

Mexico's PATCO Moment?

Monday 14 December 2009, by [LA BOTZ Dan](#) (Date first published: 1 November 2009).

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THE MEXICAN ELECTRICAL Workers Union (SME), made up of approximately 43,000 active and 22,000 retired workers in Mexico City and surrounding states, is fighting for its life. The union's struggle has rallied allies in the labor movement and on the left in Mexico and solidarity from throughout the country and around the world, but if it is to survive the union and its supporters have to take stronger actions than they have so far, and time is not on their side.

On the night of October 10, President Calderón ordered federal police to seize the power plants. He simultaneously liquidated the state-owned Light and Power Company, fired the entire workforce, and thus did away with the union's legal existence.

The Mexican president's attack on the Electrical Workers Union might be compared to Ronald Regan's firing of more than 11,500 members of the Professional Air Traffic Controllers (PATCO) in 1981 or to Margaret Thatcher's smashing of the National Union of Mineworkers in 1984 in which over 11,000 miners were arrested and the union defeated.

This is a turning point because it allows Mexico's capitalist class to resume the neoliberal project begun under Carlos Salinas de Gortari in 1988 but interrupted by a series of unforeseen events: the creation of the Party of the Democratic Revolution (PRD) in 1989, the Chiapas Rebellion led by the Zapatista Army of National Liberation in 1994, president Ernesto Zedillo's precipitation of the economic crisis of 1994-96, and finally the end of the old one-party state under the Institutional Revolutionary Party (PRI) and its replacement by the National Action Party (PAN).

Salinas had succeeded in privatizing the Mexican Telephone Company (TELMEX), the railroad and the Cananea Copper Company, but he failed to finish the job, with the energy sector, petroleum and electric power generation still state owned. Now, after a 20-year interruption, Calderó has undertaken to finish the job.

The SME, together with many other labor unions and social movements, and opposition political parties organized a huge protest march on Friday, October 16 which was estimated at between 150,000-300,000 participants. The march began at 4:00 p.m. at the Angel of Independence on Reforma Avenue and marched to the Zócalo, Mexico's national plaza, with the last marchers, university and nuclear workers, arriving at 8:00 p.m. While the march was a strong show of support, it was not a show of force, never attempting to retake any of the facilities.

At this moment, 5,000 federal police, backed up by at least 10,000 police reserves and 3,000 soldiers, still hold over 100 facilities. The plants are being operated by management, by 3,000 workers brought in from the other state-owned power company, the Federal Electrical Commission

and by 800 engineers and technicians provided by the army. Workers at that company are members of the Sole Union of Electrical Workers of Mexico (SUTERM), a union whose leaders will do the government's bidding.

A Turning Point

While the government's attacks on labor unions such as the Mexican Miners and Metalworkers and its massive use of police force are not new, Calderón's move to destroy the SME represents an important turning point in modern Mexican labor history, a decisive step to break the back of the unions once and for all. Even more important, it is, as Manual Camacho Solis of the Broad Progressive Front (FAP) noted, an act intended "to change the balance of forces" so that they favor the government.

After its electoral defeat and out of fear of social protest which the [economic] crisis is provoking, the government wants to give a demonstration of its power which everybody will understand: the left, the social movements, the PRI [Institutional Revolutionary Party], the unions, the Congress, the businessmen and the media. The logic is the same that was used in the [Salinas government's] attack on La Quina [head of the Mexican Petroleum Workers Union] in 1989: if you can do it the strongest, then you can do it to the weakest. If the most combative union can be defeated, then so can any other force. ("SME: las verdaderas rezones," *El Universal*, October 12, 2009)

Mexico City, where this blow has been delivered, is the heart of the political opposition to Calderón and the base of support for left-wing leader Andrés Manuel López Obrador, who claims to have won the last election. The attack on the union is also an attack on the left at its strongest point. And should this attack succeed -- as it may, although we still hope to see the Mexican workers take the strong measures needed -- it will appear that the government can and has defeated the strongest, and can now turn its attention to the weaker.

Negotiations Fail

After a negotiating session between government and union, Secretary of the Interior Fernando Gómez Mont said that the government's decision was "irreversible." The Secretary of Labor also commented, calling the liquidation of the company a "consummated fact."

The SME also refused to compromise on its demands that the police be removed from the workplace, that the liquidation of the company be revoked, and that the government negotiate the issues with the union. Further progress in any negotiations seems less likely with every passing day.

Since the police took control of the plants there have been many localized blackouts that have shut off power for hours to Mexico City neighborhoods, to other cities and towns, and to industry, with hundreds of factories idled in the nearby State of Mexico. The government has blamed the blackouts on the union, while the union attributes the blackouts to the incompetence of the government and the workers brought into run the plants.

There have been daily rallies and demonstrations by thousands of Electrical Workers in Mexico City. Massive marches alone, however, will not be able to force the government to reverse its decision. It remains possible that a national response, a national civic uprising such as the local uprising in Oaxaca three years ago, might be capable of stopping the government. Still, unless the union is capable of the necessary action in Mexico City, it cannot expect others to come to the rescue.

Solidarity from Mexico and Abroad

Throughout Mexico workers, students, communities, labor unions and left parties rallied and marched to support the Mexican Electrical Workers Union. In Cuernavaca, Morelos some 3,500 marched. In Oaxaca the Union of Workers and Employees of the Benito Juárez Autonomous University shut down the university in protest and solidarity. In San Luis Potosi the Potosi Union Front carried protested the development at the State Legislature and expressed their solidarity with the electrical workers. Diverse organizations — the National Union of General Tire Workers, the Broad Popular Front (FAP), and the Party of the Democratic Revolution expressed support at the national, state and local levels.

Expression of international solidarity arrived from the United States and Canada, from Holland, Germany, even from workers in Iraq. Unions from around the world condemned the Mexican government and gave voice to their solidarity with the SME. Such expressions of solidarity help to give heart to the struggle of the Mexican electrical workers. But unlike in industries such as shipping where dockworkers' solidarity can have a direct impact, foreign unions can have little leverage on a nationalized power company in another country, except perhaps miners or railroad, dock and marine workers who might act to cut off the company's coal shipments.

While marching in the streets, the SME is also pursuing a legal strategy, having hired Néstor de Buen, the country's leading labor lawyer, to argue that the Calderón government seizures of the company was unconstitutional and illegal. The union also plans to have its members file individual lawsuits called amparos, something like injunctions, arguing that their individual rights have been violated. While other unions have used the individual lawsuits as a mechanism to delay government actions, they would seem to be a weak tool in this case.

The union says it will also pursue a legislative strategy, pressuring the Mexican Legislature to present a "constitutional controversy," arguing in effect that the executive branch of the government overstepped its constitutional authority. Unfortunately, the alliance between President Calderón's National Action Party (PAN) and the Institutional Revolutionary Party (PRI) controls a very large majority of both houses of congress.

Future of the Light and Power

The Calderón government has said that, having extinguished the Light and Power Company, it will now turn that former company's facilities over to a new company which it plans to merge with the Federal Electrical Commission in the near future. The government plans to hire 10,000 former Light and Power workers for the new company, under new terms of employment.

Each worker is being paid the severance to which they are entitled under Mexican law, 300,000 to 400,000 pesos, the equivalent of 30,000 to 40,000 U.S. dollars each. The 45,000 union workers have been told that they must collect their severance pay by mid-November to be eligible to be hired by the new company. So far about 1,400 workers have collected their severance pay. There have also been 11,700 payments to the 22,000 retirees.

Felipe Calderón's decision to liquidate the Light and Power Company did not result out of any contract negotiation or strike, but represents a political decision to do away with the nationalized company and the union which stands at the center of the Mexican left and in the path of the president's privatizing agenda.

The Calderón government, however, argues that this was a purely economic decision based on the economic and productive inefficiencies of Light and Power. There is, however, no clear cut economic case to be made; the issues are complex.

The government argues that the Light and Power Company had an annual deficit of 44 billion pesos (400 million U.S. dollars). Georgina Kessel Martínez, Secretary of Energy, asserts that Light and Power's expenses were almost always double its sales, requiring enormous government subsidies. In reality that "deficit" was largely the result of transferring electric power from the Federal Electric Commission (CFE) to Light and Power (LyF), both government owned.

The union argues that for the last 20 years the government declined to invest in the company, allowing the plant and distribution system to deteriorate, in order to create the appearance of worker incompetence.

The Calderón administration has suggested that Light and Power's economic problems was the high cost of workers wages, benefits and pensions threatened to bankrupt the system. The government says that 160 billion pesos out of its 240 billion peso wage bill went toward pensions for 20,000 retired workers.

Without a doubt, over its 95-year history the Mexican Electrical Workers Union had succeeded in winning for its members a labor union contract that might be the envy of workers throughout the country. Unlike most Mexican workers, Light and Power workers earned about 6,000 pesos (600 US dollars) per month, something approximating a living wage. Retired workers enjoyed generous pensions, equal to or greater than their work wages.

Martín Esparza, the union's leader, argues however that the real economic motive for the government's action is the desire of private industry to get its hands on the 100-kilometer network of fiber optic cable that was the property of Light and Power.

The fiber optic cable system, which can be used for telecommunications, was licensed in 1999 to WL Comunicaciones S.A. de C.V., a Spanish company. A year later the company, whose majority partners are two former Secretaries of Energy, Fernando Canales Clariond and Ernesto Martens, gained the right to operate the fiber optic network for 30 years, with the possibility of further extensions. (Rosalio Vergara, "Calderón y el SME: La Guerra por la fibra óptica," *Proceso*, October 11, 2009)

In short Calderón has swept away the union and torn its contract to bits. Mexican and foreign capital are thrilled at Calderón's action. Investors.com, speaking for and to international capital, in an article titled "Mexico Knocks a Union's Lights Out" called it, "one of the best things to happen to Mexico." Business Week, while less euphoric, speculated that Calderón might now take on the Mexican Teachers Union and PEMEX, the state oil company, and the Petroleum Workers Union, and Carlos Slim's TELMEX with its high telephone costs.

The Business Coordinating Council (CCE), the Confederation of Mexican Employers (COPARMEX), the Federation of Industrial Chambers (CONCAMIN), the National Chamber of the Manufacturing Industry (CANACINTRA), and the Mexican Council of Businessmen (CMHN) all praised Calderón and encouraged him to see the attack on the electrical workers as just a first step. The Mexican capitalist class has had a taste of blood, likes it, and wants more.

Defend the SME!

TO PROTEST THE Mexican government's action, you can write to President Felipe Calderón at felipe.calderon presidencia.gob.mx and, if you wish, copy your protest email to the union at sinmexel sme.org.mx. Your protest should urge President Calderón to do as the Mexican Electrical Workers Union has asked: 1) Remove the police from their workplaces; 2) Revoke the liquidation of the company; 3) Negotiate the issues with the union. These measures will respect the rights of these workers, their union, and international labor and human rights standards.

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P.S.

* From Against the Current, ATC 143, November-December 2009:
<http://www.solidarity-us.org/node/2441>