. Since then, SITEMEX has remained under the same leadership—constantly reelected—with unsuccessful efforts by independents to recover its leadership.

4.4 Findings of field work

The MTGLFI is unique in Mexico, being one of the industries where contractual negotiations may occur on two levels: as a “law-contract” (*contrato ley*) for all workers in the industry or as a group of subsectors and entities of companies;²⁶ or as a regular collective bargaining contract negotiated between a company and a union on behalf of its workers. This not only creates additional complexity in terms of the level where the work relationship is defined, it can also create duplication and contradictions between contracts. In addition, the *contrato ley* has been yet one more mechanism of state intervention in labor relations, as the law gives the executive branch at federal and state levels the power to define which industries may benefit from a *contrato ley* and to authorize their use.

24. In fact, Vaqueros Navarra is one of the few cases in the sector where the independent union won the recuento, i.e., a representation election. However, the state government ignored the results.

25. Accessed at <https://www.workersrights.org/factory-investigation/tarrant-ajalpan/>

26. Federal Labor law deems that the Labor Secretary should authorize *contratos leys* if they fall within federal jurisdiction, and by State governments if the jurisdiction is local. The exact language defines it as such: “Article 404. Contrato-ley is the agreements signed between one of various workers’ unions and various employers, or one or various employers; unions, with the objective of establishing the conditions of employment in a particular branch of industry, and is made obligatory in one or more federal States, in one or various economic zones within said States, or in the entire National territory.” Alcalde et al (2019) in his comments on the 2019 Labor Law Reform published by Porrua, noted that the new law preserves this article but makes its conditions more flexible to make it easier to invoke and to protect the representativeness of those who request it – i.e., to have two thirds of the unionized workers from an industrial branch or of the States in which these operate (Alcalde et al. 2019: 163).

During our field research, as noted, we interviewed union leaders from both official and independent unions or federations, NGOs, professional organizations, and international solidarity organizations. We also analyzed two of the *contrato leyes* and 50 collective bargaining agreements including the three types of companies that specialists have identified in the MTGLFI: retailers (e.g. Wal-Mart and similar), brand retailers (Nike and similar) and brand producers (GAP and similar) (Cfr. Gereffi, 2000; Chacon, 2000).

Our fieldwork revealed that, to date, there is no independent union in the industry—and therefore no authentic collective bargaining agreement.

The analysis of those contracts allows us to share various notable characteristics. All of the contracts and established labor relations were for protection—that is, they were signed behind the backs of the workers in open violation of the law. Among these, the largest unions present are CTM, CROM and FROC-CROC. Alongside them appear other union federations representing local powers or family members but which belong to the same official protection contract model of unionism. For example, the Federation of Union Workers, the General Workers Confederation, the Federation of Union Workers of the Mexican Republic, etc. all share language that defines an employment relationship in which we can identify the following common elements:

1. Bilateralism in the labor relationship: Nonexistent, is eliminated or reduced to a minimum.
2. Functional flexibility: Absolute. Companies make decisions without limitations on labor functions and tasks, as well as their organization, methods and technologies of the production process.
3. Numeric flexibility: Absolute. Companies make decisions without limitations on the number of workers, their hours, rhythms and workloads.
4. Gender language and actions: Nonexistent, despite the fact that a majority of workers are women.
5. Benefits and working conditions: Generally tied to the minimum conditions established by the Labor Law. Moreover, in some cases they actually violate the law, such as in profit-sharing. Thirty of the fifty collective bargaining agreements did not call for profit-sharing, which is required by law, and as a result, 60 percent of all the companies did not distribute profit-sharing benefits to their workers.
6. Support for corporatist unions: Extra-legal. We identified that 29 of the 50 contracts included closed-shop clauses that allowed for firing. That is, the union could name workers who had left the union and require that the company fire them. Such clauses were ruled to be illegal by the Mexican Supreme Court in 2001 and have been a mechanism for corporatist and clientelist control by unions, yet they continue to exist in the industry.
7. Worker pay: Precarious and extremely low. Not only are workers paid very little, but in addition, despite formal pay scales, such scales leave a margin for employers to adjust wages according to “job efficiency”. Also, salaries tend to be tied to

the profitability, efficiency or productivity of the most precarious companies—a category that frequently means local companies. In other words, the most profitable, efficient and productive companies tend to tie their wages to the lowest level possible wage levels. Paying in this way are subcontractors, representatives and intermediaries for transnational leaders (such as detailers, retailers, or brand producers). This situation has been documented through an analysis of documents and interviews in the field.

Therefore, the collective bargaining agreements reveal a range of companies whose entry-level wage is one minimum wage (equivalent to USD \$0.74 per hour). Moreover, there are companies whose upper wage level is 1.16 minimum wages (USD \$0.86 an hour). In other cases, companies have not reviewed their contracts or wages since 2002 or 2003. However, we also find contracts and companies that pay two or even three times these amounts.

These practices in labor relations and for determining industry wage levels are what I call simulated management practices, or a mimetism/imitation isomorphism of employment practices so as to suppress labor.

Contratos ley

Mexico's Labor Secretariat (<https://www.gob.mx/stps>) has registered five existing **contratos ley** in the MTGLFI. These are:

Contrato ley of the textile industry for the silk sector and all types of artificial fibers and synthetics (*Contrato ley de la industria textil del ramo de de la seda y toda clase de fibras artificiales y sintéticas*)

Contrato ley of the wool sector of the textile industry (*Contrato ley de la industria textil del ramo de la lana*)

Knitted Goods and Hosiery sector of the Textile Industry (*Industria Textil del Ramo de Géneros de Punto*)

Textile Industry of Ribbons, Elastics, Lace, Belts and Tags woven on Jacquard or Circular Looms in the Mexican Republic (*Industrias Textil de Listones, Elásticos, Encajes, Cintas y Etiquetas Tejidas en Telares de Tablas Jacquard o Agujas de la R.M.*)

Contrato Ley of the Ribbon Industry (*Contrato Ley Ramo Listones*)

Below are several clauses selected from two of these contracts, which are currently in effect, as examples of some of the characteristics of the type of unionism and labor relations described above (see Appendix).

Social Dialogue

The dominant actors in the MTGLFI have been the official corporatist unions from the CTM, CROM and FROC-CROC. On the employer side, the employer associations are the National Chamber of the Garment Industry, *CANAIVE (Cámara Nacional de la Industria del Vestido)*, National Chamber of the Textile Industry (*CANAINTEX, Cámara Nacional de la Industria Textil*) and National Chamber of the Footwear Industry (*CANAICAL, Cámara Nacional de la Industria del Calzado*). Within these organizations, and in the context of their relationship with global corporate leaders, what this paper refers to as the isomorphic—or mimetic/simulated—management practices in labor relations and wage setting have developed. Social dialogue in this context has been very limited.

As analyzed above, there have been various efforts to promote independent unions, develop union solidarity and to defend the rights of association, union freedom, and individual and collective workers' rights. But the results of these efforts have been minimal, due to repression and pressure on workers to abandon any attempt to form their own unions or fight for better wages and working conditions. The FAT, the Maquila Solidarity Network and the Mexican Network against Free Trade have been some of the main protagonists in these efforts. More recently IndustriALL has been supporting these efforts. They have been accompanied by organizations such as the Friedrich Ebert Foundation, Citizen Observatory on Labor Law Reform, National Association of Democratic Lawyers, and the CAT, principally. Within these independent organizations, NGOs and professional and solidarity organizations are some of the best actors for promoting social dialogue in the industry.

The major obstacles to efforts for change and social dialogue have been the Mexican state and corporatism. Together, they constitute the greatest power barrier to overcome. Companies have contributed to the prevalence of this situation by sponsoring labor relations practices that fall outside of the law and by taking advantage of these practices. Confronting this is the construction of local networks and the creation of cross-border bridges of solidarity, which have led to cracks in this barrier. In retrospect, this was the result of the shortcomings in the NAFTA/ NAALC, which had limited ability to create spaces that effectively promoted social dialogue, and lacked rules or mechanisms to determine binding enforcement mechanisms for the governments and actors who violate labor standards. In other words, the greatest results of the NAFTA era in terms of social dialogue was an understanding of the importance of creating networks of transnational collaboration and solidarity as a condition for advancing a workers rights agenda in the region, as well as the progress and lessons learned through this experience. This was the main lesson from the Kukdong/SITE-MEX experience.

On the Mexican side, actors supporting independent unions increased their social capital, learning how to seek and share resources, disseminate experiences and new lessons, train and professionalize union work, as well as the importance of using all forums possible to make conflicts visible.

On both sides of the Mexico-United States border, a number of grassroots social organizations had made invaluable efforts to promote social dialogue. Despite the fact that most of them work with and for migrant communities and on human rights issues, their contribution for supporting independent labor organization and basic workers' rights has been of upmost importance. Likewise, the AFL-CIO Solidarity Center and the Maquila Solidarity Network (*Red de Solidaridad de la Maquila*) have been key in building local labor capabilities as well as in creating those networks of cross-border solidarity.

The rise of Andres Manuel López Obrador to the presidency, representing a center-left option, has created a new scenario in the country. This can be seen in the various actions taken in his first years of governing. To begin with, the minimum wage was increased in 2019 by 16 percent and a labor law reform was passed which included many of the historical demands that have been made to guarantee the right to organize, to union freedom and to collectively bargain, as well as the set of Fundamental Conventions of the ILO.

At the end of January 2019, 25,000 workers from 45 unionized maquiladoras in Matamoros—a border city across the Rio Grande from Brownsville, Texas—went on strike. Against all odds, they won their two main demands two weeks later: a 20 percent wage increase and MXN \$32,000 (approximately USD \$1,600) annual bonus.²⁷ The strike and its outcome reflected the new labor environment that has begun to emerge under AMLO rule. The workers won despite acid criticism from the private sector, led by COPARMEX (Employers Confederation of the Mexican Republic) which warned that maquiladoras would leave Mexico. They also faced opposition from their CTM union, which they put aside. This time, the government neither intervened nor tried to quash the movement. No union leader or activist was imprisoned, nor did any public official echo COPARMEX's complaints. The labor unrest was preceded by AMLO's announcement to double the minimum wage across the Mexican border, including a tax cut for helping business to offset the cost. At the end of the movement, everything returned to normal and only two maquiladoras were shut down.

There is also the approval of the new NAFTA, termed the US-Mexico-Canada Agreement (USMCA) which contains an annex (23-A) with a strict labor agenda that compels Mexico to change its labor institutions and corporatist practices, its corruption and its protection contracts. This is an agenda that the AFL-CIO and UNIFOR, in Canada, have been pushing with their governments—along with international organizations from IndustriALL and IG Metall to the 'supervisory' organs of the ILO—to put a stop to the social (labor) dumping practices used in Mexico to attract jobs and investment. The Labor Law reform incorporates the demands made in Annex 23 essentially word-for-word.

Arturo Alcalde J., a labor lawyer with a significant role in the development of the labor law reform,²⁸ stated that this achievement marks "an enormous distance from the

27. A point of departure was that the existing collective agreement had a provision stipulating that when there is an increase in the minimum wage, that percentage increase is to be applied to the workers' wages and annual bonus. It was the company's failure to do that and the union's failure to challenge the employer that provoked the workers' wildcat strike.

28. Labor lawyers grouped into the National Association of Democratic Lawyers constituted the Citizen Observatory on Labor Law Reform and worked intensely to generate proposals for the reform. They were supported by Germany's Friedrich Ebert Foundation. Arturo Alcalde J., Alfonso Bouzas O., Ines Gonzalez N., and Graciela Bensusan A., among others, led these efforts.

current labor model” and identified six contributions of the reform: a) to strengthen the rule of law and negotiation as the preferred means of conflict resolution; b) to regain the validity of collective rights; c) to boost social agreement (dialogue) and the legitimization of authentic collective bargaining; d) to prevent corruption and extortion; e) to streamline trials without prejudicing the social principles of labor rights; and f) to strengthen the gender agenda and the agendas of labor and human rights (Arturo Alcalde J. et al., 2019: VII-X). Likewise, the new labor law includes other long-lasting demands of national and international bodies promoting social dialogue and the ILO Fundamental Conventions on the right to freely organize and engage in collective bargaining. Such is the case of the reform for replacing the system of conciliation and arbitration boards with a system of labor tribunals, which will come under the judicial rather than the executive authorities.

Another important occurrence was the appointment of Luisa Maria Alcalde as Labor Minister. Not only is she a young activist recognized for her work on behalf of labor rights, but her appointment is also full of symbolism. As the daughter of Arturo Alcalde J.—a recognized lawyer and defender of independent unionism and the rights of workers, as well as a distinguished FAT activist—and Bertha Lujan, leader of the Action Network against NAFTA, her nomination is a clear message from AMLO that his government will work to create a new system of industrial relations and social dialogue in Mexico.

The route to opening social dialogue in Mexico and in the MTGLFI appears to be open now. But this is only a beginning. Replacing the old institutions and interests surrounding the world of work is the first large task to tackle. And the government will need a good deal of competent human and financial resources to monitor and enforce the new rules for labor relations. Nowhere is this more apparent than in the dramatic challenges for labor springing from the COVID-19 pandemic.

5.0 The MTGLFI and COVID-19

5.1 Introduction

The COVID-19 pandemic has ravaged the maquiladora industry in general, and the MTGLFI and its workers, in particular, in uncountable ways. Despite the emergency health measures established by the Mexican government in early 2020 to protect the population and prohibit the operation of non-essential industries, pressure has come from the US government and corporations for regional supply chains to remain in operation. This has merged with the interests of local producers, fearful of losing clients and orders, as well as with the eagerness of the AMLO government to accelerate the re-opening of the economy. As a result, border areas, home to the maquiladora industry, have become major COVID-19 propagation centers, with exponential increases in illness and death among the worker population.

Despite the fact that the MTGLFI was not authorized to continue operations when the Mexican government declared the health emergency, it never stopped working, and no loss of MTGLFI businesses has been registered. At the same time, there has been a dramatic rise in worker protests, strikes and labor conflicts, as workers claim not only their right to life, but also denounce abuses related to layoffs, suspension of working hours and partial payments, among others. Within the framework of the uncertainty and conflict created by the pandemic, the situation in the maquilas challenges the anticipated new labor context created under the AMLO government with the coming into effect in July 2020 of the USMCA and its broad chapter on labor rights.

Meanwhile, there have been no advances in social dialogue over the past months. On the contrary, repression and impositions—personified by the imprisonment of Susana Prieto T., lawyer and maquiladora activist in Reynosa, Tamaulipas—are prevalent, as is the increase in abuse of workers forced to labor in the midst of the pandemic. Voices and entities calling for such dialogue have intensified, but the absence of comprehensive rank and file union organization continues to greatly diminish its effectiveness.

I argue that there is a correlation between (existing) large industrial concentrations and maquila operations and COVID-19 morbidity and mortality. This paper proposes that without changes in manufacturing engineering, and the proxemics and kinematics associated with the organizational design, logistics and technical layout of plants, the number of COVID-19 related illnesses and deaths will continue in direct proportion to the size of human concentrations in the industry. This assumes that preventative measures adopted by the government and companies are insufficient and that they will be ineffective in containing the pandemic until medical science develops a vaccine and it is delivered to workers.

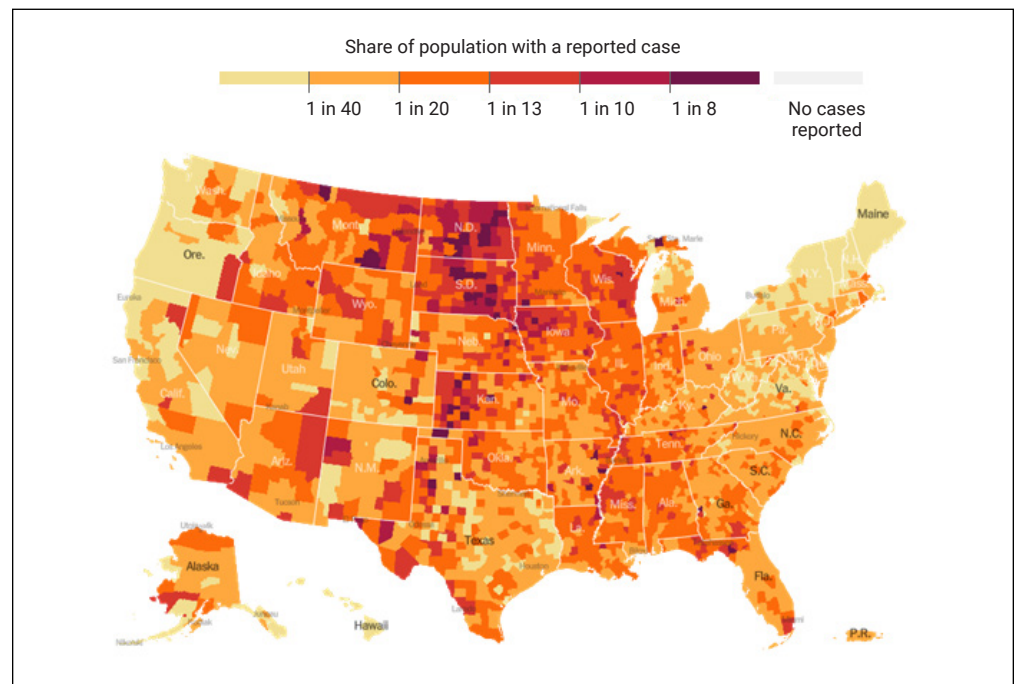
This chapter is divided into four parts. The first one describes the scope of the pandemic in the region and focusses on government actions and the way in which it has succumbed to pressure to re-open the apparel and footwear industry. The second identifies the impacts of COVID-19 on the industry, work, and company strategies. The third part looks at worker illness and deaths in industrial plants. It also discusses the protests and conflicts generated throughout the various localities of the industry. The fourth recounts the state of social dialogue during these past months.

5.2 The COVID-19 pandemic: Government actions—giving in to US pressure

As of November 20, Mexico had registered 1.1 million cases and 101,000 deaths from COVID-19, with the seventh-highest global infection rate in the world. The United States leads with 12 million cases and close to 255,000 deaths (see maps below).

These details are significant as they reflect the scope of the pandemic in the North American region and the fact that the American continent has become the center of the pandemic. With Mexican and United States industries connected along a common, 3,000 km border—along which the maquiladoras are mainly located, and where some COVID-19 hotspots have been identified—the pandemic has severely impacted border companies and workers in general, and the maquilas in particular.

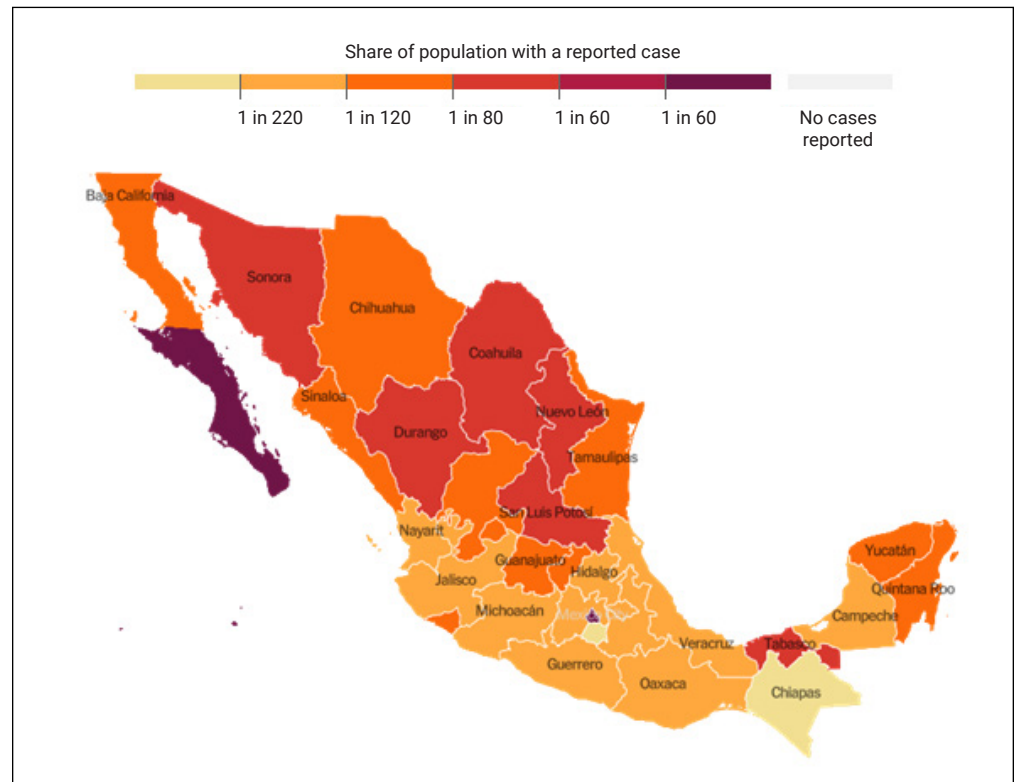
Figure 5 USA Distribution of COVID-19 per capita by county December 2020



Source: New York Times COVID-19 Tracking Project²⁹

29. Accessed December 7, 2020, online at <https://www.nytimes.com/interactive/2020/us/coronavirus-us-cases.html>

Figure 6. Distribution of COVID-19 cases per capita in Mexico by region



Source: New York Times COVID-19 Tracking Project³⁰

On March 31, 2020, the Mexican government declared a health emergency and ordered: “The immediate suspension of non-essential activities from March 30 to April 30; stay at home measures; and the strict isolation of all vulnerable people, such as those over 60, pregnant women and those with chronic illnesses”. Previously, on March 24, a set of “extraordinary actions” had been declared in the affected regions of the country in matters of general health, and the government had agreed to the suspension of activities for the vulnerable population with wages paid. On March 20, it emitted a “Guide for Action in Work Centers due to COVID-19”, updated on April 24, with seven guiding principles:³¹

1. “Active participation of employers and workers in the implementation and compliance of health, prevention and containment measures in the workplace.
2. “Transparency in the opportune and reliable management of information, without exaggeration nor minimization of risks.

30. Accessed December 7, 2020, online at <https://www.nytimes.com/interactive/2020/world/americas/mexico-corona-virus-cases.html>

31. TPS/SS, abril 24, Guía de Acción para los Centros de Trabajo ante el COVID-19. Accessed at https://productividadlab-oral.stps.gob.mx/images/opl/pdf/Guia_de_Accion_para_Centros_de_Trabajo_ante_COVID-19_240420_VF.pdf

3. “Respect for workers’ rights, among which, to perform their work in conditions that ensure their life and health.
4. “No worker discrimination, regardless of their health situation.
5. “Communication and cooperation between authorities, employers and workers, in the implementation of measures to protect workers’ health.
6. “Continuity of health promotion and prevention programs once the greatest risks for infection are under control.
7. “Understanding by employers and workers that processes, pace and workloads could be affected, which could compromise the productivity of the workplace”.

On May 29, guidelines for the re-opening of economic activities were emitted by the State, in which the “Stages for a New Normal” were defined. It was announced that the re-opening of the economy, in stages, would begin in June 2020, using a system of traffic lights to represent epidemiological risk by region. Workplaces were classified by activity (essential and non-essential), risk level, size, and internal characteristics. Fifteen compulsory health measures were established together with up to 72 recommended measures, and the largest companies were urged to comply with the maximum number of recommendations. Among the compulsory measures, were the following: promotion of health and social distancing (1.5 meters); adaption of spaces and routines; control of entry-exit; supply of antibacterial products and protective equipment; signage; taking of temperatures; and the identification of vulnerable populations.

The transport, mining, metal, information, and construction industries were later added to the list of essential activities that also included medical services, transport, agriculture, supply and financial services, and assistance to vulnerable populations, among others.³²

5.3 Work inspection—giving in to pressure for USMCA value chains

The labor authority (the STPS) has conducted labor inspections in two phases. Before the middle of June 2020, it verified the closure of non-essential businesses. After that, inspections were aimed at ensuring compliance with the compulsory health and prevention measures. That is, in practice, it accepted the re-opening of businesses independent of the health situation of the localities in which these operated or the nature of their activities. Seen from the country’s export industry, the government yielded to pressure from the United States to re-open activities in order to ensure continuity of supply chains.

32. Oficial Gazette of the Federation , May 29, 2020 (Lineamientos Técnicos Específicos para la Reapertura de las Actividades Económicas).

Crossa and Cypher (2020) describe such pressures: On April 22, the U.S. National Association of Manufacturers (NAM) sent a letter to Mexican President López Obrador signed by 327 corporations. They demanded that “all interruptions in the North American manufacturing supply chain should be minimized in these critical moments”. Similarly, Christopher Landau, the U.S. ambassador to Mexico, stated “I’m doing all I can to save supply chains between Mexico, the United States, and Canada.” Top Mexican business organizations—the *Consejo Coordinador Empresarial* (CCE), the Mexican Employers Association (COPARMEX), and the Association of the Mexican Auto Industry (AMIA)—then “pressured to guarantee that *maquila* output would not be interrupted.” (Ibid.). In some cases, local governments have reinforced this pressure, such as in the state of Chihuahua, where the governor Javier Corral (from the conservative PAN), decided to declare the maquilas an essential industry.

That said, it is not as if the government simply acquiesced to US pressure, as it was also in its own interests to accelerate the re-opening of the economy, and particularly, the export industry led by the *maquilas*. In the delicate balance between protecting the population and (re-)activating the economy, its inclination for the latter is clear, which explains the failure to ensure that only essential industries were operating. Furthermore, considering that the USMCA was set to enter into force on July 1, 2020, AMLO had no interest in anything overshadowing this.

5.4 Impacts on the industry, work, and companies’ strategies

No official information has been published on the impact of the pandemic on the MT-GLFI, although an approximation can be gleaned from INEGI’s aggregated data, which reported a 17.1 percent fall in GDP in the second trimester of 2020. INEGI further reported a 6.2 percent decrease in numbers of occupied persons in the period June 2019 – June 2020 in the Maquiladoras and Manufacturing Industry and Export Services (INMEX), as well as a 1 percent drop in remunerations and an 11 percent drop in hours worked. Nevertheless, a 0.2 percent, 3.5 percent and 29.6 percent recovery in jobs, remunerations and work hours, respectively, was registered in the month of June.

According to this INEGI data, no loss of MTGLFI businesses was registered between February—the start of the pandemic—and June 2020 (last available data). On the contrary, there was even a slight growth in the number of operating companies in the industry from 5,154 to 5,184 although employment decreased from 2,683,667 to 2,560,312, a loss of 123,355 jobs.

These data indicate that the industry’s strategy consisted mainly of maintaining plant operations, where possible, while simultaneously reducing work hours, jobs and wages. Reflecting the re-opening promoted by the government, these indicators have begun to recover since June.³³

33. INEGI: <https://www.inegi.org.mx/temas/manufacturasexp/>. Statistics on Export Manufacturing and Maquiladora include the maquiladora industry as well as all companies “... mainly dedicated to the manufacture of export products and beneficiaries of a customs regime that allows them to import raw material, machinery, equipment, spare parts, parts and components, with the aim of incorporating these into their productive processes”: INEGI (2020), <https://www.inegi.org.mx/temas/manufacturasexp/>.

In July 2020, the consulting company Randstad Mexico, conducted a study with executives of industrial and service companies into the impact of COVID-19 on the working world. As the study includes companies from 15 different activities, it presumably also includes companies in the garment and textile sectors. The results support what has already been noted.³⁴ In effect, 13 percent of the interviewed executives revealed that in the face of the pandemic, their challenge was to fire (referred to as “separate”) personnel; 72 percent identified the challenge of maintaining operation and productivity levels; 62 percent highlighted guaranteeing the help of staff; etc. In terms of strategies and specific measures regarding employees, 29 percent said that work days and wages had been reduced under mutual agreement; 24 percent had reduced the number of employees; 17 percent had brought the vacation period forward; and 91 percent had implemented remote working (Randstad, 2020:5-7).

It is likely that the impact on work has, in fact, been greater. The CANAINTEX registered 48,000 jobs loss in the textile and fashion industries between January and August 2020.³⁵ The director of the Ollin Calli Collective, Margarita Avalos S., in Tijuana, reported that wage cuts ranged between 30 percent and 60 percent and that garment maquiladoras had taken advantage of women who work from home by not sending them raw material, and thereby effectively firing them, or lowering their wages. In Coahuila, the *Comité Fronterizo de Obreros* estimated 50 percent wage cuts for the 35,000 workers in the industry (Ibid).

In some cases, workers’ rights abuses have been more serious. In Aguascalientes, workers in the denim maquila Jobar complained that a certain proportion of their wages had been deducted as a “Covid loan”. According to a media report, “[t]his suggests that during the time that they had not worked due to the pandemic, they were not actually receiving their wages, but rather, a ‘loan’. This is completely illegal and will have repercussions on workers’ earnings for the year”.³⁶

In general, it could be said that companies ‘negotiated’ wage decreases for suspended workers backed by traditional unions (protection unions) and some just imposed them on the workers. In neither case were workers actually consulted.

Field interviews corroborated the above. Informants described a deliberate effort by MTGLFI sector maquiladoras to continue operating, arguing the need to meet corporate order deliveries (even when they decreased), while at the same time, instituting measures to reduce personnel, wages and working hours. Many companies risked the health of their workers by continuing to operate, while others began to manufacture facemasks in order to be classified as part of the essential industries authorized to operate before July.

34. The study comprised interviews with 180 executives from industry and services, 70 percent of which were transnational companies and 9 percent were manufacturers. MTGLFI companies could be located within the last group. Nevertheless, the figures used here are an approximation and should be viewed with caution: Randstad (2020).

35. CANAINTEX, https://canaintex.org.mx/informacion_estadistica/.

36. La Izquierda Diario (June 26, 2020) “Colectivo de Aguascalientes denuncia explotación en maquila Jobar”. Accessed at <https://www.laizquierdadiario.mx/Colectivo-de-Aguascalientes-denuncia-explotacion-en-maquila-Jobar?fbclid=IwAR3v82qcwuglFaNwubKcTW0n6S1jhlOSw3HivakUhcPuT5KbFJUycreGgKQ>

5.5 Impacts on the workers' health, and workers' responses

The MTGLFI was not authorized to continue operations when the Mexican government declared the health emergency, yet it never stopped working. This was facilitated by the inability of federal labor inspections to reach the local level where the maquilas operate, and to exercise effective mechanisms of monitoring and enforcement. Nevertheless, as has been noted, authorities approved the re-opening of all industry in June.

Within the MTGLFI, the strategy followed by various factories, of manufacturing facemasks and anti-COVID-19 protective gear, worked particularly well as they were thus catalogued as an essential industry (suppliers of medical equipment and health safety). For example, in Tehuacan, Puebla, seamstresses from denim maquilas worked extra hours to produce masks, for which they are paid between USD \$0.50 and 0.65. The Chamber of the Apparel Industry in the Puebla-Tlaxcala region, has itself recognized that up to 70 percent of its 300 affiliates have enlisted to produce masks or uniforms.³⁷

Thus, some have been able to publicly declare their solidarity with the fight against the pandemic while, in fact, their interest lies in the capacity to keep production lines running. The last thing that has been considered is the risks this may pose to the health and life of workers; and many workers have indeed paid with their health. No statistics are available that show cases of COVID-19 in the MTGLFI, but we were able to compile an estimation, as detailed below.

Perhaps the most visible case is that of Lear, an auto-parts corporation, connected to the MTGLFI in its Juarez-Rio Bravo plant through its automotive seating manufacturing division which produces textiles for automobile seats.³⁸ In March 2020 it was reported that the factory, which employs 2,800 workers, was the center of a major COVID-19 outbreak. By the end of the month, 20 workers (30 according to the union) had died, among complaints that the company had not paid attention to the first symptoms of the illness, nor adequately attended to sick workers in order to contain the problem. The fact is that Lear Rio Bravo was responsible for one of the deadliest known factory-related coronavirus outbreak in the Americas.³⁹

In the context of whole maquiladora industry, Juarez itself has been the scene of protests by workers and organizations that promote workers' rights.⁴⁰ The city has the highest concentration of maquiladoras (320) and workers (230,000), and in June, registered 200 COVID-19 related worker deaths. However, rates were even higher in Tijuana, with 671 deaths, 432 of which were workers. In these border cities, the cradle of the maquilas, there is thus a "mortality rate 2.5 times the national average" (Crossa and Cypher, 2020).

37. Contraparte, July 27, 2020.

38. Lear has 42 plants in Mexico. Just under half of Lear's 56,000 Mexican employees are in Ciudad Juarez.

39. As a result, Lear stopped operations in Mexico from April to June.

40. The group, Salud, Trabajo y Dignidad Juárez, for example, has intensified its actions through its Stop Makillas movement. See <https://ne-np.facebook.com/HijasdesuMakileraMadre/posts/stop-makillas/2657349827843782/>.

There is a clear correlation between the number of deaths in the largest border cities and the operation of maquilas. This reveals the almost-impossible task of protecting workers' health in the midst of a pandemic, while assembling them by the hundreds and thousands in industrial warehouses with organizational and technical logistics, proxemics and kinematics, that are not designed for isolating a still little understood virus, such as COVID-19.

Protests, strikes and complaints have multiplied wherever there are maquilas. From Mexicali to Reynosa, from Tijuana to Tepatitlan, from Tehuacan to Matamoros, and so on, and across a broad range of companies such as Erika, Sanimna, Jaibil, General Motors Silao, Omega, Flextronics, Foxconn, and APTIV, the situation is repeated: labor stoppages due to illness, claims for not having implemented adequate measures and/or complaints for unpaid wages.

Workers' health and abuse against workers have been at the center of such struggles (see photographs below). Worker advocate Susana Prieto T. reported that 85 percent of deaths on the border are accounted for by maquila workers who were forced to continue working as plant closures were a sham—according to her, 95 percent of plants continued to run their lines (statements in *La Jornada*, May 8, 2020). In Matamoros, the Industrial Laborers and Workers and Maquiladora Industry Union (SJOIIM) has demanded compliance with health measures and complained that in some maquilas, production has been halted with workers receiving only 60 percent of their wages (Cfr. Quintero, 2020).

On the other hand, while the data speak of worker mortality associated with COVID-19, much less is said or known of the morbidity associated with the virus. Not only is there a broad spectrum of physical illnesses resulting from COVID-19, but also an equal or greater range of emotional and mental illnesses. Consider, for example, the stress and insecurity of returning to a factory after having been ill or having lost a family member or work colleague. Identifying this morbidity is an even greater challenge.

The AFL-CIO Solidarity Center has promoted the creation of a Solidarity Network for Workers at Risk, where workers can anonymously report companies who infringe on their rights and place their health and physical integrity at risk. By the end of August 2020, more than 700 complaints had been received. Figure 7 maps the distribution of complaints.⁴¹

41. It should be noted that claims include both private and public companies.

Protest for pay and COVID-19 safety measures



Source: *Infobae* (4/24/2020).

Workers protest for the payment of 100% of their salary because of the factory closure due to COVID-19.



Source: *El Comercio* (April 19, 2020).

Figure 7. Workers at risk



Source: *Red de Solidaridad con Trabajadores en Riesgo*.⁴²

5.6 Social dialogue and repression

Social dialogue has been the missing element during the pandemic in the maquiladora industry, and particularly in the MTGLFI. While struggles and complaints have intensified, company and government responses have not been helpful. The absence of a rank and file organization for maquila workers, which extends to regional, sectorial, and national union organization, is a major obstacle. However, the greatest obstacle continues to be the inclination of companies and local governments—which oppose changes promoted by the AMLO government—to impose unilateral decisions backed by corporatist unions.

The imprisonment of the lawyer and maquila workers' rights defender Susana Prieto T. is a clear and ominous example of this. Detained under charges of “mutiny, threats and coercion”, and imprisoned throughout the month of June 2020, she was only released after major pressure from both national (human rights and labor NGOs on the border, Citizens Labor Observatory, and so on) and international bodies (ILO, IndustriALL, etc.). The fact that she was released just hours before the USMCA came into effect (on July 1), also illustrates the weight of voices within the US Congress and of the trade representative, Robert Lighthizer, who had just that day argued that the impris-

42. Accessed at: https://www.google.com/maps/d/u/0/viewer?mid=1PoDSrP-h26end_sxxjNopf0sbGW1oA6m&ll=39.56863207466652%2C60.032860709457296&z=1&fbclid=IwAR2tO2efHAAimlpA_IJ8vNFKH0m55Jts1iuDT1Szseu1H-STMz-ISxkifm-k

onment of the lawyer “is read as a message of non-compliance with the agreement in labor matters approved in the T-MEC” or as “a poor indicator” of Mexico’s compliance with the new labor laws”.⁴³

It should be noted, that the detention of Susana Prieto was ordered by local authorities in the Tamaulipas government while the federal government, through the STPS, called for her rights to be respected and for due process to be followed. However, at the end of the day, the incident can be seen as an act of repression that revealed the muscle of local power structures. It should be remembered that the lawyer was an architect of the 2019 strike in Matamoros that ended with the unprecedented triumph of the so-called ‘20/32 Movement’ (a 20 percent wage increase and MXN 32,000 annual bonus), as well as the fact that she had been promoting the organization of independent unions.⁴⁴

The Maquila Solidarity Network (MSN) has consistently promoted social dialogue with the MTGLFI, as in the case of its work with the global network, Clean Clothes Campaign (CCC), that demands that “... governments, financial institutions..., brands and other interested parties ...[act] to mitigate the impact [that]... the pandemic ... will have on workers, and to guarantee ... access to a living wage and a ... more resilient social security system”.⁴⁵ More importantly, in Mexico, MSN has focused on freedom of association and protection contracts, including multi-stakeholders forums.⁴⁶

Additional support has also come from efforts such as the *Indice de Transparencia de la Moda en Mexico*, promoted by Fashion Revolution and *ARLENICA*, which also promote social dialogue with industry corporations as well as labor rights and the sustainability of the industry.⁴⁷

However, despite the importance of these efforts, the challenge of rank and file organization of workers in the industry persists.

It is anticipated that the panorama will change with the coming into force of the USMCA, the implementation of mechanisms for rapid response—where violations to labor rights and collective organization can be reported—and the establishment of independent panels of experts to resolve complaints.⁴⁸ However, the effectiveness of these remains to be seen.

43. Cfr. Sin Embargo, Barragán, Daniela (Julio 1, 2020), “La abogada Susana Prieto queda libre, luego de que congresistas de EU criticaron hoy su detención”, In <https://www.sinembargo.mx/01-07-2020/3815364>

44. Within this framework, the creation of the Unión Nacional e Internacional de Sindicatos de Trabajadores (UNIST), was announced, as an initiative to combine Mexican and United States unions within the framework of the USMCA. However, to date, no progress has been registered. See: <https://www.hoytamaulipas.net/notas/421871/Crear-an-en-Reynosa-nuevos-gremios-sindical.html>.

45. MSN, <https://www.maquilasolidarity.org/es/our-work/covid-19-en-defensa-de-los-derechos-de-las-trabajadoras-en-tiempos-de-la-pandemia>.

46. See: <https://www.maquilasolidarity.org/en/msn-publications-analyzing-mexicos-ongoing-constitutional-reform-labor-justice>.

47. Fashion Revolution is defined as “...a global movement ... with presence in more than 100 countries, with the mission to create a fashion industry that conserves and restores environment, and values people over growth and profit. It seeks to make brands more transparent regarding their processes so that consumers are aware of the conditions under which people work in the value chain”. ARLENICA is “a Mexican organization ... that develops ... strategies to avoid the normalization of violence and its consequences for freedoms in Mexico, Latin America and the Caribbean ...”. The *Indice de Transparencia de la Industria de la Moda en Mexico 2020* is “... a tool that contributes to improving the quality of life of workers involved in the sector, as well as to raise awareness of a more rational use of raw materials and natural resources, thereby stimulating an industry in which social and environmental justice, transparency, traceability and security prevail. In http://www.arlenica.org/indice_moda_MX20/#acerca.

48. In fact, in early September, the AFL-CIO announced that it was seeking to file labor complaints under the USMCA’s “facility-specific rapid response labor mechanism”. Union president, Richard Trumka, stated that one of these complaints relates to the detention of Susana Prieto. See Reuters (September 3, 2020), <https://www.reuters.com/article/us-usa-trade-usmca-labor/afl-cio-chief-says-union-to-file-labor-complaint-under-usmca-this-month-idUSKBN25U350>.

6.0 Conclusion

The recent history of the MTGLFI has been closely linked to the United States market, as has been the entire Mexican economy. Since the last three decades of the twentieth century, the MTGLFI has experienced changes as it progressively integrated into the world market. United States producers and traders have strongly incorporated Mexican products as part of their competitive strategy, and thus the Mexican industry has moved to depend on two critical elements. The first of these has been tariffs and quotas, as well as trade agreements established by the US and other leading economies to regulate market flows from emerging economies. The second element has been international market business cycle oscillations.

As global competitiveness has intensified and tariff barriers have been eliminated, the MTGLFI has lost its position and revealed its technical-organizational limitations. There has been an evolution defined by the fact that Asian producers—led by China—have conquered one regional market after the other. In this process, China's incorporation into the WTO and the elimination of the Multi-fiber Arrangement in 2005 have been crucial. With these changes in recent decades, the Mexican industry has lost both drive and jobs. Nevertheless, it continues to be the largest employer of women in the manufacturing industry, and, given the wealth of the country's raw materials for textiles, it is the industrial sector with the greatest portion of national content in its products. Furthermore, with fewer jobs, processes have become more efficient and Mexican workers have increased their productivity in the last 12 years.

Consequential for workers has been the fact that part of the strategy of US firms to confront global and Asian competition has consisted of relocating assembly processes—encouraging the maquilas—and containing costs. Maintaining low wages has become a convenient means for the Mexican state to attract capital and generate business competitiveness. As a result, workers' wages have not increased, not even during industry booms or with increased productivity. It has been a situation nurtured by Mexico's dominant model of unionism characterized by State intervention. 'Protection' contracts define whole operations: contracts signed behind the backs of workers, providing protection to employers for setting wage and working conditions as they wish, and using this to suppress labor and wages, including for leading global corporations with large-scale profits.

To the extent that local companies and transnational corporations have lent their consent to these practices, they have created a management practice that affects authentic collective bargaining and social dialogue. Seven dimensions—termed isomorphic management practices of mimetics and simulation in this paper—in the MTGLFI excel: the absence of bilateralism in labor relations, absolute numerical and functional flexibility, the absence of gender language and actions, social protections and working

conditions that fall outside the law, clientelist union practices based on closed-shop clauses, and precarious wage levels.

This has been a process that has marginalized and repressed the independent actors (unions, solidarity organizations, professional associations and NGOs) who have tried to create a different type of unionism and open ways to social dialogue. Some of the main protagonists in these efforts have been the FAT, the Maquila Solidarity Network, the Mexican Network on Free Trade, the Friedrich Ebert Foundation, the Citizen Observatory on Labor Law Reform, the National Association of Democratic Lawyers, the CAT, as well as the AFL- Solidarity Center, IndustriALL, the MSN and many ONGs working on both sides of the Mexico-United States border with and for migrant communities and on human rights issues.

An important asset for social dialogue gained throughout the NAFTA-NAALC era was an understanding of the importance of creating networks of transnational collaboration and solidarity as a condition for advancing a labor agenda in the region. Most important was the progress and lessons learned through the struggles and efforts to build such networks. The Kukdong/SITEMEX case is the best example of this asset. At the same time, however, the defeat of SITEMEX, and its remaining in the hands of ***Antorcha Campesina***, reflects the difficulties involved in consolidating such advances in Mexico, and how elusive and temporary progress can be.

Current changes in labor legislation and labor institutions with the negotiation of a new NAFTA and the coming to power of a center-left government in the country have opened new windows of opportunity that are still to be assessed. To the extent that independent entities contributed to AMLO's victory, there is an expectation that the country and the industry can now create the social dialogue that has thus far been lacking. Furthermore, in these entities are the main assets for achieving it. However, as shown by the high-risk labor conditions resulting from the COVID-19 pandemic, nothing is guaranteed, and the absence of independent rank and file organizations means workers continue to be subject to adverse conditions.

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Appendix

Case 1

“Contrato Ley of the Textile Industry of Ribbons, Elastics, Lace, Belts and Tags woven on Jacquard or Circular in the Mexican Republic” in effect from December 9, 2017 through December 8, 2019. (DOF May 28th, 2018)

“The Unions of Workers and Employers in the Textile Industry in the Sector related to Ribbons, Elastics, Lace, Belts, and Tags woven on Jacquard or Circular Looms, agree to abide, in their judicial relations, by the following rules:

Chapter 1:

“Clause 1a. This contract is the only that shall regulate the relation between employers and unions of workers, with no exception, in the Textile Industry in the Sector related to Ribbons, Elastics, Lace, Belts, and Tags woven on Jacquard or Circular Looms in the Mexican Republic, in the terms of the above preamble, and as such is and will be applicable in any factory for shop where labors of this industry are carried out, whether these be maquilas, workshops or done by cooperative associations for production, ruled by the respective Law and whoever by virtue of situations of intent or in practice become the final employers, and obliges the Companies and Unions of Workers, members of such organizations, as well as all employers and workers who are deemed by this text to be covered by it.

“The workers who enter to work in companies where the **Contrato Ley** of the Textile Industry of Ribbons, Elastics, Lace, Belts and Tags woven on Jacquard or Circular Looms in the Mexican Republic applies, from the 9th of December, 2009, do not have the right to enjoy the paid leave that this contract grants, with the exception of the following days: the official holidays established by the Federal Labor law, as well as May 10th, September 15th, December 12th and December 24th; they also will not have the right to the days of the year end pay (**aguinaldo**, required by law), vacation and vacation bonus as stipulated in the aforementioned contract; they will not receive the bonus to buy the basic food basket nor the savings fund mentioned in this contract; rather they will only have the right to receive the social protections and benefits contained within the Federal Labor Law.

“Rule nine. The weekly salary of the workers will be determined, fundamentally as a function of the percentage of efficiency shown, this efficiency being the proportion of functions and the frequency of their execution, as relates to the tasks that the employer indicates in the determination of the machines or labors that he or she must attend to.

Case 2

“Agreement of an integral contract review, on January 17, 2019, signed by the representatives of over two-thirds of the unionized workers and the affected employers, of the **Contrato Ley** of the Wool Sector Of The Textile Industry “

Clauses:

“... Second. The parties agree to increase, starting the first shift on January 21, 2019, all salaries and tariffs that are earned currently by unionized workers in the service of the industry, whether they are set wages, piecework, by task, by efficiency and derived from particular agreements, as well as the so-called “**banderazos**” if they are present, by 5.5 percent (five point five percent) and once applied, the minimum wage in the Wool Sector of the Textile Industry established in article 42 of the corresponding **Contrato Ley** will be \$172.18 (one hundred and seventy-two pesos 18/100 M.N.).

“Third. The parties have concluded reviewing the **Contrato Ley** of the Wool Sector of the Textile Industry in compliance with article 419 of the Federal Labor Law, which will be in effect on January 21, 2019 until January 20, 2021.

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