

# Mexico - The Year in Review

January 8, 2015



President Enrique Peña Nieto, who had been so successful in advancing his fundamentally conservative economic program during his first year and a half in office, suddenly faced a serious challenge beginning in September 2014 when police apparently cooperating gangsters killed six students, injured at least 25 injured, and kidnapped 43 in the town of Iguala in the state of Guerrero.

Protest demonstrations demanding that the students from the Ayotzinapa Rural Teachers College be returned alive, led by parents, students, and teachers quickly spread from Guerrero to Mexico City and around the nation. An international solidarity movement has also developed, with demonstrations at consulates in several countries.

At about the same time, it was revealed that the president and his wife Angélica Rivera occupied a home that was owned by a major government contractor, while Secretary of Finance Luis Videgaray had similarly bought a home from a contractor. These revelations of conflict of interest at the highest levels of government, not so different from those portrayed in Luis Estrada's new political satire film *The Perfect Dictatorship*, shocked even the jaded Mexican public. The exposé of wrongdoing at the top combined with large social movements from blow created a national political crisis that continued until the Christmas season led to a pause in the protests. The entire situation—the killings, the role of the police, and the corruption at the highest levels of government—has also created an international preoccupation with the Mexican situation.

## **Economic Problems**

The economic and social crisis has been exacerbated by the country's economic problems. World oil prices collapsed during the second half of 2014. Between June and November the price of oil fell from \$107 per barrel to less than \$56 a barrel on Dec. 15. Since Mexico depends upon oil for a large part of its government revenue, this must almost certainly lead to cuts in government programs of all sorts. As oil prices fell, so did the value of the peso, falling from 12.02-per-US\$1.00 to 14.39-per-US\$1.00, a decline of roughly 16%, leaving the peso at a two year low. Overall, the Mexican economic growth has been slow, expanding by only 1.1 percent in the first nine months of 2014 (the last quarter figures are not yet available). At the same time, Mexico's debt has continued to grow, and the country may have to take out more loans to compensate for lost oil revenue.

On the twentieth anniversary of the North American Free Trade Agreement (NAFTA), the Mexican economy had failed to grow as promised, and it has not improved the wages and standard of living of most Mexicans. The Mexican capitalist class has continued to enrich itself, while the middle class lives in economic insecurity, and the working class and the poor continue to see little improvement in their lives. Mexico has 27 billionaires. The top five and their corporations are Carlos Slim Helú

(Carso), Germán Larrea Mota-Velasco (Grupo México), Alberto Baillères González (Peñoles y Palacio de Hierro), Ricardo Salinas Pliego (TV Azteca) y Eva Gonda Rivera (Grupo Femsa). Slim is worth US\$29.6 billion. A year ago, Mexico's wages fell below those of China, about 20 percent lower, and there has been no improvement since then. There are 119.7 million Mexicans of whom 52.3 million live in poverty, some 8.2 million of those are indigenous people.

While Mexican economic and social conditions have not improved, tighter U.S. border controls and President Barack Obama's policy of much higher rates of deportations have led to a dramatic decline in the number Mexican undocumented migrants. Approximately 229,000 Mexicans apprehended by the Border Patrol in Fiscal Year 2014, compared to 809,000 in 2007. Still over ten percent of all Mexicans live in the United States. There has for years been speculation that closing the escape valve that allowed many Mexicans to find employment in the United States would lead to increasing social unrest in Mexico. To what degree this may have contributed to the current wave of protest is unclear.

Why did nationwide demonstrations break out over the killing of the Ayotzinapa students? After all, since Felipe Calderón launched the drug war in 2006 as many as 100,000 people have been killed, 20,000 disappeared, and 1.5 million displaced. It may be that the events in Guerrero were simply the drop that made the cup of anger run over. But there is also the sense that the young men and women of the Rural Normal College, almost all of them from poor peasant families, embodied the future and the hope of Mexico. The disappeared Ayotzinapa students, whose photographs have been carried on placards in demonstrations throughout the country, put a face on all of those tens of thousands who have been disappeared in the last eight years. The students, most of them leftists, were also linked to a group—the dissident teachers' movement—that had the power to mobilize and advocate on their behalf.

The movement from September to December of 2014 has been one of pain, anger, indignation, demanding an end to the corruption and violence in Mexico. At the same time, it represents a political threat to the president and the ruling party on the eve of the Mexican mid-term elections. Beyond the elections Andrés Manuel López Obrador, leader of the Movement of National Regeneration Party (MORENA), and, completely independently, Catholic Archbishop Raúl Vera as well as leaders of several left organizations, have called for a constituent congress to write a new constitution and reform the Mexican state. Vera, who has a long history of sympathy with movements from below, has called for a "citizens' constituent congress" for the "refoundation of Mexico."

In response to the protests, to the general social and economic crisis, and to demands made by some on the left that he resign, Peña Nieto made it clear that he was prepared to use his office and the power of the state to maintain the status quo. He suggested that protestors were simply attempting to destabilize the society and made it clear that he and the Minister of the Interior and the head of the military stood ready to use their power to restore law and order. At the same time, the president shrewdly allowed the demonstrators to exhaust themselves in countless protests and marches as Christmas approached.

### **Mexico: Reform or Revolution? Or Neither?**

A number of journalists have suggested that Mexico might be on the verge of profound change. The *Huffington Post* suggested that Peña Nieto might resign. *Telesur*, the pan-Latin American television network headquartered in Caracas has suggested that the Ayotzinapa protests might lead to a revival of guerrilla organizations. As did the McClatchy media. *The Christian Science Monitor* went further, suggesting that Mexico was on the verge of a revolution and needed a new Francisco "Pancho" Villa or Emiliano Zapata (two men who despite their idealism and courage *lost* the last

revolution). All of these reports represent ungrounded and farfetched speculations. In truth, Mexico is *not* in a pre-revolutionary situation much less a revolutionary crisis, and it is highly unlikely that the current political crisis and the wave of protests will even succeed in bringing about reform. The absence of an organized and political working class movement in these protests is significant (more on this below).

Peña Nieto, the PRI, and the Mexican state remain in control in Mexico—albeit the usual exercise of power in midst of tremendous turbulence which results from the enormous power of the drug cartels, the existence of community self-defense organizations, and regional autonomous organizations, the most important of which is the Zapatista Army of National Liberation in Chiapas. Though Mexico has the highest levels of social conflict in years, Peña Nieto's government still has a firm grip on power. Moreover, it should be remembered that the United States government will never permit: 1) the coming to power of a left government either through election or revolution; 2) a military coup; or 3) a total breakdown in social order. The United States must maintain a nominal democracy in Mexico, because it cannot preserve democracy in North America and in its "own backyard" (as Mexico is always so disrespectfully called), it will lose credibility throughout the world. To say nothing of the billions of dollars of U.S. investments in Mexico that must be preserved. Consequently, Washington has spent \$3 billion in the last six years on the Mérida Initiative, a border security, counter-narcotics, and counterterrorism program established by the George W. Bush administration in 2008. The U.S. Defense Department also spends millions of dollars to train the Mexican military. The United States will not permit Mexico to go South.

### **Disaster for the PRD**

While the events in Guerrero have produced a crisis for Peña Nieto and the Institutional Revolutionary Party (PRI), they have also been a disaster for the left-of-center Party of the Democratic Revolution (PRD). Both the mayor of the town of Iguala, who is believed to have sent the police to repress the students, and the governor of the state of Guerrero were PRD local leaders. The PRD, which had just celebrated its 25<sup>th</sup> anniversary, was already in serious problems before the recent events. Tainted with corruption and frequently paralyzed by political in-fighting among the rival cliques that dominate the party, the events in Guerrero proved the last straw for founder Cuauhtémoc Cárdenas who founded the party, for his closest associates, and for many other PRD members who have left the organization.

Cárdenas is not the first to leave the PRD. Two years ago Andrés Manuel López Obrador and his followers left and formed MORENA, the Movement for National Regeneration. MORENA originally grew up inside the PRD as López Obrador's personal following, then he led his followers out of the PRD and formed MORENA as an independent organization November 2012 received its legal ballot status in July 2014 and became the MORENA Party.

MORENA was one of three would-be parties that were accredited last summer, the other two being the Humanist Front (Frente Humanista or FH), a conservative party, and the Social Encounter Party (Encuentro Social - PES), another conservative party based on the Evangelical churches, bringing the number of electoral parties in the country to ten. To become a party, according to the 1946 electoral law, the three pretenders had to demonstrate that they had a national presence, now defined as 220,000 supporters or more in a large proportion of the country's states and municipalities. In order to maintain their party registration, each must win at least 3 percent of the vote in the 2015 elections.

Of the three parties seeking legal status, MORENA was by far the strongest. FH had 270,966 accredited members and 221 district assemblies and PES had 308,997 members and 236 district meeting, while MORENA had 496,729 members and held 30 (out of 32) state-wide assemblies.

Further left on the political spectrum, the People's and Worker's Political Organization (*Organización Política del Pueblo y de los Trabajadores* - OPT) held its first national convention in Mexico City on Dec. 12 and 13 with 200 delegates in attendance. Founded in 2011, the party now has local chapters in 16 of Mexico's 32 states. Martín Esparza Flores of the Mexican Electrical Workers Union (SME), which has been the driving force behind this party, opened the convention.

The OPT, which opposes capitalism for both its economic and its environmental consequences, denounced the PRI, the PAN, and the PRD as parties of capital, but did not criticize MORENA. The party decided to support a rate-payers' strike by users of electricity, to support the construction of a new workers federation, and to participate in the left unity congress in late January.

### **Many Parties—Little Democracy**

Mexico's political spectrum now looks like this: there are ten parties, six of which are conservative and four of which are on the left. The conservative parties are the Institutional Revolutionary Party (PRI) which is in power; the National Action Party (PAN) which held the presidency during the previous two terms; the Ecological Green Party (PVEM), a satellite of the PRI; the Nueva Alianza (NA) which is the party of the Mexican Teachers Union (el SNTE) and is also allied with the PRI; and the two new conservative parties FH and PES. On the left there are the Party of the Democratic Revolution (PRD); the Workers Party (PT) which came out of the Maoist movement; the Citizens Movement (MC - formerly Convergencia); and now MORENA.

According to María Marván Laborde of *Excelsior*, based on federal electoral statistics, some 13 million Mexicans are affiliated with one or another of the political parties. The existing parties' numbers are as follows: The PRI has 5,848,944 members; the PRD, 3,435,979; the PVEM, 947,346; the PT 892,756; MC, 795,281; NA, 639,174; and the PAN, 271,632.

How, one might wonder, has the PAN with so few members been able in the past to win the presidency and sometimes control about a third of the congress? The answer is that the PAN has relied heavily on its influence in the media. What is clear above all from these statistics is the enormous electoral capacity of the PRI which not only now plays a dominant role in the media but with its allies the PVEM and NA controls or influences about 7.5 million party members, that is about half of all party members. Party members alone are not everything. López Obrador and his followers demonstrated in 2006 and again in 2012 that they are capable of organizing hundreds of thousands of people in massive demonstrations and sit-ins.

López Obrador, who has indicated that he will be a candidate in 2018, continues to be a charismatic populist whose actual politics are not so different than those of the PRD. López Obrador, has not been implicated in the Ayotzinapa events—though, when he was the PRD candidate for president in 2006 and again 2012, López Obrador did campaign alongside and was photographed with the Iguala mayor and with the governor of Guerrero. What effect the recent protests over Ayotzinapa will have on the future of López Obrador and his party remains to be seen. Certainly on the basis of past experience it is not clear that López Obrador and his party have the ability to win a majority or even the necessary plurality of the vote.

### **The Far Left**

The Zapatista Army of National Liberation, which celebrated its twentieth anniversary in January and saw its Subcomandante Marcos supposedly step down from his role as leader and spokesperson, remains the most significant organization on the far left in Mexico. On October 8, the EZLN mobilized 20,000 of its members and followers in a march in San Cristóbal de las Casas in support of the Ayotzinapa students, the families and friends, saying, "Their pain is our pain." Yet, while strong

in Chiapas, the EZLN does not play a significant role in the national social and labor movements in Mexico.

Experts contend that there are some 40 armed guerrilla organizations in Mexico, some fade away and new ones arise every year. Several have issued new manifestos or released new communications this year in response to the disappearance of the 43 students. The Popular Revolutionary Army (EPR) which operates principally in the state Guerrero, but also in several other states, is one of the most important. Many believe that the Popular Revolutionary Front (FPR), a Marxist-Leninist-Stalinist party that appeared and played a role in the so-called Oaxaca Commune of 2006 is linked to the EPR. There are also several other Trotskyist, Maoist, and Guevarist guerrilla groups, each of which has a toehold in one or another social or labor movement. None of them seems to play a major role in the new wave of demonstrations over the Ayotzinapa students.

### **Relief for the Beleaguered Labor Unions?**

The basic panorama of the Mexican labor unions has not changed much in the last few years, except that the unions—most of them linked to the ruling party, violent, corrupt and colluding with the employers to keep wages low, and enriching the union officers and labor lawyers—have gotten smaller, representing few workers. A study published in October 2013 found that the percentage of unionization in the economically active population had fallen from 10.6 to 8.8 percent. But as Graciela Bensusan, the author of the study, stated, very few of these can be considered real labor unions.

The Congress of Labor (CT) and the Confederation of Mexican Workers (CTM), both loyal to the PRI, authoritarian and corrupt, continue to dominate the Mexican unions, while the more independent National Union of Workers (UNT) remains weakened ever since it lost the support of the National Union of Social Security Workers (SNTSS) whose former leader endorsed the pro-business National Action Party (PAN). Within the UNT, the Authentic Labor Front (FAT) continues to play a leading role in offering proposals for a more democratic union movement and a more democratic society. The New Labor Central formed in February under the leadership of the Mexican Electrical Workers Union (SME) and the National Coordinating Committee of the Teachers Union (la CNTE) with some fanfare has yet to make its mark.

The previous administration of President Felipe Calderón of the National Action Party (PAN) (2006-2012) proved to be a disaster for the labor unions, especially those that acted independently. Calderón drove into exile Napoleón Gómez Urrutia, the leader of the Mexican Miners and Metal Workers Union (SNTMMRM) and attempted to destroy the Mexican Electrical Workers Union (SME) by liquidating the Mexican Light and Power Company and firing 44,000 workers. The Peña Nieto administration appears to be attempting to remove these two longstanding issues from its agenda, but given past history one has to doubt the sincerity of the government's promises.

Napoleón Gómez Urrutia, who has led the Mexican Miners and Metal Workers Union (SNTMMRM) from exile in Vancouver, British Columbia since 2006, announced that, now that there are no outstanding charges against him, he will return to Mexico in January of 2015. After the Pasta de Conchos mine disaster in which 65 miners died, when Gómez Urrutia declared the incident to be a case of "industrial homicide," Grupo Mexico, a mining company, and the Mexican government waged a war against him. The government accused him of having embezzled US\$55 million from his union's members, while Grupo Mexico and the government colluded to break the union at the important Cananea mine. The United Steel Workers of Canada and the United States and the International Metalworkers Federation helped him to escape to Canada and to survive there.

On eleven occasions Gómez Urrutia and his lawyers proved the charges against him to be false and

finally it seems, the government has given up its persecution of the miners' leader. Still one wonders if another charge will not be made if he returns. And if Gómez Urrutia does return—he has pledged to return on several occasions in the past but then did not do so—it will represent a victory for him, for his union, and for union power and workers' rights in Mexico. It will also be an act of great courage, for surely the government and company that wanted him imprisoned and his union broken will attempt one way or another to eliminate him from the scene.

### **The Electrical Workers Union**

In October of 2009, Calderón seized the Light and Power Company, and fired the workers, hoping in that way to destroy the Mexican Electrical Workers Union (SME) which was also a leader in the movement against privatization. While most of the SME members accepted their severance pay, about 16,000 continued for years to fight to be reincorporated into the workforce of the successor company, the Federal Electrical Commission (CFE). Now the Mexican Ministry of the Interior has signed an agreement with the union that will allow the workers to form a cooperative which will provide services to the CFE. At the same time, the union, which celebrated its 100<sup>th</sup> anniversary this year, will negotiate a collective bargaining agreement with the cooperative, which allows it to continue to exist as a legitimate national labor union. While this is not exactly what the union had been demanding, it does appear to represent some sort of resolution to the conflict and will theoretically provide employment to the union's members.

### **Teachers Mobilize against Education Reform**

The State Coordinating Committee of Education Workers of Guerrero (CETEG), a dissident caucus within the Mexican Teachers Union (el SNTE), has played a major role in mobilizing around the attack on the students of Rural Teachers College of Ayotzinapa. CETEG members have marched and demonstrated, struck and seized government buildings, burned down the town hall of Ayotzinapa and the PRD headquarters in Chilpancingo, as well as taking control of the toll booths on the Highway of the Sun between Mexico City and Acapulco. Teachers, students, and parents have also taken over dozens of towns in the state of Guerrero, throwing out the sitting officials and putting others in their places.

The National Coordinating Committee of the Mexican Teachers Union (la CNTE), which has been involved in similar protests throughout the country, has also continued to organized against the Education Reform passed by the Mexican Congress in the last days of the Calderón administration. Teachers have criticized the reform which established examination for both students and teachers as part of a neoliberal project aimed at weakening the union and privatizing education. La CNTE has called for a national strike, not only of teachers but of all of the institutions and organizations related to education, and directing participants to seize government buildings and the offices and facilities of transnational corporations. La CNTE wants an end to the Education Reform, a return of all workers' rights that have been taken by the government, and the expulsion of Juan Díaz de la Torre, the current to officer of the Mexican Teachers Union. Elba Esther Gordillo, the former head of the union, remains in prison following her arrest by Peña Nieto's administration in February of 2013.

### **Oil Workers Union on a Slippery Slope**

Mexican oil workers stand on a slippery slope, their future insecure. The passage of President Peña Nieto's Energy Reform Law in 2013, which would permit the Mexican Petroleum Company (PEMEX) to contract with private parties for a variety of services, raised the question of the future of the Mexican Petroleum Workers Union (STPRM). The union, headed by Carlos Romero Deschamps who is also a PRI Senator, is notoriously authoritarian and corrupt, as argued over the years by many failed rank-and-file reform movements. Some informed sources have speculated that in order to

smooth the way for the institutional transition, Peña Nieto, as he did with Gordillo of the teachers union, might send Romero Deschamps to prison. During another period of economic transition, former Mexican President Carlos Salinas de Gortari in 1989 sent police with bazookas to blow down the doors of the former head of the Petroleum Workers, Joaquín Hernández Galicia, better known as "La Quina," who was arrested, tried, and imprisoned. (He was amnestied in 1997 and died last year.)

On the other hand, Peña could hardly ask for a more politically pliant and servile union leader than Romero Deschamps. In any case, the union's members face dramatic changes whoever is in power in their union. Under the Energy Reform Law, the union has already been excluded from the company's administrative council. The contracting out of services to private corporations, many of them foreign, must necessarily lead to a reduction in the union's workforce, and likely also to changes in work rules and wages. PEMEX has 150,000 workers on the payroll, most of them unionized, as well as 95,000 retirees who received company pensions. The union's plan is to negotiate future contracts that change fixed pensions into private investment accounts. When back in the 1990s the Mexican railroads were privatized, they eliminated something like 100,000 union workers, and it would not be surprising if something similar happened to the petroleum workers.

## **Conclusion**

With the resurgence of a broad opposition movement in Mexico, the last four months of 2014 represented a dramatic turn in the fortunes of the government of Enrique Peña Nieto and his PRI party. The Ayotzinapa solidarity movement and the call for a constituent assembly to "refound" Mexico represent serious social and political challenges to the president, the ruling party, and to the existing political system. At the moment, the working class remains on the sidelines more spectator than participant. Social change in 2015 will depend in large measure on resurgence of working class activity as well.