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*Worker and union responses to restructuring and privatisation in  
two Mexican enterprises: an intersectional analysis of class,  
gender and age*

by

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A thesis submitted in partial fulfilment of the requirements for the  
degree of

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## *Declaration*

This thesis is presented in accordance with the regulations for the degree of Doctor of Philosophy. It has been composed by myself and has not been submitted in any previous application for any degree. The work in this thesis has been undertaken by myself except where otherwise stated.

## *Abstract*

Economic restructuring in Mexico has had important consequences for the participation of workers and the nature and distribution of work. This phenomenon as a global tendency is posing many challenges to workers, though different sets of workers may experience these challenges differently. This study analyses workers' experiences and responses to the process of privatisation in two Mexican companies, with particular reference to the role and influence of the union in each of these companies. The research is based upon in-depth interviews with young and old, men and women, managers, white-collar employees and workers, together with documentary sources, to provide both empirical descriptions and theoretical analyses of these contemporary developments in employment relations and worker organisation.

One strand of the thesis is a comparative analysis of the different relationships between government, management and union policies in the two cases, the first of the TELMEX Company and its union, the STRM, and the second of the LyFC Company and its union, the SME. For the state and management these cases involve two different deregulation models in Mexico. At the same time the telecommunication and the electrical unions have also followed divergent strategies, though they share similar socioeconomic origins.

The second strand of the thesis addresses significant differences within each case in the ways in which workers have experienced privatisation and related to the union. While each union has developed a distinctive dominant or hegemonic policy orientation, they each have heterogeneous memberships. Therefore, this research has sought to show how restructuring and privatisation have influenced the experience and participation of different categories of workers in relation on training, technology and labour conditions, by considering the roles of social class, gender and age relationships.

This research uses an intersectionality analysis to address commonalities and differences of experience among employees and union members and assess the varied interactions and complex connections between diverse systems of inequality at work. It seeks to show how power asymmetries cross and overlap in both unions and companies, and result in the recomposition of distinctive social class, occupation, gender and age relations over time. On this basis it seeks to contribute to an understanding of the implications of globalisation and economic restructuring for the unions and workers in Mexico which recognises the complexities of worker experience, the heterogeneities characterising union memberships and the dilemmas faced in different union strategies.

## *List of abbreviations and Spanish terms*

<b>“Brigada Femenina”</b>	Feminine Brigade
<b>CAO</b>	<i>Centro Único de Operación</i> /Centre Unique of Operations
<b>CAT</b>	<i>Centro de Atención de Operadores de Telecomunicaciones</i> /Centre for the Telecommunications operators
<b>CDI</b>	<i>Comisión Nacional para el Desarrollo de los Pueblos Indígenas</i> /National Commission for the Development of Indigenous Peoples
<b>CFE</b>	Federal Commission of Electricity/ <i>Comisión Federal de Electricidad</i>
<b>CFyLC</b>	<i>Compañía de Luz y Fuerza del Centro</i> /Power and Light Company of the Centre
<b>CNJP</b>	<i>Convención Nacional de Jubilados y Pensionados</i> /National Conference of Pensioners
<b>COFETEL</b>	<i>Comisión Federal de Telecomunicaciones</i> /Federal Commission of Telecommunications
<b>CONAPO</b>	<i>Consejo Nacional de Población</i> /The National Population Council of the Government of Mexico

<b>CT</b>	<i>Congreso del Trabajo/Congress of Labour</i>
<b>CTM</b>	<i>Confederación de Trabajadores de México/Confederation of Mexican Workers</i>
<b>FESEBES</b>	<i>Federación de Sindicatos de Empresas de Bienes y Servicios/Federation of Unions of Goods and Services Enterprises</i>
<b>FNTICE</b>	<i>Federación Nacional de Trabajadores de la Industria y Comunicaciones Eléctricas/National Federation of the Electricity Industry and Communications Workers</i>
<b>FOVISSSTE</b>	<i>Fondo de la Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado/Fund for Housing of the ISSSTE</i>
<b>“Frente Femenino”</b>	<i>Feminine Front</i>
<b>INTTELMEX</b>	<i>Instituto de Telmex/Telmex Institute</i>
<b>ISSSTE</b>	<i>Instituto de Seguridad y Servicios Sociales de los Trabajadores de Estado/Social Security Institute for State Workers</i>
<b>IMSS</b>	<i>Instituto Mexicano del Seguro Social/Mexican Institute for Social Security</i>
<b>ITUC</b>	<i>Internacional Trade Union Confederation</i>
<b>INFONAVIT</b>	<i>Instituto del Fondo Nacional de la Vivienda para los Trabajadores/Institute of the National Fund of</i>

	Housing for the Workers. Provides health services for formal private sector workers.
<b>NAFTA</b>	North America Free Trade Agreement/ <i>Tratado de Libre Comercio</i>
<b>PAN</b>	National Action Party/ <i>Partido Acción Nacional</i>
<b>P&amp;L</b>	<i>Luz y Fuerza de Centro</i> , LyFC/Power and Light Company
<b>PEMEX</b>	Mexican Petroleum/ <i>Petróleos Mexicanos</i>
<b>PIDIREGAS</b>	<i>Proyectos de Impacto Diferido en el Registro del Gasto/Productive Long Term Infrastructure Projects</i>
<b>PIMES</b>	<i>Programa Inmediato de Mejoramiento del Servicio/Programme for the Service Improvement</i>
<b>PNR</b>	<i>Partido Nacional Revolucionario/Revolutionary National Party</i>
<b>PRD</b>	<i>Partido de la Revolución Democrática/Party of the Democratic Revolution</i>
<b>PRI</b>	<i>Partido Revolucionario Institucional/Revolutionary Institutional Party</i>
<b>PRONAME</b>	Programa Nacional de Modernización Energética/The National Programme for Energy Modernisation

<b>PRM</b>	<i>Partido de la Revolución Mexicana/Mexican Revolution Party</i>
<b>RSM</b>	<i>Red Mujeres Sindicalistas/Network of Unionised Women</i>
<b>SME</b>	<i>Sindicato Mexicano de Electricistas/Mexican Union of Electricity Workers</i>
<b>STRM</b>	<i>Sindicato de Trabajadores Telefonistas de la Republica Mexicana/Telephone workers Union of the Mexican Republic of the TELMEX Company</i>
<b>SUTERM</b>	<i>Sindicato Único de Trabajadores Electricistas de la Republica Mexicana. (CFE Company union)/Mexican Union of Electricity Workers of the Mexican Republic</i>
<b>TCLC</b>	Tecmarketing Collective Labour Contract
<b>TELMEX</b>	<i>Teléfonos de México/Telephones of Mexico</i>
<b>TLC</b>	Tratado de Libre Comercio/NAFTA
<b>UNT</b>	<i>Unión Nacional de Trabajadores/National Union of Workers</i>

# *Chapter 1*

## *Introduction and Research*

### *Methods*

#### **Thematic introduction**

There are long-standing debates about the role of workers and trade unions in the enterprise and wider society, but in recent years these discussions have taken new forms in the context of globalisation and privatisation. Globalisation is often seen as a process that subordinates workers and unions more effectively to market forces. In this context privatisation has made a specific contribution because it distances the state from industrial relations and again appears to expose workers and unions more directly to the dynamics of the market. Thus globalisation and privatisation pose important questions about changing experiences of work, employment and industrial relations. More specifically they raise questions about the extent and character of worker involvement in the workplace and participation in the union in privatising and privatised enterprises. Privatisation has itself become a global process. However, privatisation has taken a variety of forms and has been implemented in a wide range of different socio-economic circumstances. Therefore the

implications of privatisation for workers and unions have to be considered in these varied contexts.

This research therefore seeks to address these wider questions about globalisation, privatisation, trade unions and participation through a specific study of the contemporary experience of privatisation in one important national setting, that of Mexico. Our focus is therefore firmly on the Mexican experience, although reference to changes in other countries is made at appropriate points. The privatisation process in Mexico, implemented during the 1990s, provides a particularly important context in which to study the development of the roles of workers, both as workers within their employing organisations and in relation to union organisation and activity. This is because privatisation represents a new terrain for unions and a particular challenge to the corporatist union traditions which were the dominant political culture in Mexico during most of the twentieth century.

This research examines the experience of privatisation and the role of the trade unions in two key sectors, those of telecommunications and the electrical energy sector. The focus of the research is therefore on two expanding modern sectors that differ in a number of important respects, including the extent of internationalisation, management policies, organisational cultures, gender and age segregation, and union traditions and strategies. The research analyses the particular role and influence of the union in the already privatised

telecommunications company, *Telefonos de Mexico*, TELMEX, and the contrasting case of the *Luz y Fuerza de Centro*, LyFC (Power and Light Company, P&L) Electricity Company which is currently undergoing a process of privatisation and modernisation. I also draw on a wide range of other studies from Mexican academia which have investigated these topics and similar issues, to place my research in a wider context.

In the Mexican context, workers participation has been affected by the privatisation process in a number of different ways, not only because the different companies have adopted different policies but also because the trade unions have responded differently, building upon distinctive union traditions. The TELMEX trade union is the *Sindicato Mexicano de Trabajadores de la Republica Mexicana (STRM)* and has a tradition of pro-active bargaining and innovation. The trade union in the Electricity Company of *Luz y Fuerza de Centro* (LyFC) is the *Sindicato Mexicano de Electricistas (SME)*, and its tradition has been more militant and defensive. One strand of this thesis will be a comparative analysis of the different interactions between management policies and union policies in the two companies, which represent two different deregulation experiences and models in Mexico.

The first case, the response of the STRM to the privatisation of the former state-owned telecommunication company TELMEX, represents one of the most successful union experiences of negotiation during the decentralisation and

restructuring processes that were involved. The second case, the policies of the SME and the Luz y Fuerza del Centro, has involved more conflict as the company has moved towards privatisation.

In this way, the research is designed to investigate how privatisation in Mexico has influenced the experiences, participation and contributions of workers in relation to such matters as enterprise policies on training programmes, technological innovation, recruitment procedures and labour conditions, and the ways in which these are related to trade union approaches and policies. Whilst management strategies and union policies set the two companies apart, the experiences and activities of employees themselves within each company are by no means uniform, being differentiated in important ways in terms of occupation, gender and age. For this reason, the thesis gives particular attention to the role of these features in influencing responses to general policy developments and in constituting the distinctive ways in which different groups and categories of employees are involved in these changes. To address these central questions, the study develops a theoretical understanding and explanation of the similarities and differences between the work and industrial relations experiences of different categories of workers within each workforce, in terms of occupational class, gender and age, in each of the two research settings. Furthermore, it explores the salience of these differences for the involvement of employees in the work process and enterprise management

policies, as well as for cooperation and competition through the union in collective organisation and bargaining.

To pursue these objectives the research will compare these two different locations in terms of management policies, union strategies and forms of worker participation and involvement. Firstly it will examine the form of labour participation that STRM developed during the privatisation and economic reorganisation of the Telecom Company TELMEX. Secondly it will consider the consequences of the deregulation process for the collective participation of workers in LyFC and the SME union. As TELMEX was privatised first, while the LyFC Company was still undergoing the process of privatisation, this comparative analysis also contrasts two slightly different time periods and plans of privatisation.

TELMEX is an important case to study from the point of view of involvement of workers in the workplace because the strategy of the STRM trade union in the decentralisation process was to accept flexibilisation and an increase in productivity in order to provide job security. The case of the SME trade union's activity in LyFC Company in contrast, has been one of resistance and confrontation with the company, in a context where workers have a long political tradition of collective activity in their trade union and disagreement with management in their workplace.

## **Research Methods**

This research draws upon interviews and documents to provide both empirical descriptions and theoretical analyses of these contemporary developments in employment relations and worker organisation which have been under-researched in Mexico. As such it will provide detailed case studies of the process and experience of privatisation in a major developing and industrialising society, and will use this research to develop an understanding of the implications of such policies for workers and trade unions. In this regard the primary contribution of the thesis will be to analyse the relationship between dominant or hegemonic union strategies and the concerns and activities of a complexly heterogeneous membership. Thus I will argue that any overall evaluation of the implications of globalisation and privatisation has to consider the different experiences and responses of different groupings and categories of workers within the workforce and trade unions. Finally, therefore, an attempt has been made to use this comparison of case studies of two different companies and trade unions to investigate the social significance and role of different aspects of the social differentiation of the workforce, both in terms of the experience of privatisation and in terms of worker participation. The significance and implications of class (conceived primarily in occupational terms), age and gender relationships will be examined, first separately and then integrated into a more inclusive discussion of power relations, to provide a detailed account of the nature of the participation of workers in technology

innovation, training systems and labour conditions, both as workers and through their trade unions.

This research uses the comparative method to distinguish differences, similarities and patterns of diversity both within and between the two cases, which are open to comparative empirical examination at broadly the same time and place. Thus the two cases share a common historical, institutional, political and social context, with similar external conditions bearing upon both cases. At the same time they also differ in more specific ways, in terms of sectors, the form and timing of privatisation and other management policies, and union traditions and strategies. Furthermore, comparisons between the two cases are complemented by internal comparisons and contrasts, in terms of occupations, areas of work, gender and age relationships, in an attempt to understand the similarities and differences in the views and responses of workers within each enterprise. The discussion of the ways in which diversity and similarity are patterned across occupation, age and gender, then leads into a discussion of how the mobilisation of power (or powerlessness) has related to these categories in contrasting ways within the employment relationship inside these companies and their unions.

As I have noted, my research involves a comparison of two case-studies from one country, Mexico. One operates at one regional location in Mexico City as well as other nearby states and the other at the national level. However, the

headquarters of both companies and their respective unions are located in Mexico City. Consequently, field research was conducted in Mexico City from December 2001 to May 2002. The period of intensive research was in 2002 with additional return visits, informal appointments and telephone calls with managers, key informants and activists just to fill in gaps or ask for additional documents.

I gained access to each company to study the organisation of employment relations. In my previous work experience I had met union leaders and managers and this helped me to get access to the two companies, their unions and other sources of information. I negotiated access to TELMEX managers and union officials through the union. I was given permission through the union to interview Tecmarketing workers and I was also able to invite managers, union members and workers to participate in my research. My contacts introduced me to managers and workers via the union and I was allowed to make my own arrangements with them to allocate the time and place for the interview. Most of them took place outside the workplace and union offices during the lunch time, at weekends or during free time, when people were more relaxed and less pressed by the time and environment of the interview. In LyFC Company my access route was different. On the one hand I had to gain permission through the Company to interview white collar workers and middle managers. On the other hand, to approach workers I firstly had to get access to the SME union through staff members of the union.

I used my position as an academic researcher to emphasise my impartial role in order to find informants and obtain information. My status as a PhD researcher from a British university was of great help because most of the workers and managers were of the belief that my project was of academic interest only and was not paid for by the companies or unions. On this basis I enjoyed unrestricted access to managers, workers and union officials. I followed the ethical principle of voluntary participation where people were not coerced to participate in my research. Their participation was based on informed consent about the aims of this research and the guarantee of confidentiality to avoid any risk to the people that collaborated in this research. I have decided to protect the identity of all my informants, although only two managers and two activists asked to remain anonymous. The principle of anonymity was fundamental to protect the privacy of all participants involved in this study. None was given access to any information about any of my other informants. I have chosen numbers and the name of the Company or the union to identify my informants. I have used the name of the union if they were union officials or unionised workers and the name of the company if they were managers or non-unionised personnel. During the interviews I was able to show my independence from both the union and management in my interaction with the workers and middle managers interviewed. I have also specified that all the information that is used in my PhD research will respect my informants' confidentiality.

As my primary research method I carried out seventy-six in-depth interviews in total. These were with managers at TELMEX, the Tecmarketing call centre and LyFC, and with workers from the STRM and the SME unions. An attempt was made to include participants from a range of categories within the workforces and union memberships: men and women; managers, white-collar employees and workers; young and middle aged informants and pensioners; union members, activists and leaders of the National committees of the SME and the STRM unions. Thus I have selected key informants for their positions in the company or in the union and by employment status, age and gender, to allow me to hear voices from diverse sections of the union and the company. In TELMEX and LyFC companies, I have chosen interviewees from these different categories, with particular attention to those who lived through and experienced the privatisation or pre-privatisation process, with its associated restructuring and work relocations. I have also used other contacts from different unions, organisations and companies to identify additional middle management informants within TELMEX and in LyFC, and to contact union activists, especially members of opposition or dissident groups in the unions, to gain information and responses from diverse perspectives.

In these interviews, the interviewees were all asked a series of standard questions, and then more specialised questions according to their knowledge in a number of different areas (see appendix A). The semi-structured character of the interviews allowed me to pursue themes as they emerged and ask questions

as seemed appropriate. These detailed interviews were important in helping me to understand the influence of economic restructuring on worker participation after TELMEX was privatised and during the process of privatisation at LyFC. They also provided the basis for an analysis of the age, gender, class and power dimensions of workers' experience and participation. In my research, I have included a call centre, Tecmarketing, which operates within the TELMEX subsidiary company, where workers are members of the STRM union. This is because the differentiated gender, age and skill composition of this workplace clearly shows the inter-generational contrast of attitudes in the relationship between younger, more qualified employees and older and less skilled unionised workers. At the same time, this subsidiary enterprise experienced a significant deterioration in labour conditions under the competitive privatised model, and therefore represents a particular relationship between restructuring and the changing demography of the workforce.

I have also collected information as an observer at a number of different union assemblies. For the SME I attended "*The SME actions and the National Resistance Front*", Deputies Chamber, 27 November 2001 and "*Workers alternatives in the Energy Sector*", in Francisco Breña Alvirez, the SME auditorium, 26 September 2001. For the STRM I attended the STRM National Assembly where delegates were informed about the STRM and Tecmarketing Collective Labour Contract bargaining 2002-2004, and the Annual Pensioners' Assembly and the Gender Forum for "Women's Day" organised by the *Union*

*Nacional de Trabajadores* (UNT) confederation. I also attended diverse informal meetings with women from both the electricity and the telecomm union. Attendance at these assemblies and meetings allowed me to understand the scope of workers' participation in the Company and in the union activities.

My interviews and observational data have been complemented by the inclusion of documents from both unions and companies. Observations, documents and historical information gave me the opportunity to place my analysis in context. In particular I have located each union and workplace in their wider settings in terms of company characteristics, union networks and relations between workers. On this basis I then sought to understand the internal social processes involved in each company and union and provide the basis for comparisons between my cases.

### **Orientation and Organisation of the Study**

This research starts from existing theories that might explain the social relationships and social processes I have documented. There are a variety of theoretical perspectives that could give us some elements for understanding the complex relationships between management and workers and between different categories and groupings of workers, and in particular the relationships between class as occupation, gender and age as they influence power relations in employment and in trade union activity.

In conceptualising these features I have drawn on a variety of studies that have sought to understand the relationships between gender, ethnicity and class. For example Phizacklea (1990) explores the ways in which different aspects of racial inequality are interrelated and structured by class and gender relations. This study shows the different ways in which race and gender structure opportunities in the labour market. Building on such work, Bradley (1996) developed a model to analyse social differentiation which covered both meaning and materiality. She analysed class, gender, race/ethnicity and age as social categories used to define, explain and justify diverse forms of differentiation as the main elements of processes of social change (Bradley, 1996:13). Bradley conceptualised the dynamics and interactions of inequality in relation to production, distribution and exchange of wealth and the consequences of changes in terms of social identity. She proposed a model by which to analyse the changes in social relations at work. “This deals with the dynamic of inequality at the macro level, but also offers a way to explore their manifestation in everyday interactions at work” (Bradley, 1999:19). In this study, I draw on these approaches to study the complex class, gender and age relations in both cases of privatisation to understand the key elements in the patterns and character of the participation of workers.

Building on such studies, one recent analytical development is of particular relevance, namely the concept of intersectionality. Intersectional analysis is a framework capable of capturing the complexity of multiple dimensions of

experience of marginalisation and the intersections of gender, class, and age relationships. Gender, age, ethnicity or class are generally understood as separate loci of experience which determine social, economic and political practices of domination (McCall 2005). However, these systems of social relations interact, crosscut and overlap with each other, and various different approaches to intersectionality address these complex intersections. Thus they stress the linked significance of gender, class, age, race and ethnicity among others for understanding the variety and specificity of women's and men's social experiences in their daily life. This approach to analysis recognizes that our life experiences happen in several and multifaceted spheres. Individuals belong to different social groups in which their individual roles and identities are the product of cross-cutting power relations and contexts.

McCall (2005) identifies three approaches to the exploration and analysis of intersectionality in social life, of which two are directly pertinent to my research. Firstly, *intra-categorical* complexity emphasises the patterns of differentiation within any broad category, with particular reference to marginalised sub-groups who are otherwise neglected. Secondly, *inter-categorical* complexity among groups uses existing analytical categories and the ways in which they intersect to explore the dynamics of oppression between social groups. In my intersectional analysis I draw on both of these conceptualisations, but I do not deploy an *anti-categorical* approach because this approach seeks to critique and dissolve these categories, and as such offers

little guidance in studying the substantive interplay of multiple differentiations within the workforces I studied.

It has been argued that the *intra-categorical* and *inter-categorical* approaches represent two points along a continuum, and may thus be treated as related and even mutually dependent aspects of an intersectional analysis. Both analyses are based on empirical examination of the heterogeneity of complex intersections in social life. Such intersectional analysis emphasises the complexities of historical processes and power relations in the social sphere. Intersectional analysis helps to explore and analyse distinctive worker identities in relation to the structure of power relations and inequalities (social hierarchy) which form the background of those identities. Interactions of social categories are seen as being dependent on the fluctuations of sameness and difference, which occur in historically diverse contexts of power relations.

Underlying these approaches is the argument that no one category explains the operation of social institutions or actors. “The intersectionality approach... not only recognizes the political significance of one or another category (like the unity approach), but it also sees more than one category’s explanatory power in examining political institutions or political actors (like the multiple approach)” (Hancock 2007:67). Each social relationship does not operate separately from the rest. Instead gender, ethnicity, age, class and other relevant categories modify each other in daily life. In my analysis I show that sometimes one

category subsumes others, but this depends on place, context and historical circumstance. Thus these relationships are not just mixed in an additive way.

In particular, the ways in which overall patterns of power and inequality are conceptualised and perhaps legitimated – what may be termed the hegemonic understanding of those power relations – may give particular prominence to one or another of these dimensions, with other dimensions tending to be subsumed within this hegemonic understanding. For example, it has been argued that in Sweden the central role of bargaining between organised labour and capital, and the associated dominance of a language of class inequalities and class politics, has tended to both subordinate and obscure the continuing importance of gendered inequalities (Fulcher, 1987; Jenson, 1993; Ruggie, 1988). In turn arguments for the importance of gender inequalities have had to address the ways in which this dominance works in practice, but also challenge hegemonic accounts where they obscure the significance of gender relations. In Mexico, too, state corporatism has primarily been understood in class terms, but this may obscure the ways in which class intersects with age and gender relations, marginalising the specificity of the experience of women, the young or the old.

These theoretical resources are considered in more detail at appropriate points in each of the substantive chapters. My comparison of the case-studies represents an historical analysis in the sense that it seeks to investigate the changes and continuities over a significant period of time in the relationships

between class, gender and age. The social changes in the organisation of work involve the reworking of class relations. However there are other forms of inequality and differentiation apart from class, such as gender, age and ethnicity that are experienced differently in each social context. Gender, age and class are seen in this research as relations that involve material factors such as distribution of social resources and power. However there are also cultural elements that allow individuals to identify themselves as a part of a collective. Thus analyses of patterns of differentiation and identification in terms of gender, age and class, and the ways in which these intersect, provide a basis for understanding the ways in which individuals and groups change at work, both in terms of their experiences and their attitudes.

In framing this research, the unions in both case-studies are also analysed in relation to earlier social movements linked to nationalism and modernisation ideologies in the context of corporatism and contemporary globalisation. After economic restructuring, unions have changed their relationship in the Mexican political system. As a result this research considers some of the distinctive collective strategies of mobilisation that unions have taken to confront the new context of globalisation. The analysis of these strategies draws on both industrial relations theory and mobilisation theory (Kelly, 1996; Pries, 1995). In particular this provides the basis for analysing the organisation and mobilisation of workers for collective action in both conflictive and cooperative (social partnership) relationships with management and the state.

The thesis is structured as follows:

The **second chapter** develops a comparative analysis of two different strategies in the **process of privatisation**. This chapter highlights the importance of the relationship between the historical change of the state-owned enterprises from private to public companies and active forms of union response, whether their participation involves a primarily cooperative or resistant relationship. This analysis begins with the formation of public companies in the telecommunications and electricity industries in Mexico to understand their particular characteristics and to contextualise the government policies used in each case during the process of privatisation. The description of the development of these companies covers nationalisation, modernisation, restructuring and privatisation processes, and seeks to understand the nature of worker participation at different historical moments in these processes. It also registers the distinctive way in which nationalist ideology has played a central role in the formation of national and social class identities in Mexico.

The **third chapter** on **social class** looks in more detail at employment relations and the occupational order in each firm. In a comparative analysis it explores how groupings of workers in two different companies and two different unions have been organised in different ways to pursue collective objectives in the company and the union. These varying patterns of organisation have produced different class relations and distinctive labour cultures.

This chapter analyses the dimension of class through in-depth interviews about the participation of workers in technological innovation, training systems and labour conditions. This analysis focuses on how workers define and identify themselves and the relationships in which they are involved at work in terms of status, privilege and occupational and hierarchical position. However the argument recognises that these features do not exist in isolation from age and gender differentiation and represent only one aspect of power relations in the workplace and the union. In this sense the analysis is necessarily partial and will be added to and qualified in the following chapters.

The **fourth chapter** addresses the **relevance of gender** and the social process of changing the dynamics of participation by gender (both in the union and the company), by listening to a diverse range of voices from female and male workers, union officers, and managers. It argues that gender relations are fundamental to understanding the degree to which workers participate, and addresses this by discussing the experience of female dominated occupational groups and women's relationships with one another at work and in the union. At the same time it registers the centrality of distinctive age and life-course patterns in distinguishing the experiences of men and women *and* different groups of women, so that a gender analysis necessarily involves attention to age. Therefore this chapter offers a comparative analysis of the role of gendered but also age-related experiences and identities, especially in relation to trade

union identities. This chapter also examines the diversified political culture of gender collaboration and competition among workers in each case-study.

The **fifth chapter** addresses **age** more directly, and is an attempt to explore the significance of the concept of age for a rounded understanding of worker experiences and their responses to developments such as privatisation. It seeks to develop the analysis of the way the experience of age and location in the life course is structured by management policies and industrial relations, and in turn provides a basis for distinctive worker/employee responses. This is then integrated with the earlier discussions on occupational class and gender. In order to do this the chapter seeks to develop appropriate concepts to analyse and explain age-conflict, age-cooperation, age-inclusion and ageism or discrimination in the participation of workers in both case studies.

The **sixth chapter**, about **power**, seeks to bring the earlier chapters together. It analyses the balance of power and status between managers and workers, trade union members and officials, men and women, and workers of retirement age, young and middle age workers. Class-occupation, age and gender identities are aspects of overall power relationships which are embodied in patterns of social inequalities and involve social processes which could support or challenge these inequalities. The theme here is that the formation and exercise of power is central in all these dimensions, so that we need to analyse the dynamics of power in an integrated way if we are to understand the diverse forms of

participation of workers in both companies and unions. The chapter seeks to accomplish such an analysis by addressing the ways in which hegemonic discourses and strategies integrate but also subordinate gender and age relations under a dominant concern with class relations, whether this is given a more militant and politicised or a more co-operative and participative form.

## *Chapter 2*

# **A Narrative Comparison of the Development and Privatisation of TELMEX and LyFC Companies**

### **Introduction**

This chapter attempts to develop a comparative analysis of state and management strategies in the process of privatisation. It highlights the importance of the earlier historical changes experienced by these previously state-owned enterprises for understanding their movement from private to public companies and the active union responses to these developments in terms of cooperative or resistant relationships. This analysis is carried out in the context of an account of the formation of public companies in the telecommunications and electricity industries in México in order to understand the particular characteristics of these two sectors and the subsequent government policies used in the process of privatisation. Thus the narrative of the evolution of these companies covers their nationalisation, “modernisation”, restructuring and planned or accomplished privatisation. Likewise, this chapter underlines a number of the implications of these historical moments for worker’s collective organisation and identity in the contrasting historical

contexts of nationalisation (and nationalism) and privatisation of these sectors of Mexican industry.

The perspective of this analysis is based on the conception that every enterprise as an operative unit within a particular industrial branch has a specific configuration. This means that each company will have developed particular ways of organising and regulating the workplace and specific rules and practices in industrial relations policies, but these policies and practices will also be subject to continual revision and change (Pries, 1995:93).

Traditionally, workers and unions in the telecommunication and electricity industries have taken a real interest in participating in their companies. Nevertheless, the nature of their participation has taken diverse forms and has changed over time, at times involving a cooperative relationship with the administration but at times offering resistance to the management policy.

### **The privatisation process in Mexico**

I noted in the first chapter that there have been long-standing debates about the role of workers and trade unions in both public and private businesses and wider society as a whole, but these discussions have taken new forms in recent years in the context of globalisation and privatisation. Thus both raise questions about (a) the extent and character of worker involvement in the

workplace and (b) worker participation in union activity in privatised enterprises or in the process of privatisation.

In general, privatisation is one element of state policies to move government activities in the economy from the public to the private sector. During the 1980s, disillusionment with the ability of governments to manage companies efficiently became widespread in national politics and among international agencies. This was linked to the romantic idea of the talent of the private sector to maximise the production and dispatch of goods and services. All of this produced an increasing wave of privatisation in the 1990s in both the developed and developing countries<sup>1</sup>.

Privatisation has been sponsored and guided by international agencies and consultancies and international companies have been major beneficiaries. Nevertheless, privatisation has taken a variety of forms and has been implemented in a wide range of different circumstances, so the implications of privatisation for workers and unions have to be considered in these varied contexts. Britain was a pioneer of privatisation, and there is a substantial amount of literature on the British experience (Great Britain Parliament 1992; Secretary of State for Energy, 1988), some of which is directly concerned with

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<sup>1</sup> "By 1990 over \$200 billion in sales was generated by the sale of government enterprises to the private sector and the trend continues at a rapid pace. The movement is truly global encompassing privatisations in Great Britain, New Zealand, Argentina, Mexico and the USA as well as Eastern Europe and Russia. The range of privatized activities includes electricity, power generation and delivery, communications, transportation, prisons, education, in addition to the manufacturing and distribution of goods" (Rubin, 1999:2).

the experiences of workers and unions (TUC, 1985; Drakeford, 2000; Labour Research Department, 1982). However, even this literature highlights important variations in experience, between different phases of privatisation and different sectors of activity (Ramanadham, 1988; Hulsink, 1999; Asher 1987, Colling and Ferner 1995). Despite the pressures of globalisation it also remains true that different countries are distinctive in terms of their economic institutions and industrial relations, and these different national contexts are also likely to influence the process, character and repercussions of privatisation (Gabriele 2004; Hall, 2005; Jerome 2006).

Turning to the Mexican experience, during the last two decades, key attributes of the Mexican State such as the monopoly status of one political party (*Partido Revolucionario Institucional*, PRI, Revolutionary Institutional Party), extensive regulation of the economy, and a high degree of public ownership, have been replaced by the State's emphasis on the process of deregulation and modernisation. This strategy implies, among other policies, an extensive privatisation of state-owned enterprises (Rogozinski, 1997).

The privatisation process in Mexico started in 1983, one year after the oil crisis, and has been developed through a series of government policies over the last two decades<sup>2</sup>. From 1982 to 1992 the Mexican government implemented a

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<sup>2</sup> The “*Plan Nacional de Desarrollo*” 1989-1994 (The National Programme for Development) and “The *Programa Nacional de Modernización Energética* (PRONAME) 1990-1994 (The National Programme for Energy Modernisation) defined government policies.

deregulation programme as part of the new structural adjustment policies. These restructuring policies were the result of the public deficit reductions and the petroleum crisis that started in 1982 and lasted until 1986.

This economic crisis motivated the Mexican government to attempt to eliminate what were seen as the structural impediments to greater efficiency. The authority based its policies of privatisation on the model of private ownership, which has followed market logic in order to produce more “efficient and competitive” companies. The subsidies to public enterprises decreased from 8.4 percent of GDP in 1982 to 3.6 percent in 1991. The largest and the most important state companies to be privatised took place during the Salinas presidency from 1989. The earnings raised from privatisation in 1991 were aimed at paying off almost 26 percent of the public debt (Salinas, 1992 in Botelho, 1997).

A TELMEX manager who experienced the privatisation of TELMEX characterised the situation in the following terms:

at the end of the 80s the Mexican economy changed for ever. The result was the signing of the NAFTA (North America Free Trade Agreement), and the privatisation of State-owned companies in the telecommunications and financial sectors. The aim was to put the economy back on a sound footing and to

make enterprises more efficient to be more competitive, high technology with better prices to customers (T10)

Under these conditions the restructuring of large companies stimulated a process that greatly affected labour relations and the contents of collective contracts. Over the last two decades there has been a significant movement toward labour deregulation and a substantial decrease in the negotiation power of most Mexican labour unions (Garza, 1998).

Thus the relevance of studying the privatisation of TELMEX and LyFC in Mexico is to understand some of the ways in which processes of globalisation and privatisation in the economy have affected the social and political order. In particular, how has privatisation altered the organisation and activity of trade unions and the participation of workers in the workplace and the company? In this context it becomes important to consider not only the role and influence of workers and unions as a whole, but also the extent to which workers are affected differently by occupation, gender and age.

### **Economic restructuring and government social policies**

In the corporatist system which characterised Mexico for most of the twentieth century, the national government received political support from the official labour confederations while the official unions gained some role and influence in state policies. During the last two decades, the Mexican government has reduced its intervention in public spending, and so the

opportunities for the labour unions to influence the economy and social policy through their interaction with the national government have therefore decreased.

During the Salinas presidency (1988-1994) the executive proposed a “State Reform” to modify state-society relations. Here the State intended to deregulate economic activities to get more private investments. Throughout the duration of this policy, the Mexican government liberalised diverse productive and service sectors. However, the Salinas administration refused to privatise “strategic sectors”<sup>3</sup> of the economy. The most important argument was framed in terms of the National Constitution, to preserve the state ownership of these sectors because they constituted the basis of national security and development for the country. Even so, by the end of the Salinas presidency a number of important industries had been privatised, such as telecommunications, clean water, airlines and the banks. The coverage and sequence of privatisations, and the ways they involved strategic and non-strategic sectors during this period, were thus influenced as much by political as economic reasons. Even today, diverse political parties and social sectors continue to invoke nationalist arguments against the policies of privatisation and claim support from Articles 25, 26 and 27 of the Mexican National Constitution.

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<sup>3</sup> Strategic sectors have been defined in the Mexican Constitution as the petroleum and electricity industries. The Mexican Constitution gives the government the right to control these sectors.

For the most militant unions and the political opposition, privatisation has been represented as a serious threat to national patrimony and an erosion of the legitimacy of the nationalist significance of public companies. The political opposition has traditionally argued that since 1983 the government has favoured private national and foreign interests in opposition to the ideals of the Mexican Revolution, where paradoxically the former official party PRI had its historical and ideological foundation. Thus, as a result the Salinas government was forced to justify its neoliberal policies in the official discourse and in reference to the nationalistic PRI ideology. Salinas's government sought to solve this dilemma by the argument that there was a social need to privatise public enterprises. In particular Salinas invoked the revolutionary mission to improve living standards for all Mexicans through his *Programa Nacional de Solidaridad* PRONASOL (National Solidarity Programme), as this social programme was supported with funds that came from the privatisation of state companies.

This government policy was justified in terms of a "*Social Liberalism*", conceptualised in Salinas's regime as occupying the middle ground between a populist corporatist state and a non-interventionist state and liberalised economy. This ideology, used to support the social policy of the Salinas regime, was constructed from what can be interpreted as an ambiguous conceptualisation of liberal ideology and its relation to social needs in a populist and nationalist order (Salinas, 1992). It was a discursive justification to introduce a more liberalised policy as a 'Modernisation Strategy' to make the

authoritarian regime a more efficient administration. Other commentators have also argued that the process of privatisation during the Salinas Presidency involved changes in the structure of the authoritarian political system which were intended to increase its political stability (Teichman, 1995). The social policies adopted were an attempt to renovate the old political system to make it operate more efficiently in the international context, while guaranteeing the existing political *status quo*. Thus the Salinas government simulated a change towards a more democratic system but really just sought to reaffirm the same political order.

In the labour sector, the unions and workers that participated in the privatisation process had varied views about these government policies. However, a female worker from the TELMEX maintenance department, who lived through the process of privatisation and restructuring in the company, affirmed that the political generation in the Mexican government that headed the deregulation policies shared similar political ideas among themselves, about the functions of the State in public administration. As a former representative in the Executive Committee of the STRM union and an active member of a political party represented in the Mexican Congress she had formed the view that

The Mexican neoliberal technocrat leaders took part in a common code of conduct, culture, with strong political motives [among political groups in the government] to privatise public

enterprises and the consequent intention to reduce the labour force led by the unions of State-owned enterprises (ST29)

Against this background the TELMEX administration, which identified with the Salinas doctrine, accepted that the STRM wanted more involvement, through the construction of a new, more participatory, unionism that could take part in making decisions about productivity and labour relations. This was the context in which the “*analysis groups*” that are examined in later chapters were developed in TELMEX. They were part of the restructuring policies to allow workers more participation in a mixed management-union Commission concerned with productivity and training.

However, such management-union coordination must also be seen in the context that state policies opposing the continued national ownership of state companies were specifically opposed to the role of militant public sector unionism. As such they have been a part of a broad international tendency opposed to major features of existing union organisations. In Mexico these international policies have had particular implications for the position of official unions in the political system. As one female switchboard worker and former secretary of the central committee of the STRM union, said,

The union crisis has been experienced on a world wide scale as a consequence of the new labour panorama. In Mexico this critical situation has been sharpened by the dismantling of the corporative system and the decline of a unique political party

[PRI] in power [during 71 years], where the unions received *línea* [orders] from the official party in exchange for sinecures. This [relationship] has broken down [when the PRI lost the presidential elections in 2000] and now the unions do not know which way to follow, but neither does the government either. From Echeverría [Mexican President 1970-76] until now, all of them [Mexican Presidents] have wanted to break with the union's dependency but they have found it a very difficult task because they can't exist without them. This is a relationship of reciprocity where both need each other and have to live together but constantly intend to break up. However, how could the unions be substituted as a social base by different social and political organisations? How could the union be substituted as a collective organisation if the social and political consciousness of citizenship almost does not exist in Mexico? [...] Unions are very important social and political institutions in the society. For this reason, the governments attack the unions, seeing them as a nuisance, but at the same time the government needs them to control workers and has to preserve the unions (ST27)

As this extended commentary illustrates, the unions in Mexico have, since their origins, played an important social and political role in the Mexican political system. However, this role is less and less relevant in its old form, especially because both the old dominant party and the state no longer operate in the same

fashion. In this new context the unions have to reshape themselves as social and political organisations in a different international context and national political system.

### **Economic restructuring and the response of the trade unions**

Traditionally much of the relevant Mexican literature has emphasised the strength of the principles of corporatism and patron clientelism as mechanisms to mitigate opposition from the most militant and independent unions<sup>4</sup>. The fact is that the role of the PRI, the former official party, has been central to the explanation in most of these analyses. Nevertheless, after 2000 when the PRI lost the presidential elections, changes to this view needed to be made. It is evident that the traditional corporative structures and the most important mechanisms of control that served the PRI regime through the official labour confederations continue to survive in the new political system. Nevertheless, during recent years, militant unions opposed to corporatism have developed more antagonistic mechanisms against the traditional authoritarian structures.

From the 1930s through the 1960s, the SME (Mexican Union of Electrical Workers) and STRM (Telephone Workers Union of the Mexican Republic) participated in the traditional corporatist arrangements, but this participation

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<sup>4</sup> Only those unions that are not affiliated to the official confederations representative of the corporatism system, such as *Congreso del Trabajo* CT (Congress of Labour) or *Confederación de Trabajadores de Mexico*, CTM (Confederation of Mexican Workers) are considered to fall in this category.

became more equivocal in the 1970s. Thus in recent years militant unions such as the SME in the *LyFC* Company, which have traditionally been relatively independent, have constantly opposed the more recent government policies on deregulation. In the SME more active and organised participation has been developing to protect the independence and identity of its workers, and to keep the company as a national “patrimony”<sup>5</sup>. According to a leader of the SME

...our position comes from democratic discussion in the union assemblies to reach agreements to protect the national electricity industry [...]. We have respected the government’s position but we have not inclined towards it, we have not prostrated ourselves to them, or followed the same interests that just benefit [those] who have the power, those represented by the government (S51)

Meanwhile a number of unions from privatised companies such as the STRM of the TELMEX Company have, over recent decades, refused to participate in the official project of corporative labour organisations, putting forward their own proposals to influence changes in public policies. In the STRM’s official discourse, leaders have emphasised the democratisation of the union and more participation in the workplace as the solutions to corporatism (Hernández,

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<sup>5</sup> The Constitution (Art. 27) defines the petroleum and electricity industries as strategic sectors and gives the government the right to control these sectors. This means that electrical energy is seen as belonging to the nation, and leads to the argument that the government alone should have control of the electricity industry. Thus, the idea of the state-owned *LyFC* as a “patrimony” comes from the idea that they are the keepers of the national strategic resources. This conception of ‘patrimony’ is reproduced and given personal meaning through successive generations of workers, based on continuity of blood relations and community.

1994). In particular, workers from the STRM who participated actively in union activities have supported this official discourse. As one pensioner said,

Democratic participation in the union experience has shown a clear attempt to protect workers' rights and put labour interests on the government agenda (ST34)

Thus each of these unions (the SME and STRM) has opposed neo-liberal policies, but each has proposed different strategies, arising from different traditions and perceptions of union participation, to confront them.

This overview suggests that, to understand the privatisation phenomenon it is first necessary to consider the specific roles of both state-owned enterprises and government during the phases of nationalisation, modernisation and restructuring that predated privatisation. This should identify the rationale behind this complete about-turn in political and economic thinking in terms of the respective roles of the government and private enterprise in the economy at different historical moments. Next we need to consider the mechanisms and strategies utilised by each company in order to implement these changes and how far both the Mexican government and company management have employed different approaches and strategies in TELMEX and LyFC. How then have privatisation policies been expressed in each case, and how might we explain the similarities and differences between them? Finally we can consider how the unions have responded. One question here is why anti-corporatist unions with similar socio-political backgrounds have adopted such divergent strategies to the process of privatisation? We need to consider how militant

independent unions have constructed and developed their own strategies and who have been the key players in these processes?

**I. First case study: Compañía de Luz y Fuerza del Centro (CLyFC)<sup>6</sup>**

From the early twentieth century the national electricity sector was organised around the idea of granting concessions to international and national private companies<sup>7</sup>. These companies operated without a clear regulatory legal framework and this was the origin of diverse problems such as unintegrated electricity systems, lack of plans to expand the energy sector, varied electricity tariffs and different labour contracts. This complicated the task of national organisation and integration of electricity production and distribution. The *Mexican P&L Company*, funded by Canadian capital, was set up in Mexico in 1905 and distributed electricity in the centre of the country<sup>8</sup>. The other private company was the *American and Foreign Power Company* founded in 1928<sup>9</sup>. This company covered the whole national territory in generation, transmission, distribution and commercialisation of electricity.

In the following decades, the government looked to create a more adequate public service through national regulations to manage standard tariffs and

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<sup>6</sup> The *Compañía de Luz y Fuerza del Centro*, CLyFC(P&L Company of the Centre) adopted this name after nationalisation (Gonzalez,1989).

<sup>7</sup> See chronology Appendix B.

<sup>8</sup> Distrito Federal (México City), Morelos, Puebla, Estado de México and Tlaxcala States. See map in Appendix B.

<sup>9</sup> This company expanded its services when it joined seven associated companies of the *Impulsora de Empresas Eléctricas,S.A.*, corporation located in national territory. Later, this commercial and services area was managed by the government through the Federal Electricity Commission (*Comisión Federal de Electricidad, CFE*) after its foundation as a national company on 14 August 1937.

industry operations. The government started to take more control of the electricity industry and in this context the private companies decreased investments in public service provision of electricity during the period 1937-1943 by 1 percent a year (Rodriguez, 1994). Nevertheless, with significant state purchases and an expansion of the role of the Mexican government in the electricity industry, the private enterprise *Mexican P&L Company* suffered a growing gap between its generating capability and distribution capacity in the regional market during the 1940s. The most important stimulus for the development of the unions in the national electricity industry was that the Mexican government led the first restructuring of the industry by nationalising the *American and Foreign Power Company*. The new state-owner, the Federal Commission of Electricity (*Comisión Federal de Electricidad, CFE*) was founded in 1937. The second stimulus was that the government proposed new regulations for the Electricity Industry and the Electrical Energy tariff which were approved in 1939.

Thus the government's nationalisation policy helped to regulate and integrate the electricity industry. Consequently, the private sector was increasingly excluded, as the state pursued the expansion of basic infrastructure, regulated markets and business activity and intervened in the organisation of the major utilities. The private sector was rejected completely in favour of the nationalisation of specific strategic industries and the organisation of the economy through a centrally directed state.

### **Nationalisation of the electricity industry and the role of the unions**

From the early twentieth century onwards, Mexico pursued a specific policy to control enterprises in strategic economic activities. The most important “strategic industries” were electricity, oil, banks and the railway. The increasing importance of nationalist ideology in defining the role of these industries changed the relations between labour, in its various organised forms, and the state. Historically many of the unions from these public sector companies have been the most militant in Mexico. Furthermore, the most militant unions have consistently resisted any joint activities or involvement in a corporate relationship with the state as institutionalised in the official state labour confederations.

From the 1930s through to the 1960s the Mexican government expanded its role in the national economy and increasingly intervened in trade union organisation and activity. After the formation of the CTM in 1936, authoritarian practices increased in order to consolidate state control but some twenty unions, including the Mexican Union of Electricity Workers (*Sindicato Mexicano de Electricistas*, SME), split from the official union organisations. However, the employees in the nationalised electricity company, the *Federal Commission of Electricity*, CFE continued to be represented by the National Union of Electricity Workers (*Sindicato Nacional de Electricistas*), which was one of the most important members of the CTM from the start and thus came to represent the official form of unionism in the sector.

In the 1960s the nationalisation of the electricity industry led to increasingly strong participation in political issues by the independent, militant union, SME. At that time, this combative electricity union was a member of the National Federation of the Electricity Industry and Communications Workers (*Federación Nacional de Trabajadores de la Industria y Comunicaciones Eléctricas*, FNTICE) which represented the workers in the newly nationalised enterprises. Interestingly it was also in 1960 that the SME joined with my other case-study union, the STRM [Telecommunications] union, to sign an agreement pledging mutual political support.

During this period public companies were commonly regarded as representing the state's commitments to the ideals of the Mexican Revolution. Particularly in the petroleum and electricity industry, nationalist resistance to foreign economic control through nationalist ideology was the main basis of union mobilisation. This ideology of nationalist-inspired nationalisation has been used to justify the central role of the state in the economy and workers from these companies became the exponents of revolutionary nationalism. "Given the nationalist appeal used to justify the state's direct participation in the economy, these trade unions have regarded it as their right to obtain control of management decisions. Indeed, labour demands in these sectors, such as those for worker participation in enterprise administration and control over firm purchasing and pricing policies, stand out for their militancy" (Teichman, 1995:48).

Even so the process of nationalisation of the electricity industry was not without its problems across the country. Both economic pressures and political calculations influenced the complex pattern of policy changes that evolved over the second half of the twentieth century, and the companies that arose. This was the background against which the companies and unions under study here responded to privatisation. In 1960 the Mexican government fought to integrate the electricity sector in Central Mexico and bought 95.62 percent of *the American and Foreign Power Company* and 74 percent of *the Mexican P&L Company, Limited*. The second purchase was more complicated because private share-holders kept hold of some stock for a long time. Indeed the current labour secretary of the SME union stated in his book (Almazan, 1994:127-128), and reaffirmed during an interview, that Canadian owners still hold old company stock today. He argued that

the old *Mexican P&L Company* was never nationalised and what do we have now? We have a commercial society where private capital is allowed. This situation could provide legal reasons for the government to privatise the electricity sector (S<sup>10</sup>53)

Nevertheless, the government accounts of these developments declared that the Mexican State purchased 90 percent stock of *the Mexican P&L Company* in

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<sup>10</sup> Antonio Almazán was the secretary of labour in the SME and he has written several proposals that have been discussed in the collective bargaining contract with the *P&L Company*.

1960 and the government acquired the company and its subsidiaries, and this process was consolidated three years later<sup>11</sup>.

The nationalisation of the electricity industry<sup>12</sup> with the inclusion of the *CLyFC Company* was the last effort made by the Federal government to integrate the electricity sector, to develop public services, industry and the national economy. In sum, the government, through the nationalised electricity industry, created two companies: the CFE and the *Compañía de Luz y Fuerza del Centro*, CLyFC (P&L Company of the Centre), and founded a national electricity system to solve the problem of electricity provision, both for industrial development and to expand public service provision to the whole country. Finally, the first State administration of CLyFC Company signed the first restructuring agreement with the SME union in 1966.

This nationalisation benefited many social and productive sectors in urban and rural areas, but was also accompanied by an attempt to integrate all electricity unions in the official form of corporatist unionism. A former member of the Central committee of the SME union<sup>13</sup> recalled

...the SME was the union with the most workers in the electricity industry. We were opposed by the two others unions

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<sup>11</sup> The Federal Executive agreement of 14<sup>th</sup> of August 1963 gives all rights of goods and subsidiaries to the nationalised *CLyFC Company*.

<sup>12</sup> In October of 1960, the Executive sent its reform of Article 27 of the Mexican Constitution to Congress. This defines the exclusive right of the nation to generate, control, transform, and distribute electrical energy. In this matter the nation will take advantage of goods and natural resources (*Diario Oficial de la Federación*, 29/12/1960).

<sup>13</sup> He was the former Labour Secretary of the SME. He competed in the elections for General Secretary. He represents the opposition to the current ruling leaders and was a substitute deputy of the PRD in the National Congress during 2002.

[both CFE unions]: the STERM [*Electricity Workers of the Mexican Republic*] and the National Union of Francisco Perez Rios. Those two unions and the government represented the contrary position. We followed the first serious debate about how the electricity industry must be integrated. [During debates among unions] there were many interesting proposals put forward by the famously democratic SME to integrate the two companies into one electricity industry, abolishing the CLyFC *Company*. However, the government favoured Perez Rios as leader [he represented the official government position] against Galvan [STERM CFE official union] and kept the CLyFC and *CFE* companies separate. [He also said that] the old P&L-managed generation plants were as important as the CFE plants. The CLyFC controlled the generating plants of Lecheria, Necaxa, Nonoalco, Tepustepec and Tacubaya. [...] [Years later], in 1972 the government unified the CFE unions led by Galvan and Perez Rios. The government repressed the Galvan supporters, dissolved the ideologically democratic STERM and kept an official union in charge. This is why we [as a non corporatist union] are a minority [of electricity industry workers] represented by the LyFC union, the SME (S58)

So, even though all electricity unions supported the policies of nationalisation, the SME and STERM (official union) represented two opposed positions with respect to government policies on the organisation of the electricity industry.

### ***The Compañía de Luz y Fuerza del Centro CLyFC and the integration of the public electricity service***

The Mexican government continued the integration of the electricity system by issuing the current Law of Public Service of Electrical Energy (22/12/1975) giving CFE expansion opportunities through new operation bases, as well as cancelling debt amassed by CLyFC and its associates.<sup>14</sup> These Electrical Energy Service regulations were created to give the CFE Company a solid legal status, congruent with the Constitution (Art. 27). This meant that electrical energy belonged to the nation, and the government alone had control of the electricity industry.

One important feature of these developments was that government policies favoured CFE's national expansion over CLyFC operations, both within its traditional service areas and in relation to electricity generating plants. A former member of the Central Committee of the SME union suggested that during the period 1973-84,

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<sup>14</sup> There were three associated companies covered by the 4<sup>o</sup> transitory Article of Law of Public Service of Electric Energy: *Compañía de Luz y Fuerza de Toluca, S.A.*, *Compañía Meridional de Fuerza, S.A.* and *Compañía de Luz y Fuerza del Centro de Pachuca*. During the 1975-1993 period, the old Mexican P&L Company and associates supplied energy services to these area. However, the Public Service of Electrical Energy regulations underwent a series of reforms in 1983, 1986, 1992, 1993.

there was a permanent conflict between *CFE* and the CLyFC over designated areas. Finally the government, following pressure from international financial organisations, brought about an agreement where by the CLyFC lost 40 percent of its working area as well as generating plants such as Tepustepec that passed over to the CFE. This disadvantageous situation caused the SME workers to ask the government to change its electricity sector policies (S58)

This transformed the CLyFC into a supply service company that merely resold electricity bought from the CFE Company. However, these policies that sought to reduce the importance of the CLyFC did not achieve their objective. The main reason for this was that the CLyFC Company distributed electricity to the most important urban areas of the country and this gave the company and the union a significant role in the political life of the country.

These government policies were not only a response to international pressures, but also favoured the CFE union that was organised by the official corporatist union federation over the independent unionism represented by the SME of the CLyFC. The political implications of electricity integration policies for unionism were also registered by the same interviewee:

in our view, these policies were taken by a highly authoritarian regime to fortify the CFE official unionism that signified, originally, the minority compared with non official unionism.

[...] The government designed a strategy to oppose the advanced unionised sectors (S58)

The same interviewee highlighted how governmental policy also appeared to undermine the opposition represented by the SME union by influencing management policies in the enterprise:

After 1975, the CLyFC administration saw the union and workers as an obstacle and blamed them for the inability of the company to achieve high quality levels of service and efficiency in its operations (S58)

A related feature of state policy was a long-standing reluctance to facilitate capital investment at CLyFC, which management increasingly blamed on the union, but which union officials interpreted almost as a trap being set for the union. The argument was that

from 1975 and before, the CLyFC [P&L Company] showed signs of losses [in diverse aspects] such as reductions in investment and a deterioration in infrastructure and production. This was caused by the lack of investment in technology. SME unionists interpreted these government policies as a deliberate attempt by tolerating poor labour discipline to encourage the company's decline. Also, the CLyFC [P&L Company] did not receive any significant investments in energy generation from the 1960s onwards, especially because the World Bank objected

to any government investment in generating plants in the SME labour area (S58)

However a paradoxical feature of the lack of investment in technology was that it created more pressure on labour to work more creatively and cooperatively, to compensate for the limited investment and to protect its collective bargain. In this context the SME also used its political strength in Mexico City and the government accepted that to preserve the electricity supply in the capital of the country, it needed to agree to the union conditions. These double and sometimes contradictory governmental policies, that on the one hand promoted liberalisation policies in the electricity industry that threatened militant trade unionism, and on the other hand led to government agreements with the union, nevertheless gave an invaluable political advantage to the union.

Indeed, my interviews with SME activists showed that they believed the government policies that came later were a result of external pressures from the World Bank, that penalised the Mexican government for having treated the CLyFC too generously. As a result and in order to pursue the World Bank recommendations and resolve the financial problems of the CLyFC Company, the government expected the company to reduce “labour costs”, and applied policies to open up the electricity industry to commercial competition and private investment. In this context the government made use of the argument that the company’s financial deterioration was occasioned by the expensive Collective Labour Contract set up by the SME union.

**The proposal to create a new organisation: *Luz y Fuerza del Centro* as a decentralised semi-official company**

An important consequence of the long-running political struggle between the SME and the government was the effort to create the LyFC as a decentralised<sup>15</sup> company. While contested, this was finally agreed and was taken some way along the path to being implemented.

At the time of the Salinas presidential campaign in 1988, he looked for support from both the CLyFC and the SME union in order to weaken Cuauhtemoc Cardenas, candidate for the opposition Party of the Democratic Revolution (PRD). The SME was a strategic supporter of Cardenas in the most inhabited area of Mexico, where the dominant political and economic interests are concentrated. A former representative in the SME union commented:

The electricity vote was *Cardenist* [Cuauhtemoc Cardenas] by identification and sympathy and Salinas looked to the SME for support to extend his political base [in the central area of Mexico] (S58)

This meant that the SME once again became an important actor linked with national political history. As the current labour secretary of the SME said,

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<sup>15</sup> The LyFC is a decentralised semi official company which cooperates with the state (Art. 90 of the Mexican Constitution).

each paragraph [of the Collective Labour Contract] reflects our national juridical, constitutional and social history where our union has had a distinctive influence (S53)

Furthermore, during my interview with this union officer he also made a fundamental connection between the long-term union history and the development of the national electricity industry.

After Salinas won the Presidency in 1988, the government and SME signed an agreement in 1989<sup>16</sup> to change the company status to a public decentralised organisation with its own financial autonomy, in order to increase productivity and achieve national electricity standards. This agreement created bilateral compromises between the administration and the union to modernise and restructure the CLyFC. This compromise gave the union the opportunity to better negotiate its labour contract. On the one hand, the new environment provided the motivation for the modernisation of company policy and powered the close relationship between Salinas and Jorge Sanchez, former General Secretary of SME. On the other hand it led to ruptures inside the SME union (conflicts in the union between different political groups which offers a wider discussion of power relations) as well as with the administration.

In 1993, the federal government assumed the CLyFC debt that had been acquired with the CFE. The government was prepared to do this because the company was suffering from an unstable economic position, technological

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<sup>16</sup>That agreement signed for the Executive and the SME union was published in the *Diario Oficial de la Federación*, 27/12/1989.

deficiencies and deterioration in its operations. This debt cancellation took effect until 1994 and the LyFC was funded as a decentralised public organisation. Finally, this new Company entity (LyFC) was formalised to take the place of the earlier CLyFC. The new company continued to have its own installations and area of activity and was independent of CFE<sup>17</sup>.

In this context the government concluded that the new LyFC had to be transformed into a profitable enterprise, even if this affected union interests. A former member of the national committee of the STRM, viewing this from the outside, said

I think that it was difficult for the State to get rid of the SME. In 1994 Salinas [President] was determined to close them down, but during the contractual revision the *zapatist* movement emerged and Salinas was terrified that the *zapatists* could have an ally in Mexico City. Salinas asked them [the union leaders headed by Jorge Sanchez, General Secretary of the SME at that time] ‘what do you want’ and they asked the State to absorb all company debt (ST27)

An SME union official, from an inside vantage point, put forward a similar argument: “In 1994 after the Chiapas uprising, the government created the new organisation [Company] to prevent the SME becoming linked to [the *zapatist*]

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<sup>17</sup> Presidential decree, 1<sup>st</sup> of February 1994 published in the *Diario Oficial de la Federación*, 9/02/1994.

social movement” (S53). In this context a direct offensive against the union was dangerous, but at the same time the government and management remained determined to challenge the established pattern of industrial relations and union power within the company. In an internal document<sup>18</sup> from the old CLyFC Company, the administration identified a lack of sufficient financial resources, inadequate tariffs and high union intervention in management, corruption, and resistance to changes in the labour culture as the most important reasons for the Company’s failure to give good customer service (CLyFC, February 1992).

**Table 2.2: Summary of Management Analysis of Company Problems**

<b>FINANCE</b>	<b>COMMERCIAL</b>	<b>OPERATIONAL</b>	<b>LABOUR</b>
Inadequate tariffs	Inappropriate customer service	Insufficiency of investments	High union intervention in management
Salaries are determined from outside	Administrative centralisation	Deficiency of equipment	Lack of non unionised personnel in priority activities
Increasing public debt	Obsolescence in administrative process	Irrational use of material and equipment.	Complexity of the promotion list
High prices of transactions	Unsuitable installations	Lacking control over property	Monopoly by the union of the promotion list
Failure to solve the debt problem	Opposition to modernisation	High costs of infrastructure	Union protects workers who are at serious fault.
Gradual and steady loss within the Company	Government debt that has not been paid to the Company		Absence of productive labour culture
			Promotion is not based on capabilities
			Accepted corrupt union practices

Resource: (CLyFC, February 1992)

<sup>18</sup> This document was elaborated by the company’s senior management.

At the time as this evaluation of the company took place the privatisation project already existed. A SME official summarised the union view of the privatisation of the CLyFC Company,

There are three reasons that the government gives to support its strategy of privatisation: first, the high cost of the collective contract, [second] public debt, [third] the wide-ranging corruption found among workers in the company and the union.

For these reasons, the company's public debt was re-instated by the government (S53)

This union official focused his discussion on privatisation and he recognised that the government's rhetoric focused on criticisms of the labour contract and workers' practices at work. The government used a variety of strategies to undermine union participation in the public sphere, and the most common tactic was their emphasis on the wide-spread "corruption" found in the unions.

The discourse of corruption identified in this research is centred on just two of the numerous facets of this phenomenon. That is, there are two different perceptions of "corruption" that come from an institutional view of the public interest. Firstly, from the government and managers' perspective, "corruption" was identified with specific attitudes at work and workers' behaviour that distorted competition (L48). Linked to this, a number of features of union

solidarity have been identified as limiting access to a competitive marketplace. Secondly, as we analyse later on in this chapter, for workers before privatisation (especially for electricity and telephone workers), “corruption” was identified with the misuse of the national patrimony, abuse of authority, illegality and fraud, with the consequent damage to public confidence in leaders and the government. In these ways arguments about corruption formed an important part of the disagreements about privatisation.

### **Enterprise policies: the *Luz y Fuerza del Centro (LyFC)***

The LyFC now distributes electricity in Mexico City, 28 municipalities of Mexico State, and the States of Hidalgo, Morelos and Puebla<sup>19</sup>. It serves an area of approximately 20,531 Km<sup>2</sup>, and 5.5 million users, and 24 million inhabitants benefit from its services. The LyFC Company covers just 1.0 percent of the territory of the country but serves more than 24.0 percent of the population. This geopolitical area is the country’s most important in terms of industry, services and commerce (LyFC, Labour Report, 2000-2001). However, the LyFC generates just 5.7 percent of the energy that it distributes; the rest (94.3 percent) is received from the CFE plants.

The organisational restructuring and administrative modernisation of the LyFC Company started in 1994 and continued until 1996. The administration proposed an integrated project of “Modernisation and restructuring” and this

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<sup>19</sup> See Map in appendix B

was to involve a Bilateral Commission to reach its main targets (Diario Oficial, February 1996). The decentralisation policy created the new LyFC organisation organised around three main areas of activity: 1) corporative, 2) services and 3) business, with a new administrative structure<sup>20</sup>. It has five divisions<sup>21</sup>; 16 regions<sup>22</sup> of distribution and commercialisation and three power production divisions subdivided in six areas. The modernisation plan was developed in accordance with the proposals for the Restructuring the Energy Sector of the National Development Plan (Plan Nacional de Desarrollo 1995-2000; LyFC, Labour Report, 1998-1999)

A review of the administration documents shows that the process of restructuring and modernising of the company was seen as a continual process to achieve greater efficiency, higher levels of productivity, greater competitiveness and higher quality customer services. The LyFC *Company* administration decentralised and restructured its five divisions and 16 distribution and commercial regions, to improve services to 5 million customers (LyFC, Labour Report, 1998-1999).

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<sup>20</sup> Modernisation of administrative structure changed in 1994 with the creation of the new organism (Diario Oficial, 9/02/1994) and in December 1996 to give the actual structure divided in 3 main areas: corporative, services and business.

<sup>21</sup> The eastern, western and northern metropolitan areas, Pachuca and Toluca-Cuernavaca divisions.

<sup>22</sup> The 16 regions are: Pedregal, Naucalpan, Cuajimalpa, Vertiz, Chalco, Iztapalapa, Chapingo, Bolivar, Ecatepec, Cuautitlan, Tlalnepantla, Tula, Pachuca, Tulancingo, Toluca and Tenango del Valle.

Nevertheless, the official union view of this restructuring is sceptical. A member of the SME Union Executive said,

The government is looking to restructure and modernise the *LyFC* Company instead of finishing the stabilisation of all the parameters and reasons that are causing its bankruptcy. These policies are just to justify the government selling the Company. Furthermore, there was a campaign made against us to disqualify our Collective Contract and our social benefits (S53)

This view was also echoed among union members, and suggests that the drive for modernisation and potential privatisation generated concerns about changes in labour practices and the acquisition of new skills, fear for the future of the company, and concerns about job security. However, this scepticism and fear among the workers was also qualified by support for some aspects of ‘modernisation’. One pensioner who supported this official union discourse nevertheless suggested that, “If it respected our Collective Contract and the personnel, then yes, I am not against modernisation” (S59<sup>23</sup>). Perhaps, alongside opposition, this suggests some ambivalence among workers and union activists about how best to respond to the government’s (and management’s) discourse of modernisation.

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<sup>23</sup> He is a retired maintenance and external networks worker, currently working in the union as an advisor.

The views held by managers were much less equivocal. At the time of this research, all the managers interviewed said that the government had overprotected the SME, allowing the union to interfere in management decisions, and the result was an unproductive dialogue with the leaders, while management initiatives were at a standstill. A manager of *LyFC* Company said,

They [union leaders] are obstructing innovation for long periods, they do not want any change in the Collective Contract, pensions, privileges [... and] the modernisation project has not been working (L48)

From the *LyFC* Company managers' perspective the union had taken a fundamentalist position in labour negotiations. They believed that the current organisational culture<sup>24</sup> of workers has been based on an "old labour culture". Meanwhile the union refused to accept the modernisation projects and new forms of organisation, because the union believed that these initiatives would individualise the employment relationship. Thus contrasting perceptions of worker cultures and collectivism have characterised labour relations at the company.

However, in the official union discourse the criticism against the *LyFC* administration has not only been concerned about management's organisational modernisation or plan to restructure administration, but more so with the Company's

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<sup>24</sup> Organisational culture is understood in this study as the practices, rules, and patterns of action that characterize social relationships within the workplace and union. This issue will be analysed further in chapter six.

financial projects and government policies. In this sense, a member of the Central Committee of SME argued that at *LyFC* Modernisation is the cancellation of the historical debt and the new agreement to buy energy from CFE. [However] We pay more to CFE for electricity than other companies. They have a privileged tariff. (S53)

Another union representative<sup>25</sup> also commented that the

...sale and purchase of energy question has many sides. One is that the *LyFC* has been condemned to lose capacity bit by bit to generate electricity and it is just a 'reseller of energy' company[...] There is a deliberate government policy to weaken the company (S52)

In support of the argument that the Company had not invested in infrastructure, internal documents from the Administration Board of the *LyFC* suggest that, after the creation of the new organisation, the government has now invested in generation and new technology to improve productivity and efficiency. This material shows that the government increased its investment in infrastructure and modernisation just after the announcement of privatisation in 1999. This investment has been quite modest but has been increasing over the years. The management has spent \$1'599,618 (Mexican pesos) (*LyFC*, 3<sup>o</sup> ordinary session of the Administration Board, 1999).

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<sup>25</sup> He was a former secretary of staff training in the SME and member of the Executive until 2004.

This document also shows that the directors proposed (27/07/1999) general outlines to elaborate a fresh project of restructuring and modernisation that the union has not yet accepted. This is because the union first wants to resolve the company's situation in the electricity sector before addressing modernisation issues. This may suggest that the union has lacked sufficient information about the company's financial situation, or else the union and the administration cannot yet reach an agreement because they are still unclear about the financial parameters providing the context for negotiation on organisational issues

### **Privatisation in the electricity sector**

The privatisation, modernisation, deregulation and restructuring processes in the electricity industry in Mexico are not isolated government policies. These processes were started internationally during the 1980s and developed at the national level during the late 1980s and 1990s.

The developments which preceded and favoured the Electricity sector privatisation initiative were the reform of the Public Service Supply of Electrical Energy Rule (1992), the *North America Free Trade Agreement* (NAFTA 1994), and the Development Programme and Energy Restructuring. These changes that affected the electricity industry legislation have been seen by some analysts as altering internal regulations to remove some of the existing barriers so as to allow the gradual privatisation of the electricity industry

(Melgoza, 1998). The effect of NAFTA has been to increase private participation in electricity production. Meanwhile public services and their productive and economic modernisation were discussed throughout the National Development Plan (*Plan Nacional de Desarrollo 1989-94*) and the National Programme for Energy Modernisation, PRONAME (*Programa Nacional de Modernización Energetica 1990-94*). Even so, privatisation of the electricity sector was not proposed in the 1990 reforms. As an alternative the Mexican government implemented a system to guarantee private investments to develop infrastructure in strategic sectors without modifications to articles 27 and 28 of the National Constitution. This programme was known as PIDIREGAS<sup>26</sup>

The government designed PIDIREGAS to encourage more private investments to modernise the electricity sector and other strategic industries. This financial plan applied to the infrastructure, and consisted essentially in allowing national or foreign private construction companies to build generating plants and new transmission networks to be operated by *LyFC* and *CFE* Companies. The government would then pay private companies for the work carried out over a term of 15, 20 or 30 years as rent. After this period the government would then acquire the property. This represented a form of partial privatisation, as the government contracts companies to build the infrastructure system. On this

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<sup>26</sup> PIDIREGAS (Productive Long Term Infrastructure Projects) Proyectos de Impacto Diferido en el Registro del Gasto. PIDIREGAS is purely an investment programme, and this carries no rights of intervention to appoint or change managers in the State-owned companies.

basis the *LyFC* and the *CFE* Companies have been receiving financial investment without breaking the principals of sovereignty in the national constitution.

The initiative to go beyond this and to privatise the electricity sector in Mexico was announced on 2nd February 1999, by President Zedillo (Zedillo, 1999). According to an SME official, this government action was intended to deregulate this strategic sector, specifically to favour private companies to invest in infrastructure projects in the electricity industry (S53). This initiative was likely to benefit private capital by allowing them to invest in important areas such as generating and transmission, as well as distribution and commercialisation of electricity at the national level. These government specifications were developed in the official document “*Proposal for Structural Change of Electrical Energy in Mexico*” (Secretaria de Energía, 1999). At the same time, this presidential initiative and restructuring project contemplated structural transformations of the *LyFC* and *CFE* companies that would affect the collective labour contracts.

After this presidential initiative, a female switchboard operator in TELMEX recalled, “a number of blackouts occurred [in Mexico City] over 15 days” (ST28). Meanwhile the SME organised “*El Frente de resistencia en contra de la privatización*” (Opposition Front against privatisation) with parliamentary representation from the PRD political party in Congress (SME-

Assembly, 27/11/2002). According to some informants, the blackouts represented a deliberate government tactic to show the public that the LyFC was in need of a structural change.

Thus, after the presidential announcement on 2<sup>nd</sup> February 1999, the SME and a variety of political and social organisations linked to the PRD party, arranged demonstrations and forums against privatisation. These protests involved a broad range of social demands that only had in common their opposition to policies of privatisation. The PRD and PRI political parties found political similarities to protest against the new regime led by President Vicente Fox of the conservative PAN, National Action Party (*Partido Acción Nacional*). (Granados, 2003). A variety of unions and confederations, such as the STRM, UNT *Union Nacional de Trabajadores (National Union of Workers)*, and CROC *Confederacion Revolucionaria de Obreros y Campesinos (Revolutionary Confederation of Workers and Peasants)* participated actively in these protests. The largest demonstration was on November 27<sup>th</sup> 2003 in Mexico City. (*La Jornada*, 28/11/2003; *Reforma*, 28/11/2003) These popular mobilisations are discussed more fully in chapter six.

The SME's opposition to privatisation has been supported through national and international political and social alliances over recent years. In the beginning SME participation mainly focussed on resistance to the government privatisation initiative. Later, however, the SME changed the character of its

participation. On the one hand it began to address more issues about Company restructuring<sup>27</sup>, and on the other hand it also developed a more legal argumentation against the government's position. The SME labour secretary observed that

If we read carefully the presidential privatisation initiatives, these are affecting directly the property of the national resources [electricity, and petroleum] that are protected by article 27, paragraph 25° and article 28, paragraph 4° of [the Mexican] Constitution. Our Collective Contract as a legal document is based on the same articles. This is not a minor issue for us, it is fundamental (S53)

Reflecting on the challenges faced by the union and the way in which it developed its response over time, a member of the SME union committee commented that

Once again, workers have been taken by surprise by the government, now with the privatisation policies... [However, he affirmed that] ...This announcement [of privatisation], even though it caught us by surprise, has changed our dynamic in the union for the first time. Now, we think in terms of long term targets. The previous SME central committees had different

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<sup>27</sup> The SME and the administration of the LyFC signed various agreements to improve the financial development of the Company. An example of this new relationship between the company administration and the union was the "*Acuerdo para la disminución de perdidas y aumento de la cobranza con el objeto de mejorar el desempeño de la entidad*", Mexico: LyFC, 13/12/2001.

priorities such as how to organise electoral campaigns. [The characteristic in this union is that] we used to attend to immediate aims, such as electoral issues, representation, etc. However, since this moment [privatisation announcement], participation has changed in the union (S52)

As a result the SME began to be more interested in global problems related to deregulation in Mexico and the diverse experiences of liberalisation of the electricity sector around the world, and drew upon these to justify its anti privatisation stance (International Seminar, 1999<sup>28</sup>). At the same time, the SME moved its attention from political union issues to specific employment and company matters, such as the training programme<sup>29</sup> and productivity problems. (These topics are discussed more fully in the next chapter, on class and occupation).

However some managers do not see the union as having changed in any significant way. A *LyFC* Company manager, a person with particular responsibility for HRM and a former director of the training system, voiced her complete opposition to the unionised SME workers and articulated a total lack of interest in understanding them or suggesting measures to bring about any

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<sup>28</sup> The SME organised an international seminar just after the presidential announcement about privatisation of the electricity sector. The seminar discussed the diverse experiences of privatisation in Argentina, Ecuador, Nicaragua, El Salvador, Korea, Spain and the current situation in Mexico.

<sup>29</sup> The training secretary of the SME has said that after 2002 the union started to give the company some ideas about how to improve the training programme of the *LyFC* Company (S54).

rapprochement of the antagonistic positions of manager and union. Instead she suggested that competition could be the way to develop the company and defeat corruption:

[Workers] are against privatisation because privatisation stops them [pursuing] their particular interests. If competition starts outside, if there is somebody else who does the same work as them ... then the situation should improve for the company against the union's particular interest ... but more than this, [she expressed her personal opinion like this] who is going to buy this company with this type of union? (L46)

There was no recognition that the SME might change its negotiation strategy, because it would not address the company deficit by obtaining more private resources, as this went beyond immediate union interests. Thus, while there had been some reorientation of union policies, key managers continued to view the situation in terms of mutual antagonism between union and company.

What then was the perception of union members? During the interviews with SME union workers, I asked them for their opinion about the privatisation of the *LyFC* and the electricity sector in Mexico. Most of them immediately expressed their total opposition to privatisation. Workers from different political positions, men, women, pensioners and young workers gave reasons to support their view in almost identical language, which also accorded with the official union discourse against privatisation. The most important arguments

were related to the links between national sovereignty and workers' rights. For example, a pensioner of the *LyFC* Company, who was an advisor on social security to the SME union, said "privatisation is against our sovereignty, our social rights, retirement. We have to protect this that we have" (S67). Meanwhile a teenager, a new worker in the installations and connexion department, affirmed that "The (*patria*) mother country is not for sale" (S61). Similarly, an office worker linked the state-owned property of the *LyFC* Company with "nationalism", or as she said "this [*LyFC* Company] is our national patrimony" (S62). In the same way, women pensioners, founders of the "*Brigada Femenina*" (feminine brigade) in the SME, linked privatisation with "domination and dependence on international corporations" (S65), and "international interventionism in national concerns" (S63).

In their second level of argument against privatisation, these workers gave more personal reasons. The family relationships and connections with the company provided a sense of property rights among unionised workers. For example, a retired worker, a former member of the Legislative Commission for the Collective Contract Bargaining in 2002 said "we are protecting our families. My grandfather and father worked here, now my son is working here, this is our company" (S76).

An important representative of the tabulators narrated how her whole life has been linked with the company and the union:

I am from Necaxa [where the company was originally set up and the location of the oldest generating plant], I studied in CLyFC primary school<sup>30</sup> [the old *LyFC* Company] and the SME. I am the granddaughter of a worker that participated in the famous strike of 1936. [...] On both sides of my family I am related to the union, I studied at the same secondary school as most of the current [union] leaders. We organised strikes. I was leader of my course and the treasurer. I remember in one of them [strikes] in the secondary school, the union had to intercede. My father told me that I was acting against the company and the union because the secondary school was called “Nationalisation of the Electricity Industry”. My father used to say, that “*the company is our mother and the union our father*”. This means that when I was in kindergarten I was part of the *LyFC* Company. Ever since I have consciousness, I have been part of the *LyFC* Company. I was a *LyFC* scholarship holder and I have been a union member since I was 15 or 16 years old, because I knew I would work here. All of the union representatives appreciate our company

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<sup>30</sup> As a part of a corporatist policy President Cardenas (1934-40) issued a presidential decree that companies had to provide schools for the children of workers when the closest urban settlement was further than 3 km from the Company. This decree was issued through the Superior Court of Justice on 20th March 1935, based on the Constitution (Art. 123, XI) and the Federal Law of Work (art. 111, VIII). Thus, the *Mexican P&L Company* as a private company was legally obligated to create and support primary schools for the children of workers living in camps settled by the company in *Necaxa or Tepexic* and *New Necaxa*, in the State of Puebla. The company established camps exclusively for the Company workers and the Federal and the local government wanted to make the Company responsible for the workers well-being. (Ginzberg, 1999).

and the union independently even when we are against it or we have our differences (S57)

Even so, while most of those interviewed agreed with the basic union discourse against privatisation, when I asked them under what conditions they might accept privatisation, they thought a little more and gave a variety of responses. Pensioners were all in total opposition because they feared that their retirement rights could be affected. Nevertheless, most of the other workers interviewed expressed a greater disposition to accept private capital investment in the company or even accepted the possibility of privatisation if their social rights were guaranteed and the Collective Labour Contract was respected (S59).

There were, however, some workers who were clear dissenters from the majority view. One extreme case was a young woman worker representing a small minority of workers who distanced themselves from union policies. When interviewed she said

Here privatisation has not been accepted because everything is politicised, but we have to be more efficient like other companies and things have to change, to be modernised or privatised (S68)

This woman is a tabulator in the commercial department and a part time student of industrial engineering. She is likely to share more values with professionals and managers than with workers because at the university she has been exposed

to their views of corporate culture, involving new ideas about work organisation and labour relations, where the union's function is marginalised. In this context "modernisation" and "privatisation" are identified with the new ways of doing things using a "rational method"; the old way of doing things is identified with a strong politicised union and the consequent opposition to new organisational methods.

Overall, then, this historical account of the processes of nationalisation, rationalisation and threatened privatisation has emphasised the following themes. Firstly I have documented the way in which the historical organisation of the sector, and its industrial relations, were part of the nationalist and corporatist development of Mexico. Secondly, I have explored the extent to which the SME was opposed to the subordinating features of corporatism, and sought to sustain a more militant and autonomous form of unionism, while using its leverage to bargain with the state. Thirdly, I have analysed the way in which restructuring and threatened privatisation has focused on the role of the union and its members as obstacles to market and management led reforms. Finally I have argued that nevertheless the union has retained significant leverage because of the strategic position of the company as a supplier, the largely unified and supportive orientation of its members and the persistent importance of active worker initiative in the context of limited capital investment.

## II. Second case study: “Teléfonos de México” TELMEX Company

The Mexican telecommunications industry started to gain importance after the Second World War, when public companies increased their presence in a wider range of economic activities. “Public enterprises played a crucial role in Mexico’s post war economic success, providing financing, infrastructure, and cheap inputs for the private sector, which prospered under state tutelage. Public firms have also had important social and political functions” (Teichman, 1995:46-47)

In the Telecommunication industry, the *TELMEX* Company (*Teléfonos de México*) has remained the largest and most wide-spread telecommunication company in Mexico until today. TELMEX was set up in 1947 as a private enterprise, involving two companies’ concessions: *Teléfonos Ericsson, S.A.* and *Compañía Telefonica y Telegrafica Mexicana, S.A.* (CTTM). Eventually, TELMEX became the most important telecomm enterprise in Mexico, controlling 95 percent of all line services. On August 1<sup>st</sup> 1950 the National Telecommunications Union of Ericsson and the National Union of Workers of the CTTM Company joined to found the STRM (Telephone Union of the Mexican Republic)<sup>31</sup>.

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<sup>31</sup> A previous historical background shows that “during the 1920s, the first telephone workers from the Ericsson Company joined the SME [Mexican Electricity Union (*Sindicato Mexicano de Electricistas*, SME)] for a short time” (S58). Later, in the 1950s the STRM and the SME signed an alliance of union solidarity and mutual help.

The State's participation in telecommunications started in 1963. Nine years later the state obtained 51 percent of the enterprise's social capital and 49% remained with private owners. Under new regulations the Mexican government gave the TELMEX Company the control of the telecom industry. "In 1976, the Ministry of Communications and Transport (*Secretaría de Comunicaciones y Transportes*, SCT) extended TELMEX's monopoly over basic telephone services for 30 years (until 1996), with the possibility of renewal for an additional 20 years. The SCT was responsible for regulating the telecommunication sector, while the Budget and Programming Ministry supervised TELMEX's annual budget. Rates for services were jointly decided by the Public Credit and Finance Ministry and the SCT in accordance with the Law on the General Channels of Communication of 1939" (Botelho, 1997:73).

Nevertheless, the coverage of the telecommunication industry in Mexico was not particularly developed by the early 1980s, as the Mexican Government moved towards liberalisation of the economy. On the one hand "the sector experienced a high average growth rate of 12 percent until the early 1980s. On the other hand, after the 1982 economic crisis, growth slowed to an average of 6 percent per annum until 1988. Only 16 percent of Mexican households had a telephone in 1984. By the end of the decade the telecommunications system was plagued by poor basic service, high long-distance rates, uneven quality, continued disruptions and rampant corruption" (Botelho, 1997:73).

In 1985, after the Mexico City earthquake had destroyed most of the capital's telecommunications infrastructure, the government initiated privatisation policies in relation to TELMEX. One switchboard worker recalled that

[The authorities] reduced investments, as today they are doing with the CFE and LyFC Company. [The administration also made] the argument that private initiative must be in charge of the telecommunications [industry] instead of the government (ST27)

Following this strategy, and in advance of any administration-union agreement to privatise TELMEX, the government promoted a campaign against the TELMEX Company, criticising it as an inefficient state-owned company linked to an unproductive union and unproductive telecommunications workers.

A former member of the union's national committee recognised that there were features of the union's activity that could readily be pictured in these terms,

The government initiated a public attack on the telecomm union as a corrupt and inefficient organisation. [In fact], the union central management repressed the dissidents but overlooked abuses and faults committed by many people [workers]. [As an example] if you as a leader protect the indefensible, such as the lazy, drunk, foolish, etc, as a leader you have a solid social base that is very supportive and loyal to you, because they are people that would lose a lot if their leader did not protect them because they are deficient workers (S27)

Here, as in the electricity industry, it is evident that inefficient behaviour has been seen in terms of corruption and this has been used as a label to disqualify the union from intervening in the public sphere. However, it is also evident that the government's use of this language against the unions and workers, intended to further the process of privatisation, also gained some resonance in the views of union officers and workers themselves, as they used a similar vocabulary to evaluate their own behaviour at work. This suggests that older union practices were vulnerable to attack in these terms, especially when they involved the clientalist defence of privileges to cultivate sectional support.

So the government developed its strategy of privatisation in a similar way to that of LyFC discussed earlier, using a campaign against the inefficiency of the state-owned company and demands for the union to bring about a more "efficient and competitive" company.

### **The privatisation of TELMEX**

President Salinas announced the privatisation of TELMEX in September 1989. At that time, TELMEX was the third largest company in México and the second largest telecommunications company in Latin America after one in Brazil (This was TELEBRAS, the largest provider in South America). The government offered incentives to the new owners, to allow them to recover investments in a short time period. Despite the critiques of the union and workforce, the involvement of the union at TELMEX was supported by the

government. They gave the union the opportunity to participate in the process of privatisation with consultation over the process of personnel relocation, the staff training programme and the evaluation of technological change. In 1989, the *Convenio de Concertación* (consultation agreement) was signed and this established the basis for industrial relations during and after privatisation, especially the pledge to keep avoiding all compulsory redundancy.

This pledge was an important reason for the high price paid for the company by the international consortium CARSO. The consortium –made up of CARSO Group, France Telecom and South Western Bell– paid US\$ 1.76 billion for 20.4 percent of TELMEX favoured stock. This transaction affected 65,000 employees across a range of occupations; it included the branches of several subsidiaries, and represented the most important privatisation of a service sector enterprise in Mexico. The different parts of the consortium played distinctive roles, so that “in the privatised TELMEX the Mexican CARSO group is responsible for human resources and labour relations. Its foreign partners in the consortium, South Western Bell and France Telecom/FCR, are responsible for commercial affairs, marketing, mobile phones, directories, and network modernisation, including long-distance and international circuits” (Botelho, 1997:80).

The Mexican government prepared TELMEX for privatisation while preserving regulatory scope to (i) promote technological research, modernisation and the extension of the system; (ii) improve customer services; (iii) assure majority

control by Mexican nationals; and (iv) guarantee labour rights and participation in the enterprise. At the same time it established and developed communication with the STRM union during the privatisation process. This contrasts with the more common pattern of authoritarian industrial relations in Mexico, where public sector workers and unions have experienced massive lay offs, a drastic reduction in real wages and a deterioration in their labour conditions. Thus the privatisation of the telecommunications sector has been unique and remarkable, specifically in terms of the relationship between the TELMEX administration and the telecomm union during the entire process. Labour issues have received some explicit attention from the government and this has preserved the union's and workers' rights to protect their employment and avoid buyers laying off workers.

A CARSO manager confirmed that the government involved the union in the privatisation process.

TELMEX was privatised following a previous agreement between the government and the [STRM] union. Before the private telecommunications companies participated [in the purchase], the government and the union had agreed to privatise TELMEX with some concessions. There were two very important concessions: the first was the participation of the union in the Mexican and International Stock Exchange. The second was a purchasing compromise in order to avoid

massively laying off workers. It was a request without precedent.

All the [other] telecommunications companies have made employees redundant before and after privatisation as a strategy to stabilise finances (T10)

At the same time management believed that privatisation opened up opportunities for change under the banner of 'modernisation' across the areas of technology, administration and employment relations. Thus the same executive highlighted,

The privatisation strategy had three main aspects: a) a technological modernisation scheme; b) administrative and financial modernisation and c) the less studied human modernisation. The question of obsolete technology is often heard of (in TELMEX), but this was no more serious than the human obsolescence (T10)

Thus human resources were an important issue during the privatisation and modernisation process, but the implications of human resources management have remained unsettled and subject to negotiation. On the one hand the agreement between the government and the union placed some constraints on the action of the management, especially in regard to job losses. On the other hand it provided the basis for management to seek reforms to work and employment relations, in part through involvement and negotiations with the unions.

One important component of the bargain between the government and the union was the financing of employee share ownership. In the privatisation package, the Mexican government offered stock options as part of a new incentive to increase productivity to shape a new company identity among workers. This arrangement has been summarised in the following terms:

The Government guaranteed a low-interest loan to the telephone worker's union to acquire 4.4 percent of TELMEX's public shares. [...] The union did not acquire a seat on the company board, but it was agreed that workers would be allowed to continue purchasing shares, and when they reached 10 percent of all shares they would be entitled to a seat. However, the union leadership's goal of participating on TELMEX's board seemed difficult to achieve. Control of 10 percent of the company has remained elusive, as many workers cash in their shares and others choose to exert direct control over their shares rather than hand them over to the union's share fund management (Hoeven, 1997:14-15).

As this suggests, workers were allowed to return shares, and just after privatisation was completed on 20<sup>th</sup> December 1990 many workers as individuals cashed in their TELMEX shares. One young worker and STRM representative in the customer service department, whose family had done this, avowed that for most workers financial participation in the company after privatisation was seen in terms of "...resources to be used for more urgent necessities rather than long term projects" (ST31).

During the economic restructuring, and against this background, the TELMEX union developed a strategy to negotiate the best position for the union in its partnership with managers, to introduce new technology and change the organisation of work and labour relations. One female worker who was a in the union during that process emphasized,

We participated together [in the union], we studied how the new technology has been introduced in other similar cases in Canada and Europe (ST30)

The union scheme adopted was the result of active leader participation with groups of union dissidents and workers to develop specific proposals for the process of modernisation. In this way the union was involved in the overall process of modernisation initiated by management, which, as other studies have documented, embraced the TELMEX total quality system, the training programme, new forms of work organisation, labour conditions, and the productivity programme as a whole (Dubb, 1996).

### **The Union project during privatisation**

In 1993, after the privatisation of TELMEX Company, Hernandez Juarez (the current leader of the telecomm union) said in his book that modernisation should be a continuous process, where privatisation orients modernisation to a long term social process where workers participate actively in company projects. Likewise, according to this view, the government has to oversee

everything that is happening in ex-public enterprises after privatisation. Based on the STRM experience, Hernandez Juarez gives the state an active function rather than merely one as a guarantor of laws and decrees during and after privatisation. This means that privatisation constitutes a part of the government restructuring process where the public role is conceptualised as a major interaction between government and society. Here the private is related more closely to the public sphere. Private enterprises acquire more social responsibilities and new forms of compromise. In this context, “the government, to achieve economic, political and social development, necessarily has to promote a new labour policy, new more productive models in a more democratic context” (Hernandez, 1994:99).

The STRM commitment to a strategy of modernisation was a direct consequence of labour representation with a productive focus in the telecommunication sector after 1976. From that time the participation of the STRM workers had become centred on an analysis and discussion of telecommunication technological innovation tendencies and labour relation models. Over time the union built up a strong position, throughout keeping the union and workers informed about company issues to protect their organisation and interests. Workers from all political positions in the union joined together to study different international experiences of the modernisation of telecommunications, looking at the cases of different companies such as France Telecom, British Telecom and Spanish Telecom (ST29). Actually, the union

had already started developing its own project from 1975, founded on its labour relations and democratic practices, so that this predated the official modernisation discourse of the Salinas regime (Hernandez, 1994).

Thus, the STRM had fought for the modernisation of TELMEX since the 1980s and from this vantage point, as a member of the STRM union staff argued, “the privatisation [of TELMEX] was not an objective in itself; it was the way to accomplish the modernisation of the company” (ST26). In the 1980s, this process was understood by the union as a technological change which included a productive transformation as well as labour and administrative reform. At that time, modernisation and restructuring was understood as a process with direct implications for the telecommunication service and its capacity to benefit society (ST28).

### **Collective Contracts**

On the basis of the strategy outlined above, the union and workers actively participated in internal debates and policy making during the modernisation of the company, particularly in the workplace. Before the Collective Contract negotiations of April 1989, in advance of the TELMEX privatisation, the STRM had won a specific place in the modernisation project. “The old clause 193 of the Collective Contract of the telecomm union was the most complete in Mexican unionism about modernisation and bilateralism”(Garza, 1990:126). However clause 193 was completely modified

in the April 1989 collective negotiations, changing the most important aspects outlined here

Against this background a former member of the Central Union Committee nevertheless stressed that,

The union project coincided with the enterprise's policies. This was the strongest union moment, because the union had a solid project, and the productivity programme was based on an interesting customer service proposal. We talked about productivity and quality of service in a series of exploratory texts to adapt this new programme to company requirements. Over this aspect, the union had a strong position in its collective negotiations [with the company] (ST30)

Union participation was very strong in 1990 during the organisation of the Commission on Quality and Productivity that was included in clause 194 of their Collective Labour Contract. This Commission set out the agreement that allows the union to participate in the training programmes, in the redefinition of indicators to measure productivity and bonuses to workers, and to create new work profiles. Analysis teams with mixed union and management representation were created to design projects to meet productive targets and evaluate and propose changes in the productivity plans (Garza,1998). The union also participated in National Commissions on new technology, training,

productivity, health and labour security, all related to the modernisation and productivity policies.

As suggested earlier, however, this participation was no longer underpinned by some of the guarantees embodied in earlier contracts. Thus one woman who participated in the Joint Commission on Technology during the company restructuring highlights that

[before] the company was sold, came the final negotiation [April 1989] with the administration and important clauses [in the collective contract] were eliminated, particularly the clause [193] related to training on technological changes, the union influence on decisions in the workplace, health and labour security and the new theories of risk at work (ST29)

Nevertheless some in the union placed a positive interpretation on these developments. Thus a member of the union staff wrote in a document:

It is evident that the union lost influence. However, since the flexible relations started, the union should have the opportunity to participate in all aspects of modernisation. [...] The important thing is not that the workers are just present in a company in the modernisation process, but the real aim is the participation of workers as they carry out this process (Lejarza, 1990:134)

After these Collective Contract modifications, the company decided on the new projects aimed at modernising the organisation and introducing new technology, but the union won the right to be informed about any changes.

Thus a crucial feature of the privatisation process for workers was that the TELMEX Collective Labour Contract was opened up to change. On the one hand this left a foundation for union and worker involvement in the workplace, but on the other hand this bilateral collaboration undermined workers' established collective rights. This was evident in one comment by a female worker who lived through this period in the company, as she stressed that

The privatisation started undermining the Collective Labour Contract in essential aspects such as [through the specification of] restrictions to bilateralism and union participation in future enterprise projects. In 1988 the union and the company created productivity clause number 193 in the Collective Labour Contract. This clause said that all enterprise projects have to be discussed with the union. [However] today, the key aspect which is poorly understood in the contract is the requirement that the company will inform the Commission of New Technology about aspects that will affect workers. If [the company policies] do not [appear to] affect workers, supposedly the administration does not have to inform them. But whether these [company policies]

affect us or not, the company always informs us later [rather than sooner] (ST27)

This statement is one indication of disagreements between the management and the union over the scope and limits of the role of the union and the workers in management's programme of productivity oriented modernisation, an issue that will be developed further in the next chapter on class and occupation.

### **Enterprise policies: *TELMEX* and its policies to modernise the company**

As we have seen, since 1990 the TELMEX Company has been controlled by the CARSO Group, with the participation of Carso Global Telecom, France Telecom and Southwestern Bell. This Group includes another twenty-one secondary companies. From 1996 TELMEX has opened up the local and long distance telecommunications service to international competition. Thus, after TELMEX was privatised in 1990, on January 1<sup>st</sup> 1997 Avantel (MCI), Iusacel, Mercatel, Alestra (AT&T), Miditel, Investcom, Bestel, Telnor and Telinor started competing with TELMEX for the long distance service. The competition started in Monterrey and Queretaro and spread slowly to the rest of the country.<sup>32</sup> According to the company's documents "TELMEX is now a world-class telecommunications company that provides total telecommunications solutions to its clients: local and long distance wire service,

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<sup>32</sup> TELMEX as the dominant operator created the *Centro único de operación* (CAO) and *el Centro de Atención de Operadores de Telecomunicaciones* (CAT) following the ordinance of *Comisión Federal de Telecomunicaciones* (COFETEL). These new centres created the new profile to serve customers, the speciality of "customer service" started on 20 March 1997. In STRM documents (1/08/2000).

wireless communications, multimedia network for video, audio and data, network engineering, digital wireless network access, and Internet” (T14). Thus TELMEX remains the most important telecommunications company in México. It covers 105 towns where 98.6 percent of the country’s inhabitants are located. Internationally, TELMEX is one of the twenty most important telecom companies (Kirkman, 2002).

To understand the modernisation of the TELMEX Company it is necessary to analyse the new management policies in the broad political context related to new enterprise policies after privatisation. The structural change in the management policies was centred on two main strategies – the improvement of services and the reorganisation and decentralisation of operations.

The first strategy involved a special programme for the improvement of services called PIMES (*Programa Inmediato de Mejoramiento del Servicio*). This was designed to increase the quality and responsiveness of the telephone service directly through developing the phone line network; through new financial company policies; and reforms in administrative plans and in the management of secondary companies. The key themes of this first strategy were financial and technological. The financial innovations included a new financing framework eliminating cross-subsidisation of services; the establishment of rules for state reinvestment; the rationalisation of services to the government; and changes in charges and tax structures. These features

coincided with a reorganisation of the regulatory framework, particularly in regard to the role of the State and the private sector, and represented significant efforts to bring the company into line with international enterprises.

The other key theme of this first strategy was the continuing digitalisation<sup>33</sup> of services, aimed to cover 80 percent of the local network and 100 percent of the long-distance network by the year 2000. This played an important role in the construction of a network creating new services as a source of future growth for the corporation. After the earthquake of 1985, the management had started to introduce modernisation through new technologies, especially the use of digital technology. In 1990 29 percent of the long distance network was digitalised; two years later this was up to 50 percent; and in 2000 TELMEX reached 100 percent of its company target. According to a document published by TELMEX, only after “digitalisation, was it possible to conceive of technological integration able to offer networks and global telecommunications services” (Careaga, 1994).

Finally, as part of this first strategy, the Company promoted the Joint Enterprise-Union Committees for Productivity and Modernisation to increase quality of services and productivity. This plan was directly related to a plan to change the labour culture and attitudes towards work. The company adopted the

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<sup>33</sup> Technologically, digitalisation is the change in equipment from electromechanical to computerised switching with the electro-mechanical system (Bolton and Chaykowski, 1990 in Dubb, 1996)

total quality model to transform labour relations and human resource management.

The second TELMEX strategy was the modernisation and reorganisation of the central administration system, and a related process of decentralisation. The structure was organised into three business directorates: 1) Planning and Corporate Development; 2) Human Resources and Labour Relations; 3) Administration and Finance, and there were also five autonomous centres: the north, metropolitan and south regional operation groups; telephone development; and the long distance system.

The new structure moved from a centralised organisation to a more decentralised and less hierarchical one. After privatisation, the diverse TELMEX zones started to compete among themselves. TELMEX has 21 subsidiaries structured in five different activities: marketing of telephone directories, mobile phones, engineering services, plant construction and production.

### **The consequences of the TELMEX change strategies**

The first consequence of these change strategies, directly connected to digitalisation, was a reorganisation and potential diminution of employment. The shift from analogue to digital equipment required fewer workers to service

the same number of lines. Nevertheless, “although this would appear to presage massive lay-offs, they have not occurred. In fact, the installation, expansion and debugging of lines has led to a slight increase in the number of workers” (Botelho, 1997:76). At the same time many workers were redeployed while recruitment of new workers was more or less frozen.

Thus the main effects of these strategies were more subtle. A former member of the union committee reflected on these policies and their implications in a particularly detailed way, so her assessment deserves reporting at some length. First she characterised these developments in the following terms:

The enterprise, since it was privatised, has changed its expansion policies and human resources administration every 3 or 4 years. During these periods, the company has redefined its geographic planning and regional projects. Also, the enterprise has assumed a model where the firm is divided into small units that compete among themselves; even so, these companies have the same boss and do the same work. The firm gives some guidelines to directorates in each geographic area to compete among themselves in the same general planning, the same mechanisms of control of the productive process and with the same target to reduce benefits. [In this model], the regional administration should apply some techniques to save [resources]. [...] The greatest merit of non- unionised personnel is that they try to show the company that they do not spend a lot of money. We are not talking about the non

unionised personnel making proposals to reorganise labour processes, or to improve the distribution of human resources or suggest different programmes based on new ideas. I mean, their work has been developed only in accordance with the current company productivity programmes but not so much in relation to service quality and innovation. In the same way that the union has stopped developing new projects, I think, middle managers in non unionised areas are in the same situation as the union, without many initiatives to build new proposals into the main company policies (ST30)

As these comments suggest, one consequence of the new company policies was that the patterns of worker and employee participation at work changed. Even though the company has reorganised into small units to be more efficient, efficiency has often been understood by managers primarily in terms of saving more money and spending less.

Another worker we quoted earlier perceived a lack of suggestions to improve productivity programmes in recent years, especially among non unionised workers. She drew out some important implications of this for the trade union:

I think while the company was consolidating the technological changes, administrative structure and its policy to expand the business, the union was falling behind in its proposals. The union programme was originally very advanced; it addressed its goals at the same time as the enterprise consolidated the

competition among the regions, the south, the west.... There is a competition among those regions to know which [ones] save more money, get more productivity, labour policy, recovering clients, etc. As the company consolidates all of these targets, the union also seeks to pursue its aims. [However], the union started to fall behind in its response to the current changes, so that the union proposals started to be less solid in relation to labour processes or technical foundations (ST29)

Finally the woman who had noted the tendency for lower management to prioritise cost saving affirmed that, from her experience, regionalisation has caused a disconnection between different parts of the productive process within the company. In particular

the company has implemented severe administrative policies to control economic incentives. This has meant that its personnel have become isolated within their own labour process. Before, a manager was an engineer with an integral vision of TELMEX activities. Today, a manager has a more isolated vision, sometimes more similar to that of the unionised worker. The reason is that, when new technologies are introduced, non-unionised workers are relocated in the light of the company policy against lay offs [One of the first TELMEX policies were against laying off employees and workers]. The consequence of this company policy is that when a non-unionised worker is

moved to another area, the company looks to relocate this employee in a less important occupation. Thus the non unionised workers stay in the company in relegated situations. Sometimes I think that the unionised personnel have a more integral vision than many of non unionised workers because their work is more administrative than technical (ST30)

This informant identified an important paradox in this form of modernisation. Even though the company's structure moved towards a less hierarchical organisation, one important implication of this decentralisation policy both for unionised workers and, especially, employees (non-unionised) is less information and intercommunication between general and local processes. As a result the participation of employees in improving productivity decreased. In part this was a consequence of a narrowing of perspective combined with fragmentation and in part it was a response to managers' emphasis on cost savings. This informant also suggested that this had disabling implication for union strategies.

### **The Internationalisation of the TELMEX Company**

The TELMEX Company has developed an international strategy of development based in Mexico City. "TELMEX is currently positioned as the regional market leader in Telecommunications, with a presence in Mexico, the United States, Puerto Rico, and Brazil" (TELMEX, 17/04/03). Also, this

company is the leader of telecommunications in Latin America. TELMEX has not developed similar labour policies in its subsidiary companies to those in the core TELMEX operations; however the administration keeps this collective agreement with the STRM as a symbol of a successful model of labour relations, as one female worker underlined,

The TELMEX company strategy is still fundamental as a model to design the TELMEX transnational project, but, at the same time [anything distinctive] in TELMEX's labour policy it is less and less important. Then, [TELMEX] is building an organisation similar to Tecmarketing to give fewer benefits and pay lower salaries. [...] So managers are keeping the TELMEX Collective Labour Contract that benefits TELMEX workers, just as a symbol [propaganda] of advantages for workers. The TELMEX Collective Labour Contract is a tradition; it is an emblem for the CARSO group. However, over the years these advantages are reducing little by little, because there are always legal mechanisms that give the enterprise the right to reduce compensation for workers (ST29)

During this decade, Carso Co. through its two call centres, one of which is the Tecmarketing Company, has undertaken its international telecomm project to access the Latin American Spanish speakers' market in the USA. New workers have been affiliated to a different Collective Labour Contract to that of

TELMEX workers, with fewer benefits and advantages in their labour conditions – a feature that I will analyse later on in chapter five.

Thus, after privatisation, TELMEX management policies have continued to change, with new initiatives usually every four years. However, after the new strategies began to be implemented the company experienced new austerity policies that have led to a direct offensive on workers' benefits. A high-level ex-member of the dissident union faction suggested that the union has no alternative proposal to stop this aggressive company policy which is eroding those workers' benefits that have already been gained. As we have seen, the administration maintains the collective labour contract as an isolated agreement between managers and the union but this agreement is not mirrored among the new companies that have been incorporated into the CARSO Corporation, and the STRM has done nothing to stop this tendency. My informant emphasizes,

The TELMEX company experience has been the model to design new projects but has minimised the importance of labour arrangements. The administration started to build projects such as Tecmarketing company to save in financial allowances and wages (ST29)

The Tecmarketing Company is an important example of the new Company policies applied to the recently created telecommunications subsidiaries (call centres) that will be analysed further in chapter five.

In sum, TELMEX is the largest telecommunications company in Mexico and it was privatised in 1990. The Mexican government began its policy of privatisation after 1985. The government developed a public campaign against TELMEX targeting it as an unproductive state-owned company, in which “inefficient” workers and their union were portrayed as the main obstacles to creating a competitive company. However, after some opposition, workers occupying diverse political positions in the STRM union joined together to develop a strategy to negotiate the best union position in a partnership association with managers.

The government played an active and crucial role in this process. On the one hand, the government gave many concessions to the new owners to allow them to recoup their investments quickly and delay competition until 1997. TELMEX only started competing against international companies after its management had restructured the entire company. On the other hand, the workers and collective organisations were supported by the government. Through this government policy, the STRM union had the opportunity to collaborate actively in the process of privatisation. It was involved in training programmes, evaluation of technological innovation and processes of personnel relocation. The government agreed a compromise with the union to avoid new owners laying off workers, by giving special attention to protecting their labour rights. However, although workers participated actively in the process of privatisation, modernisation and personnel relocation, during the following

fifteen years of participation and labour contract negotiations, the union's presence was eroded and this weakened its ability to negotiate new projects to modernise the organisation and new technology. Instead it just kept its right to be informed of these issues. Meanwhile conditions for workers and employees in subsidiaries were inferior to those in the established plants.

### **Overview of case-studies**

Privatisation has taken a variety of forms and has been implemented in a broad range of different national circumstances, institutions and industrial relations, so the implications of privatisation for workers and unions have to be considered in these diverse contexts.

We have seen that a corporatist system characterised the Mexican political system for most of the twentieth century, in which the national government received political support from the official labour confederations while the official unions gained some role and influence in state policies. During the last two decades, especially during the Salinas presidential period (1988-1994) the Mexican government reduced its public spending, and the opportunities for labour unions to influence the economy and social policy through interaction with the national government decreased.

The economic crisis during the 1980s motivated the Mexican government to eliminate what were seen as structural impediments to efficiency in the state

sector. The state based its policies of privatisation on the model of private ownership, which followed market logic in order to produce more “efficient and competitive” companies. International Agencies such as the World Bank, OCDE and FMI among others, helped Mexico to apply deflationary policies and gave financial loans in the expectation of deregulation and privatisation. Against this background the largest and the most important state companies were privatised during the Salinas presidency from 1989 onwards.

In this chapter I have outlined and analysed two key examples of this privatisation phenomenon. First it was necessary to consider the specific roles of the state-owned enterprises and the government in each sector during the phases of nationalisation, modernisation and restructuring that predated privatisation. This analysis was important to highlight the foundations of the roles of the government, private sector and unions in the companies at different historical moments.

I then analysed the different mechanisms and strategies of privatisation utilised by the Mexican government and company management in the TELMEX and LyFC companies. I also examined the similarities and differences between the companies and the different union responses, comparing the SME (as a more militant union) and the STRM (as a more collaborative union). The logics of these privatisations were more political than economic, distinguishing between strategic (energy industries) and non-strategic sectors during this period. These

state policies against continued national ownership of state companies sought to undermine militant public sector unionism, but this has been a part of a broad international tendency challenging such union organisations. In this sense, the privatisation policies in the electricity and telecommunications industries are not isolated government policies. However there were specific political arguments against privatisation of these companies that respond to nationalist arguments against policies of privatisation based on the Mexican National Constitution.

## *Chapter 3*

### **Class: employment relations and occupational order**

#### **Introduction**

This chapter develops a more detailed comparative analysis of how groups of workers in two different companies, TELMEX and the *Luz y Fuerza del Centro* (LyFC), and their associated unions, the STRM and the SME, have been organised in different ways to respond to management initiatives and pursue collective objectives in the company and the union. The focus here is on how workers from these companies, each with distinctive labour relations traditions and structures, have participated in the workplace and in their union organisations.

Firstly, to understand the differences between the two cases, it is necessary to explore the broad context of competing industrial relations models that might inform responses to globalisation in Mexico, and their implications for the organisation of tasks in the division of labour and the occupational structure in each company. This allows us to locate each case in the Mexican context and to understand the specific implications of the forms of involvement of workers at work in these parallel but contrasting companies.

Secondly, this chapter will analyse the relevance of changes and continuities in employment relations and the occupational order in both companies, before and after economic restructuring. It will do this primarily by drawing upon in depth interviews about the participation of workers in technological change, training systems, and labour conditions. It will also consider the relationship between social class, age and gender differentiation in a preliminary way to set up the discussion in the following chapters, where the roles of gender and age are considered more fully.

### **The concept of social class**

It is widely recognised that the concept of social class is central to sociological research on work and employment relations, but it is also evident that the notion of class is highly contested. It is therefore necessary to comment briefly on the terms of this debate so that I can locate my discussion in relation to some of the different positions. Much of the debate has been conducted between rival Marxian and Weberian traditions of class analysis (Crompton 1993), but there have also been a variety of different ways in which these two traditions have been developed. In addition it is possible to identify an 'industrial relations' tradition that focuses on the employment relationship in a way which has been influenced by Marxism but has often been developed in a non-Marxist social democratic direction.

In mapping these different approaches an obvious place to start is structuralist interpretations of Marxism that focus on the distinctive capitalist and proletarian class locations that are seen as generated by the capitalist social relations of production. These locations are classically seen to generate an increasingly polarised class struggle, involving class mobilisation and class consciousness. However, another strand of Marxism, represented by Edward Thompson (1968) and others emphasises that classes are effectively constituted through social and cultural processes of contention and struggle, that 'the working class is present at its own making' (Thompson 1968: 8). Such accounts move away from economic determinism to stress that class relations are simultaneously economic, political and cultural, but in so doing sharply qualify the predictive claims of classical 'Manifesto' Marxism.

One strand of Weberian sociology also sees class as economically determined, but this time in the sense that a wide range of class situations are generated by a variety of intersecting market situations, including both varied labour market situations and varied property market situations. Marxian commentators criticise this Weberian starting point for focusing on a rather descriptive view of multiple market situations, rather than on underlying class relations and processes. Weberian commentators, on the other hand, contrast the Marxian emphasis on the simplification and polarisation of class structures with a Weberian emphasis on a whole multiplicity of class situations. This sets the scene for a wide range of debates about the relationship between underlying

social relations and specific configurations of class positions, especially in addressing the positions of white-collar, professional and managerial employees. Marxists tend to see these groupings as beset by tensions and cross-pressures that emanate from a more basic conflict between capital and labour, as in Eric Olin Wright's (1985) notion of 'contradictory class locations'. Weberians, on the other hand, are much more agnostic about any underlying processes and tendencies, and tend to highlight the persistent complexity of class structures.

In this context Weber's conception of multiple market situations appear to provide an attractive vocabulary for conceptualising varied class locations, and especially the intermediate or middle class groups that often present difficulties for Marxism. At the same time, however, it is often unclear how this Weberian starting point can be translated into an understanding of major class groupings. This is where Weber's discussion of status enters the picture, but with consequences that are contentious (see Crompton 1993, chapter 5; Wright 2002). In terms of his formal analysis Weber clearly contrasts status groups, which are seen as real social groupings that are by definition marked by distinctive forms of consciousness and organisation, with class situations, that often remain mere patterns of market inequality without becoming the basis of collective organisation or consciousness. Thus market situations, unlike status groupings, are only contingently translated into collectivities. On one interpretation such groupings, by definition, then become status groups rather

than classes, confining class situations to a fairly marginal role in Weberian analysis. Instead, the roles of professional and managerial groupings (such as professional associations), but also the roles of organisations of manual workers (such as trade unions) are primarily analysed in terms of the inclusionary and (more importantly) the exclusionary practices of such status groupings.

There is, though, an alternative reading of Weber, which offers a cyclical account of the relationships between class and status formations in capitalist market societies. In this view status formations can develop an increasingly distinctive and independent role in phases of social and economic stability, when different life-styles and consumption patterns can proliferate on a broadly shared socio-economic terrain. However, in phases of change and crisis market locations and market processes reassert themselves as more direct determinants of shared interests and forms of mobilisation. This, then, leaves an ambiguous legacy for Weberian analyses, as there is scope to trace the social and cultural processes of class as well as status formation, and relationship between these processes remains rather indeterminate. Against this background, one interesting feature of some recent interpretations of class formation, especially that of Pierre Bourdieu (1986; see also Crompton 1993, chapter 7), is the use of neo-Weberian insights about processes of status group formation to complete a project of class analysis rather than to counterpose an analysis of status distinctions. In particular Bourdieu attends to distinctive life-styles and forms of social closure as ways of understanding the social and cultural formation of

classes. In some ways this converges with the project of such neo-Marxists as E.P. Thompson, though Bourdieu is much more attuned to the unselfconscious dynamics of habitus and less concerned with the conscious processes of class mobilisation celebrated by Thompson.

Finally it should also be noted that students of industrial relations often take 'the employment relationship' as their starting point (Edwards 2003), and by emphasising the consequences of the open-ended and conflictual nature of the employment contract their approach converges more with the Marxian focus on capitalist employment relations than the Weberian focus on market situations. However, they are usually more tentative about the extent to which, and the ways in which, the latent conflicts or 'structural antagonisms' implicit in all employment relations are translated into specific forms of mobilisation and class consciousness (Edwards 2000), and in this regard they are closer to Weberian arguments. One implication of this is that industrial relations commentators can address the ways in which varied forms of trade unionism may arise out of the class relations of a capitalist society, and can assess the strengths and weaknesses of different forms of union organisation, activity and politics, without making strong assumptions about the inevitability of specific trajectories of class mobilisation and consciousness.

Against this background my analysis of class relations in my two case studies combines three features in conceptualising social class. The **first** draws

primarily on the Marxist and industrial relations emphases on the antagonistic structuring of employment relations within organisations, as these are linked to the control of production processes, organisational hierarchies and material inequalities. **Secondly**, however, as my reference to organisational hierarchies indicates, I also wish to take note of the more fine-grained differences in employment and work experience that are linked to specific positions in organisational hierarchies and different occupations. These features, the division between management and workers but also the hierarchical location of different occupational categories, constitute key points of reference for understanding the distinctive patterns of class interests and power resources in play within my case-study organisations.

**Thirdly**, however, the salience of these employment relations and occupational categories has to be analysed in terms of specific historical processes of class formation, which can operate both through the active organisation and mobilisation of class groupings in the way highlighted by such neo-Marxists as Thompson and through the processes of shared habitus and inclusion and exclusion emphasised by Bourdieu. Thus it is essential to provide an analysis of the development of specific ways of experiencing and organising around employment relations over time to understand the ways in which class relations become salient and are understood in the case-study companies. Furthermore, community and family relations also play a significant part in both reproducing and transforming these class relations.

In some respects the two case studies are characterised by different workplace, community and union traditions, associated with different models of labour relations, different forms of conflict and accommodation and different patterns of work organisation. These features give a specificity to class relations in the two cases. At the same time, however, there are important similarities across the cases, in that they share common reference points in the emergence of Mexican nationalism and the development of corporatist relations between unions, corporations and the state. In this sense these workers share a common pattern of class organisation and consciousness despite the differences between them. Furthermore, this historical trajectory of class formation involved a distinctive fusion of nationalism, race-ethnicity, generation and gender, especially through the historical formation of *mestizo* nation and the participation of organised workers in the construction of revolutionary ideology that support the emergence of the corporatist system. As I argue in the final chapter, in Mexico the construction of *mestizo* as the core feature of a unified national identity and the salience of the organised working class as a key component of the corporatist system are twin and mutually dependent features.

This recognition of the distinctive social formation of class organisations and identities suggests that the analysis of class relations and occupational groupings can never be completely dissociated from gender and age relations. Indeed, in both cases, intergenerational and blood relations play a role in the

construction of class identities and interests. On the one hand unity and loyalty based on kinship helps to consolidate working class and union identities among workers, because the reproduction of social class is mediated through generation and blood relations. On the other hand, this relation also involves hierarchy and patriarchal relations inside gender and age relationships that sometimes involve processes of exclusion and subordination that generate specific forms of shared social disadvantages and marginalisation. Thus my analysis in this chapter will address the ways in which aged and gendered family relations are implicated in processes of class formation, but as the thesis develops I will also deploy the concept of intersectionality to seek to understand the interplay between gender, age, ethnicity and class in a way which does simply assimilate these features to class analysis.

## **I. Recent changes in labour relations in Mexico**

In Mexico since the 1980s, the phenomenon of internationalisation or “economic globalisation” has brought to the fore a national and international competitive logic based on free market productivity, technological innovation and the reshaping of management’s role through new forms of organisation. This stage has been known as ‘productive restructuring’ and ‘economic modernisation’. This new development increased the economic instability that presses companies to find innovative ways to confront and adapt to new circumstances. Coriat (1992) suggests two major influences on the evolution of the management strategies that are involved in this restructuring: firstly the weakening, since the 1960s, of older models of work organisation and productivity based on Taylorism and Fordism; and secondly growing market differentiation and uncertainty. These conditions encouraged a differentiated change in manufacturing and management strategies, especially in the principles of human resources administration and supervision styles, marked by such terms as Human Resource Management (HRM), Just in Time, (JT), and Total Quality Management (TQM).

These new management policies claimed to promote a different labour culture that privileged quality, service and excellence. These procedures were understood in the companies under examination in terms of the restructuring of products and processes, new market strategies, the introduction of new production technologies, and changes in forms of organisation and labour

policies. These managerial strategies have the tendency to modify those features of the industrial relations of enterprises that were not determined by national state regulations.

In this context Pries (1995) deployed the analytical framework outlined earlier to analyse the participation of workers in Mexico, and propose a hypothesis that structures my general discussion about the implications of the process of privatisation for industrial relations and different forms of union and company interaction in privatised and the state-owner enterprises. Pries suggested that there have been three tendencies in labour relations as responses to globalisation processes, which involved three distinctive potential routes of development in capital-labour relations in Mexico. The following table (3.1) shows that the first tendency is the Corporatist Agreement on Modernisation which characterises the traditional Mexican model; the second is the Reorganisation of Industrial Relation System in a Collective Direction (which may be identified as the European route), and the third is the Indirect Exclusion and Diminution of Workers' Organisational Functions, which may be thought of as a Japanese tendency. This typology will help me to analyse developments in each of my case-studies, not so much by identifying these enterprises with one or another particular tendency but rather by assessing competing elements in each case.

Table 3.1

**Labour Relations in Mexico**

<b>State-led Corporatist Agreement on Modernisation</b> (Mexican Model)	<b>Reorganisation of Industrial Relation System in the Direction of Collective Representation and Bargaining</b> (European Route)	<b>Indirect Exclusion and Diminution of Workers' Organisational Functions.</b> (Japanese Route)
<p>This model is characterised by the strong relationships among State, Union and Enterprise. Its characteristics are as follows: The state intervenes directly in work and employment relations. The Unions' influence depends on their capability to integrate their members in the state's model of development. The Enterprise distrusts the State's populist policies, but nevertheless participates.</p>	<p>In this tendency the Unions are present in the process of economic and industrial transformation as an independent force. The Unions are more consolidated in a relatively strong negotiation position, (sometimes termed 'bargained corporatism') rather than a close state-led corporatist relationship. The State continues as a centralising agent that intervenes directly in labour policies. However, the Unions have gradually been reducing any dependency relationship.</p>	<p>This model of participation (transformation of labour relations) has relevance in the "model" enterprises, regions or branches where new forms of social relations exist that are not mediated by formal representation of interests in the enterprise, and workers' obligations and rights are redefined (Pries, 1995). In this tendency, the unions do not have a strong organisation and/or regulatory role. In labour relations they are limited just to negotiate economic aspects. These unions do not have support or active participation in the political system.</p>

Among those tendencies described above, the first model that emphasises the State-Union-Enterprise relationship has the clearest historical relevance. Thus it has been the standpoint with most prominence in industrial relations in Mexico and in Mexican academic analyses. This point of view takes the idea that the

state is the predominant actor over the society, social organisations and the political system. In this context union organisations have a privileged but subordinated position, as the state incorporates such social organisations in a very close political structure. In this model there are two academic perspectives that study the State-Union-Enterprise relationship as a form of corporatism. Firstly, the *historical perspective*, emphasizes that employers' organisations<sup>34</sup> were integrated into the State corporatist system to be consulted by the government, and highlights how the genesis of unionism was supported by the State in a symbiotic corporative inter-relationship. This viewpoint emphasises the magnificent moments in labour action and the resulting patterns of mutual dependency. From this outlook, the participation of workers has been studied in terms of a subordinated power relation with the state, where the former official party (PRI), through the ideology of nationalism and celebration of the Mexican Revolution, had the support of union organisations<sup>35</sup> to develop and consolidate

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<sup>34</sup> The Mexican Constitution (art. 123) recognises the right of workers and employers to protect their own interests. This regulation made mandatory the association of workers and employers in confederations.

<sup>35</sup> Actually, a project of revolutionary transformation existed among workers before the Mexican Revolution. Organised workers collaborated in the revolutionary movement through the *Casa del Obrero Mundial* COM (House of the Workers of the World), an anarcho-syndicalist labour union founded in 1912 in Mexico City. It supported Carranza and the *constitutionalists* against Huerta in 1914, and Villa and Zapata in 1914-1915. The COM's decision to support the *constitutionalists* through the "*Batallones rojos*" (Red Battalions) was the key moment in the Mexican Revolution (1910-1920). After the *constitutionalists* won the Constitution was approved (1917) with articles such as 123 that guaranteed workers' social rights such as organise and associate in trade unions and tripartite conciliation in special courts with the representation of the private sector, government and unions to mediate worker-employer disputes. While even powerful groups of workers failed to achieve most of their demands, they became closely linked to the State, and the ideology based on their revolutionary ideals played a key role in legitimising the hegemonic post revolutionary governments. Unions transformed their strategies during the construction of the corporatist system and later on in recent times. This system operated through a clientelist relationship in which votes and other forms of support were mobilised in exchange for selected benefits, and this facilitated the subordination and control of labour to ensure political stability. In this context unions changed

the Mexican state during the 20th century (Clark, 1981). In this perspective, Marxist conceptions of class mobilisation and the party-state deeply influenced political practices and union analyses in Latin America. In Mexico this perspective is clear in the labour analyses identified with the left political position, as well as some official union versions (CTM, 1960; Castoriadis, 1967), as there is a possibility of the renewal of a radical union-party-state nexus from below. Secondly, the *political perspective* on corporatism is more pessimistic. It analyses the “function of unionism in the institutional system”, principally involving “State mechanisms to control union organisation”. From this perspective the institutional corporatist mechanisms are analysed as instruments of control and domination against the workers and unions that they want permanently to subordinate. This position “...does not give to labour action any capability to object and it conceives unions as a pressure group that intent to extend their influence in the economic and political fields” (Bisberg, 1990:203) only through strategies of resistance. These two different interpretations highlight the potential tensions in the corporatist union-party-state nexus, and in particular the tensions that beset trade unions when they confront the attractions and limitations of political and bureaucratic compliance on the one hand or efforts at independent mobilisation on the other.

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and adapted in different ways, some more subordinate and others relatively independent, in defending their social rights and pursuing the solution of their demands during the post revolutionary governments.

In my research, I have found some similarities with the “corporatist agreement on modernisation model” in both of my case-study companies, though during different historical moments before and after the privatisation processes. For example, in the TELMEX Company the government mediated between the new owners and the union during the whole process of privatisation, as was explained in the previous chapter, while the STRM union had a strong negotiation position during the privatisation process. Meanwhile, the LyFC Company is still a state-owned company where the state intervenes directly in employment relations. Here too, the SME also had a strong union position during negotiations and claimed to influence the company’s policies through pressure and resistance actions. However, the trajectories of the cases studied in this research are not adequately represented in just this one model. They have some features that correspond to each of the three models described in the Pries typology. Certainly the state in both cases still plays a central role, developed as a result of the historical process of nationalisation of both the electrical industry and telecommunication sector, especially through the corporative relationships between the state and the unions. Furthermore, this has remained the case during the privatisation of the latter; at least until the STRM union consolidated a more independent political position characteristic of the second model summarised above. In the LyFC Company, the union has become stronger, but the state continues to intervene directly to determine labour policies.

The Japanese experience and model of work organisation and labour relations became increasingly influential in Mexico during the 1980s. During that decade, Mexican companies such as TELMEX started to introduce extensive organisational and cultural change. In Mexico there were important initiatives in the private sector where most of the unions do not have a strong organisation and their labour relations are limited just to negotiating economic aspects. The Japanese experience was applied and developed during the shift in state economic policies intended to reduce state protectionism and liberalise the economy. In particular the TQM approach appeared, among others forms of organisational innovation, as the solution to meet production goals and confront the international competition. In TELMEX following job relocation and as a result of the implications of TQM, the union representation was weakened in the workplace while centralising its control in the central committee, and this opened the way to managers to promote individualisation in work and employment relations.

In the rest of this chapter I will consider in more detail union and worker responses to management restructuring strategies in each of my case-study companies, giving particular attention to the evolution of union policies and the dilemmas faced by union officials, activists and members at each firm. The discussion of TELMEX and the STRM is more detailed and extensive because TELMEX management pursued a more radical set of transformative policies while the STRM pursued a distinctively pro-active union response. In this

context the LyFC and the SME case can be presented more briefly as a contrasting case of more traditional management and union policies.

## **II. Progressive management restructuring at TELMEX, proactive unionism and its dilemmas**

After restructuring and job relocation at TELMEX, male and female workers experienced dramatic changes in terms of technology innovation, new job profiles and training. Nevertheless, women experienced more remarkable changes in the organisation, because the digitalisation primarily affected the operator department, which was essentially a female occupation as is analysed in ch.4. Meanwhile men's departments experienced different sort of transformations, as their traditional areas of work received female workers and in consequence this changed the gender composition in the organisation. Male workers did not move from traditional masculine to female jobs; they stayed in the same conventional male occupation.

Male manual workers did not feminise to adapt as women masculinised in the traditional male jobs to acclimatise themselves, mainly, to a masculine environment, space and time. Men did adapt to a mixed gender workforce but in a different way than women. Men initially were defensive to keep their masculine territory and established position at work. However, they had to change their traditional male behaviour to interact with women at work. Nevertheless, in this study I focus on female groups to exemplify the most

dramatic changes because they show the organisational transformation in all their complexity.

***(a) TQM as a focus of union participation in company modernisation***

As we noted above, the progressive TQM model of employee involvement was adopted and adapted in some privatised companies in Mexico, and this included TELMEX Co. Managers and administrators in such firms valued the new forms of work organisation and administration associated with the Japanese system because they supported developments in technical and material capacities. Indeed, in some cases, managers and also unions idealised the qualities of the TQM model. This was the case in the STRM union when, just before privatisation, workers proposed to TELMEX Company that they should adopt the TQM model in their work organisation (ST29). One of the most important characteristics of this model was the emphasis on improvement systems based on human resources to make certain of quality. The concepts of 'total quality' and improvement of quality were understood by managers as systems based in the active participation of workers in production (T11). The most important change that this model offered was the conception of personnel as 'flexible workers' which meant that the company had to enrol qualified personnel capable of adapting to new tasks and responsibilities to confront competition (T10). In this context, commitment to the idea of quality involved a vision of new schemes of organisation, and encouraged changes in production concepts, mentalities, values and perceptions of work.

According to the managerial perception, this new approach attempted to establish a closer relationship between the dynamics of market demand and production, especially by paying attention to different customer preferences (ST17). In this organisational tendency in Mexico, flexible production was promoted (to the client's liking, just in time, and enhancing the quality of the product). Thus, the flexibilisation of work, or the capacity to produce diverse products with the same basic organisation and reduced delay of adjustments, was the solution for enterprise survival. The international debate about flexibilisation shows that this new language of productivity and quality posits political and cultural changes in work organisation and employment relations, though the nature and extent of these changes remains controversial (Garza,1993). On this basis flexibilisation was construed as the most innovative and distinctive operational feature of the electronic era, though critics argued that flexibility also involved costs that fell particularly upon workers.

Thus the Japanese model influenced work organisation, systems of training and retraining, and the rotation of personnel in different parts of the productive process at TELMEX, and thus flexibility and involvement came to be valued more than the development of specialisation of workers. In this approach the company encourages the formation of multifunctional managers who know all parts of productive process. As one of the founders of the TELMEX training system said, quality and innovation have been important elements in the KAIZEN system, where education in quality plays a central part (Elguea,

1994). These systems demand the participation of all company members to make proposals and take initiatives to contribute to the company goals and especially to the solution of production problems. New organisational approaches which were examples of this tendency included polyvalence linked with the extension of functions for each category of employees; just in time production; teamwork; preventative maintenance and total quality control.

However, in Mexico as elsewhere, these organisational innovations were rarely combined together, because the application of the quality model in Mexico did not involve a static configuration that passed to the Mexican context without changes (Humphrey, 1995). To adapt this model to particular realities depended on the combination of various factors: firstly, the national context of labour relations; secondly, the types of enterprises structures, and finally the specific industrial policies. These particular circumstances have determined the effects of the adaptation of the quality model in each case.

In 1987, just three years before the privatisation of the TELMEX Company, the management and the union created the first 'Joint Commission' on productivity to work in three key areas: technological innovation, training systems and, later, administrative plans embodied in the Services Programme (PIMES). In this Commission, productivity was defined as "the growth of quantitative and qualitative production, quality improvement, labour and life conditions and productive training of workers" (Garza, 2001:87). Workers were motivated to participate in the training system through new organisational forms of

collaboration at work promoted by TQM. Furthermore, the STRM union adopted the modernisation project promoted by the Commission on modernisation as a part of its official union strategy. Thus, for the first time, this Commission contributed to change the STRM perspective on labour action and workers made a great effort to build a new union doctrine to improve the union position in these bilateral relations. However, according to one influential analyst, the participation of the union was improved only in some areas, and in particular he argued that “the union effort succeeded only within the Joint Commissions" (Garza, 2001:88).

It is true that the union primarily participated in the TELMEX total quality model through the Joint Commissions on modernisation, new technology, productivity, training, culture, and health and safety. In this way the senior management of TELMEX Company and the STRM union created the scenario to work together through these Joint Commissions and used the TQM model at work to carry out the modernisation project through a reorganisation based on a ‘new labour culture’ that is analysed in more detail in chapter six. Some of the practical consequences of this TQM model were perceived in the following terms by a female phone worker who had lived through the economic restructuring:

The Total Quality Model sought to change labour culture directly through a new idea of quality and productivity and flexibility during the work process. We changed when we had to work with men in the same

job positions [such as] in outside plant [after the relocation of switchboard workers], or when we had to liaise with different people in the customer service (ST17)

These comments suggest that she recognised that the model contributed to transform some practices in the workplace, not only through new forms of communication with customers, but also through changes in the gender composition of some occupational groups.

During the processes of privatisation and relocation the union and managers shared similar perceptions about TQM as a form of work organisation and a basis for new values at work. In this way, from the shared perspective confirmed in most interviews with managers and workers, the participation of workers in the work process at TELMEX was developed as a productive activity, and this found a broad acceptance among workers. An explanation of the workers' cooperation in these TELMEX projects could find its origins in two historical moments where workers had already developed an active involvement in the reorganisation of work tasks as part of union activity. Firstly, the dynamic participation of workers and the union in company agendas probably found its base in an earlier period somewhat removed from recent TQM initiatives, namely in their enthusiastic movement as a militant union during the switchboard strike in 1976, when unionists, especially workers of the central department and women of the switchboard section, looked to improve their labour conditions at work by participating with the union in developing

suggestions to be taken into account during bilateral negotiations. Secondly, the STRM then participated actively with managers before privatisation, and through the modernisation projects established horizontal intercommunications between members, officials and managers (ST23). In this respect the STRM experience during the process of privatisation contrasts with a common tendency among unions that are usually inclined to resist changes associated with company reorganisation (Procter, 2000). Instead this background led the STRM union to propose to the company the advantages of designing a TELMEX total quality model (ST30), as both workers and the union were aware of their labour conditions and wanted to improve them.

Nevertheless, this union's willingness to be involved in task reorganisation and quality initiatives nevertheless also involved difficulties for the union and the workforce. In particular they experienced a movement from collective, union-mediated, involvement to individual worker involvement. Thus a female worker of TELMEX illustrated how the TQM model tended to individualise workers participation when she remarked that "after privatisation, workers started to experience more individualisation provoked by the TQM approach, especially in terms of individual financial incentives [productivity bonus] (ST30). Actually, these latter developments in TEMEX, involving individual financial incentives and individualisation, helped to change the attitudes of workers at work in further ways and thus to construct a different labour culture, where the total quality model promoted individual as well as collective participation in the work teams to reach the productivity goals.

Such individualised treatment could, however, be experienced as a positive feature if it took the form of new opportunities. Thus a female representative in the union general committee, who experienced the company restructuring as an operator and was relocated to a customer service department after privatisation, drew out further aspects of this change, when she argued that

[This model] includes all workers without gender differentiation, and this model helped to develop individuals in the team work, as well as promote training through a new labour culture (ST17)

In this sense, on the one hand TQM organisation promoted new forms of quite individualised involvement in teamworking collaboration in the company. However, on the other hand, this model also gave more significance to the managers' role to organise or supervise the relationship with workers simply as individuals, leaving aside age and gender differentiation.

This section has mapped out the distinctive features of management-union interaction around the TQM initiatives at TELMEX and has raised the question of the direction in which this was likely to evolve. The following sections pursue this issue by focusing in more detail on the role of the union and the participation of workers in technological innovation, labour conditions, payment and training systems at the company during the process of privatisation and beyond. While each is discussed separately it should be remembered that for management they are all elements of an overall TQM model that emphasises the participation of workers in continuous improvement

as a human resource strategy to increase productivity. As Mertens (1995) points out, such a TQM/HRM strategy involves the integration of production organisation, technological change, payment and training systems. Thus, the following sections are organised in terms of these elements of the HRM strategy.

***(b) Management policies and union responses to technological innovation***

Technological change in any company implicates diverse aspects and stages in the labour process. Furthermore, it can be argued that “the function of management as the agents of capital is to control the labour process [and] the introduction of new technology is a means to this end” (McLoughlin, 1988:45), though technological innovation may also serve other priorities that may cross-cut such a control imperative. Thus technological modernisation involves managers and union officers making choices, though these choices are constrained by external factors that may change over time.

Technological innovation had radical implications for both TELMEX and the union, though it should also be noted that workers had adapted to technological changes over the whole period of the last two decades, a point that will be documented in the following section. Technological modernisation initiatives were initially discussed during department negotiations and later on involved managers and union officials.

From the 1980s the telecommunications workers experienced the first effects of technological change. In response the union started to discuss the effects of technological innovation with managers, hoping to improve the working conditions instead of just making salary demands. During the 1980s switch maintenance workers had high control of their existing work. However, they had to work with antiquated instruments because TELMEX equipment was technologically obsolete, while other companies in the telecommunication sector across the world were already introducing technological innovation. Thus twenty years ago both workers and managers were increasingly aware of the pressures to acquire newer technology. During the 1980s phone workers, especially switchboard workers started to talk about technological change, and even initiate a policy debate. Indeed a switchboard worker, one of the representatives of the STRM in the Commission on Gender in the UNT (National Union of Workers), asserted that as a result "...switchboard workers have influenced the initial process of technological change [in their department] (ST18)

One of the probable reasons for this dynamic participation was the information and communication that trade unionists had about the development of technological change in the international telecommunications industry. In 1981, different political groups in the union discussed the implications of the new technology. On this basis, some workers in several departments, including the

central and switchboard departments demanded that the union should make a contribution by running a project on technological modernisation.

A female switchboard operator illustrates her experience of negotiation during that time.

The opposition grouping within the union was very important in the internal union life to build alternative strategies. I consider that during the 1980s, when the technological modernisation process started, the commission in my department, that was the technical section, collaborated actively. I remember that we participated in the commission to review the departmental work agreement with the administration. We [workers] were researchers; we studied Japanese, French, and Canadian collective contracts to see what was going on there about technology, health and labour conditions. In such a way, we were not only ahead of the enterprise [TELMEX] but also the union [the STRM] too. We were very far from [ahead of] them because our department contract (*“Convenio departamental”*) got the best successful influence of the European know-how and, especially, the Canadian [experience]. However, we adapted this influence to the Mexican reality (ST29)

Thus workers, especially switchboard operators, had considered changing patterns at work as an imminent effect of technological change in the national telecomm industry, as it had been happening in other countries. Another female

switchboard worker, who was involved as an activist in that process during the 1980s, said:

We [switchboard workers] started to introduce in the departmental work negotiations the imperative to digitalise the operator area. And the engineer Najera, the manager in this area, told us that this demand should mean personal relocation and he asked us if we were sure about that [proposal]. Then, we explained to him that “history does not forgive”, technological changes are happening all over the world and it is not possible that Mexico is excluded from this process. It is better to negotiate the training of female operators through a pilot programme before this new technology is implemented. New lessons on electricity, algebra, were started. This was to demonstrate to the company that switchboard workers could be inside [administrative and clerical departments] as well as in outside plant [technical areas], centrals or everywhere. This project was proposed by us [switchboard workers]. [...] We were the first to ask the company about productivity, information, etc (ST27).

According to this interview, switchboard workers understood the implications of technological change for the telecommunications industry.

This process of technological change was accelerated after the 1985 earthquake, when the central plant located in Mexico City was almost destroyed and new technologies were introduced. At this stage the administration contracted subsidiaries to implement the restructuring project to evade confrontations with

the union. On the one hand, after this policy was implemented, a member of the union felt that, during this period of technological implementation, “the union [STRM] started to lose control over the labour process” (ST29), because department representatives lost authority to negotiate issues related to the work process when departmental work agreements disappeared in favour of job profiles. On the other hand, partnership relations started before privatisation, and most of the workers and managers in the company worked together in the restructuring process. As a manager said, “Managers and the union studied the implications of new technology in the organisation. They analysed together diverse international experience to build their own model” (T12). A former switchboard worker who experienced the technological change argued that “those experiences that came from workers as well as opposition groups in the union were adopted by the leaders of the union” (ST27). In the same way, another female worker, from the maintenance area, expressed the view that the contribution of workers to the technological change started in the workplace and later the union capitalised politically on this participation of workers to build the union’s programme to negotiate with the company.

During the second part of the 1980s workers and the union were more aware of the effect of technological change on TELMEX. After the privatisation of TELMEX (1990), digitalisation was the first technological change that had important implications for the telecomms industry (Dubb, 1996). The main characteristic is that digital technology requires very little maintenance. “This

technology has both electronic control (allowing for “touch tone” dialling, instead of the emitting of dial pulses) and an electronic network, meaning that there were circuits connecting the different nodes of the switch, rather than jumper cables” (Bolton, 1990:78). The TELMEX modernisation was supported to digitise the whole network. “In 1990 TELMEX digitised 30.9 percent and by 2001 100% of the network” (T12). Thus in TELMEX a manager said that after privatisation “the company has carried out all its technological goals programmed to 2002” (T12).

During the period immediately after privatisation and relocation there were no direct lay offs of operators: “though the technological change resulted in a reduction in the number of [switchboard] operators from a peak of 13,000 in 1988 to 7,000 by the end of 1994, the loss of jobs was handled by a combination of attrition (1,000), early retirement (500) and transfers (4,500)” (Dubb, 1996:145 [see STRM 1993a 1994b]).

As can be seen from these figures, both transfers and non-replacement of leavers played important roles. Thus the company did not lay off any worker but, as a female worker emphasised “new workers were not contracted during ten years. That meant a gap between us and new workers” (ST29). There was no new generation in the TELMEX Company and union during this ten year period, until the Tecmarketing TELMEX subsidiary company joined the STRM union. Another female worker confirmed this information but added that she

saw the company policy on recruitment as a deliberate management strategy against the future of workers in the middle term,

Our union shows off that there were no lay offs. [However,] this [strategy] is called attrition, it means that they surround us more and more until there are fewer workers, then the organisation is not viable and they cut off our head (ST27)

Another important effect of technological innovation in TELMEX was the relocation of workers. In the TELMEX restructuring, according to a union official's opinion, the new digital technology displaced workers, particularly to customer service, and at the same time made possible a great range of new jobs and services by raising productivity and creating new processes and products (ST22).

These changes were accompanied by major changes in the organisation of the internal division of labour: TELMEX had sixty-four departments before economic restructuring and today there are fifteen different specialities. In this context another worker emphasised that such personnel relocation was not necessarily a negative experience

It was a long process and it was not a traumatic change to relocate personnel. They [female workers] did not see it as a loss. They felt that they had won, improving their labour conditions, knowledge, and their salary. They [switchboard workers] did not see [restructuring] as a

terrible displacement of the workplace. Instead, they saw it as an advance. (ST27)

However, a middle manager responsible for installations nevertheless underlined the speed of change and its implications for changes in tasks and skills

Telecommunication is in crisis because the speed of technological innovation puts the industry in crisis. Those changes made the telecommunications business cheaper. [Also, he said] Telecom companies used to sell the operator's voice as a very important product, today the voice is only one of the many telecommunications services owing to the fact that technological innovation has advanced very fast (T13)

He described some problems related with the fast technological change and new tasks that freshly re-skilled personnel experienced in the restructured company. He found as a young manager some resistance among older white-collar employees and manual workers, most of them male workers, against accepting different technology and changing habits and behaviour. He said, "old white-collar employees and workers did not recognise at all the new authority of young professionals" (T13). Nevertheless, in this view the union and workers had to adapt to the new structure as a product of technological change, to modify their organisational attitudes at work to adapt to survive in the new context.

Against this background a former member of the STRM Committee explained more fully the negatives consequences of technological change for some workers and the basis of their suspicion when she said that

during the last two decades, the TELMEX relocation policies meant that ... experienced personnel that lived through the technological transition from analogical to digital technology were placed in small isolated productive processes far from technological innovation. Therefore, the more skilled and new young personnel have been placed in the most innovative and modern technology process (ST29)

Technological innovation in the telecommunication industry, according to these interviews, brought some individual opportunities to workers, but they also promoted new forms of marginalisation for the old labour culture, old workers and everything that was related with the past of the company.

Furthermore, the STRM union does not now participate actively in new proposals, beyond management's plans and executed projects associated with productive and technological changes, because the union influence on technology innovation was limited to earlier arrangements by the collective contract bargaining (1989) that was signed previous to the privatisation. The consequence of this is that the union is only required to negotiate specific issues of employment after technological innovation decisions have been taken. Thus a switchboard worker, commenting on union participation in company projects, reported that "We are informed when already the technological programme is implemented" (ST27). A former member of the national union committee drew

out the implications more fully: “TELMEX do not have to ask the union about the main technological projects and the union participates less and less in those projects. The union has relaxed its participation. Actually, there is not the motivation after the productivity aims were carried out” (ST29).

In sum, the STRM workers participated in the technology projects in consultation and negotiation arrangements during the process of company restructuring. However, today the STRM only participates in Technological Committees and Joint Commissions to consolidate and reaffirm current bilateral agreements. In this way, the participation of workers in Joint Commissions is not a guarantee that the union can make decisions on technological innovation. Meanwhile the changes involved could be seen as opportunities for some, but others felt marginalised, and the gaps between different groupings of workers were exacerbated by limited recruitment and generational contrasts.

This analysis has found that the workers and their union were active participants in the modernisation and restructuring programmes, as the STRM has co-operated with the company to sign a range of agreements on technological innovation and productivity before privatisation, to avoid making people redundant. Thus on the one hand the union strategy was intended to solve situations in the short term, avoiding conflict with the company. However, on the other hand the union limited its own capacity to participate in further negotiations related to the future of technological change, even though

this is affecting telecommunications workers in TELMEX and the new workers of subsidiaries companies such as Tecmarketing that are joining the STRM union.

*(c) The participation of TELMEX's workers in pay and productivity innovations*

As we have seen, human resources are at the centre of the productivity strategy of the TQM model. Thus, following this policy, the TELMEX productivity programme was signed in 1993, after privatisation. The main task of this programme was to define productivity criteria and measures that would be linked to pay incentives that were calculated in each department and productive area. The Productivity Commission is organised so that union representatives and officials play a role in determining incentives among other aspects. Each year this Commission renews the productivity agreement. This agreement has contributed to change the organisational culture, where management's role becomes more important in the organisation than before the productivity programme was implemented. Nevertheless, a leader of the STRM union, talking about the productivity agreement, emphasized the benefits of this programme, because he considered that "this [system] keeps workers financially stimulated with a productivity bonus" (ST16). A manager of TELMEX shared this opinion, and argued that "this programme changed workers' old visions about the ways they manage their working attitudes related

to productive aspects, such as low quality customer service or extended overtime, among other aspects that were present before privatisation” (T11).

Overtime as an widespread practice in TELMEX before privatisation was considered by managers as a negative feature of worker’s behaviour because, as a manager of TELMEX said, “workers usually were earning more during overtime than working hours” (T10). This old system promoted low productivity and less efficiency during longer hours. After privatisation, workers were allowed to manage their activities and reach their goals, but within a restricted working time. The same manager said,

this old perception of working time promoted an extended relaxed pattern of behaviour among workers. The new productivity programme controlled and focused previously scattered efforts to increase productivity (T10)

After this productivity programme the TELMEX payment system using monthly and yearly pay for productivity incentives took on a new dimension. These incentives operated in the following way: “50 percent of the monthly pay incentives will be paid when 90 percent of the objectives are achieved and the total amount will be paid when 100 percent of the objectives in the labour area are met; 85 percent of the total incentives are to be paid monthly while 15 percent will be paid on an annual basis” (Garza in Katz, 1997:337).

Thus the modernisation programme involved a new strategy that renewed the payment principle by merit and rewards for group and individual effort. According to a manager the union has always showed more interest in measuring productivity by groups than individuals. He said “The union has been reluctant to evaluate individuals; the union prefers to evaluate groups” (T10). The principal reason for this is that the union aim as a social organisation is to protect the collective interests of workers (STRM Statutes, 1983). Despite this union strategy of negotiation, the new model has caused increasing moves from group incentives towards more individualised relations between the business and its employees. Thus, a union official has recognised that finally “the union has been allowing individual evaluation of workers in the customer service area” (ST23).

This productivity model encourages workers to get more rewards through their productivity bonus, as this is the way for them to increase their income. The reason is that their salary signifies just a part of their total wage. Even so, telecomm workers are privileged in the Mexican labour market. As a former member of the National Committee of STRM argued, “TELMEX salary plus bonus is the best compared with others companies at national level. However, if the wage of TELMEX workers is compared with companies at a similar competitive level in the telecommunication market, the Mexican salary is below average at international rank” (ST28).

Overall, then the TELMEX productivity programme aimed to define new productivity criteria and measures related to pay incentives as a part of the TQM strategy. All of these features sought to change working attitudes and their linkage to productive aspects. This model and the fact that the productivity bonus represents an important part of workers' income provide the conditions that promote more individualisation of the workforce, a feature that can now be explored further in relation to the experience of teamworking.

*(d) The experience of team working at TELMEX*

The TQM model proclaims the possibility to organise productive practices across the workplace through new values of excellence and customer service embodied directly in the day to day participation of workers at the company. An important form of this participation is through direct communication and information mechanisms within the workplace, such as quality circles and team working, rather than through the Joint Commissions. Thus the focus of this section is on these crucial locations for such participation, namely quality circles, productivity groups and team working.

Internationally, the use of modern forms of team working started during the mid 1980s (Parker, 1988). Such teams (and associated quality circles) are different from previous socio-technical systems of work organisation as they are characterised by an internal mobility that claims to organise and intensify cooperation and exchange among engineers, supervisors and workers. In

Mexico, total quality circles expanded until the 1990s, though a survey of the 150 biggest enterprises in the country in 1990 showed that just 23percent of the export companies had adopted team working by then (Expansion, 1990).

TELMEX administration adopted some elements of the total quality model just after the technological innovation and introduction of the digitalisation system, and consequently team work circles were adopted from 1990 onwards. There are now more than two thousand team working groups in the TELMEX Company. According to this model, the team circles give attention to the training of employees as ‘human resources’. These groups are organised around specialities, and are co-ordinated by a union delegate and a manager in each respective work centre. In TELMEX, this form of team working, called “analysis groups”, is promoted as a new space of collective participation in production. These groups are important as a part of the new productivity system, as this new form of team organisation seeks to improve efficiency through productivity methods and plans of evaluation. At the same time these team working circles also open up a potential new terrain of union activity and negotiations at work.

Theoretically, team working organisation tends to more internal cohesion across the team rather than individualism. However, the TELMEX experiences suggest a different outcome, as individualism has been increased as new collective spaces are promoted. For example, despite the fact that these groups

promote a new space of collective collaboration, a switchboard operator suggested that, in a competitive environment, workers experience more conflict among themselves because they have intensified individual competition to get more incentives. Crucially, the operation of team working is associated with the new form of payment system discussed earlier (ST28). In this sense, delegates and workers see productivity from an instrumental view to just gain more financial incentives. As a male worker said, “today workers are just worried about their extra [productivity] bonus” (ST27), more than satisfying customers by improving the service quality in the way the total quality model promotes.

In principle, the analysis groups may enhance active union participation in the workplace, as these groups signify a new collective scope for such participation in productive issues. However, despite the high union involvement in the access to more information, communication and consultation between sections, a worker of the maintenance department argues that this organisational strategy has been an attempt by the company to get more control over the production process, weaken collective solidarity and promote competition among workers to get more individual benefits, such as through the individual productivity bonus (ST29). On the one hand, even though it is difficult to identify the boundaries of delegates’ activities in the ‘analysis groups’ (Garza, 2002), the participation of workers is more horizontal and decentralised to make decisions than in the union structure. On the other hand, however, the ‘analysis groups’ practices promote individualisation and in consequence encourage workers to reduce their interest in, and time engaged in collective or union activities. In

this context a female worker judged the mixed consequences in terms of work experience in the following way: “the intensity of work to get more rewards has increased salaries and the quality of life of workers, even with the consequent dissatisfaction of intensification of work” (ST29).

In sum, the spaces of participation of the STRM and the workers in the new productivity system are through team working and particularly the analysis groups as a part of the productivity system. Analysis groups have promoted two contrasting forms of participation. On the one hand analysis groups have promoted collective horizontal and decentralised collaboration to confront external competition. On the other hand, workers have experienced more individual competition between themselves to get financial incentives. Both the company and the union promoted organisational changes to improve efficiency and productivity practices through new values of excellence and efficiency at work. As a consequence the individual and collective participation of workers in changing production arrangements has been a key feature of TELMEX’s TQM strategy to increase productivity. However, the payment system has been associated with an instrumental view of productivity that has promoted individualisation and intensification of work with a consequent weakening of collective solidarity.

**e) The organisation and implications of the TELMEX training system**

The TQM productivity strategy is also based on developing the training system to reinforce human resources, while keeping some features of the old system, namely those represented by kinship relations as a base of recruitment. It is therefore necessary to comment on the role of such recruitment before turning to a discussion of the training system proper.

Historically, unionised manual workers at TELMEX (and also at LyFC) have had as their prerogative to recruit from their families, though the logic of recruitment was different for managers and white-collar workers as the formal and implicit rules for the enrolment of managers and white-collar workers do not allow the recruitment of relatives. While the union at TELMEX (and also at LyFC) still manages the recruitment system for manual workers, where members of their families have been favoured, the criteria for white-collar employees to be taken on are based on exams that evaluate individual progression and skills.

Thus workers at TELMEX have retained the right in their Collective Labour Contract to present members of their families to be recruited. This has been a request that the union has kept as a benefit, and this has significant social implications in their communities (ST26). This rule has been regarded as an advantage for the STRM, and particularly for the phone workers, because it facilitates the recruitment of their relatives into the new Tecmarketing

Company in preference to other potential recruits. This kind of recruitment has been a very important social demand that has been requested constantly by pensioners to preserve the opportunities of the following generations in this company (Pensioners Assembly, 12/02/02). Against this historical pattern, the productivity programme contributed to change some aspects of promotion. In particular the promotion scheme for unionised workers was previously just by seniority, but now involves a combination of two systems defined by seniority and merit (STRM CLC, clause 23, 2002). In consequence the training system takes on a more central role in the new organisation.

As we have seen, in November 1990 TELMEX and the STRM signed an agreement to promote productivity through bilateral participation in “the analysis groups” and a new creative training system based on a permanent dialogue between them. One important characteristic feature of this TELMEX strategy was to train and retrain as a mechanism to adjust personnel to new organisational realities. This new training programme is centred on the development of technical skills to provide competences that reinforce communication and improve relationships among workers. The TELMEX training system was planned by the INTTELMEX, an institute that was funded by TELMEX to address its productive and service quality requirements. In the collective contract it is established that this institution has to promote the quality of life of telecomm workers through a broad theoretical and practical training system. Also, this symbolizes the beginning of union-company

collaboration because “this new training programme represents a shared effort of participation of workers and enterprise never achieved before in any national enterprise” (TELMEX Collective Labour Contract, 2000-2002).

The TELMEX training system is organised in twelve sub programmes<sup>36</sup> that are planned to support human resource management objectives through an active participation of the union in making decisions in each step of the sub programmes. A manager that worked throughout the process to build the new training system reported that, after privatisation, managers and the union organised a tailored-training programme together in the Institute. He emphasised that,

we [worked] with a similar conception about the company goals, primarily to prepare the workforce to use the new technology at the workplace by developing the new competences and later to persuade everybody to [attend] the new services (T12)

During the first years after privatisation, this meant that the whole organisation was being trained to develop its abilities to carry out new tasks in accordance with a new organisational culture. Afterwards, they were mentally prepared for a more competitive environment specifically oriented to customer service. Thus TELMEX has a system to evaluate individual requirements and capabilities in

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<sup>36</sup> The twelve sub programmes are: 1) Training profiles; 2) Integral Programmes; 3) Identification of training needs; 4) Standardisation and Certification of labour competence; 5) Training operation programmes; 6) Evaluation of training; 7) Training of instructors and designers; 8) Open systems for education; 9) Records of Training programmes; 10) Plans of professional development; 11) Free courses outside working time and 12) System of formal and advanced education in technology (STRM, 23/01/02).

customer service, such as attitudes, tolerance and decision-making, to solve different problems in different situations with customers. Following this logic, a female manager said “recognition of skills acquired was a part of the evaluation in the training system” (T12). At the same time, the current training programme gave white-collar employees and manual workers the opportunity to complete formal studies and develop their individual interests at the university and technical colleges, as TELMEX has signed some agreements with technical colleges and universities (National University and National Multi Technical Institute). On this basis an officer of the training programme reported that, “we have the aim to educate workers as professionals, not only in telecommunication subjects but in diverse fields of knowledge” (ST23).

Furthermore the involvement of the union and workers in the training system has had implications not only for participation in company goals but also in other spheres of workers’ lives. As a female pensioner explains,

The union capacity to make proposals in different departments such as the productivity and training system has given workers enough confidence for individual participation [not only at work but] also in their private activities (ST33)

Female workers, especially, mentioned that they developed more awareness about their capabilities as individuals, which helped them to support their own families, in many cases as single mothers or as the only breadwinners in the families.

Overall, then, the participation of the union in TELMEX Company has been centred on productivity proposals and the training system. A manager affirms not only that “TELMEX’s training system has been the largest, the most constant and the most permanent [joint] process until now” (T10), but also that the union has been an essential participant, not least because “the training model had been suggested by the union” (ST23). In this context a female union representative of the training programme also argued that “workers are allowed to make individual suggestions to improve the [training] programme” (ST23). This implies both that the union and workers as union members have found ways to have some influence in the TQM productivity strategy through their participation in the training system.

The initial priority of the TELMEX training programme was to address the implications of technological innovation. However, a union officer that has worked in the training programme said “...the practice showed that one important problem of this programme was that training is getting left behind the technology because the speed of technological changes is faster than any training programme” (ST23). This suggests that the training system has faced a big challenge that is related to the rapid and radical changes in technology compared with the dynamics of changes in training that seem difficult to update on time. Consequently, the future of the training system is associated with how this system will be adapted to follow technological innovation, new products and especially changes in customer services.

In the face of this challenge the activities of the Joint Commission on training have encouraged both company managers and the union to look for a “new profile of worker” to match the “new organisational culture” promoted by managers (this issue and its implications are analysed more fully in the following chapters). This new profile of worker has been planned to shape more flexible personnel to respond to technological change and the company goals in a more competitive environment. The company plan to create a new worker’s profile had two phases. Firstly, during the restructuring process managers and the union identified deficiencies in workers’ formal education. According to a manager who worked on this evaluation, “The administration found personnel without any kind of training. [However, today after more than fifteen years that the training programme has operated], the average training per worker has reached 13 days annually” (T12). Secondly, following on from this the INTTELMEX had to cover such deficiencies of formal education. An outside analyst recognised that in this respect the company training system had significant consequences for workers, noting that after two decades, workers had increased their educational level by being helped by this programme. “In 1976, most of the workers had only elementary education; twenty years later 55.34% workers had high school qualifications, 21% a bachelor degree and just 3.5% have elementary education. Workers with just basic level education have almost disappeared and here especially women [have advanced]” (Garza, 2002:134). This change is largely the result of the training programme itself, rather than changed patterns of recruitment.

In the training programme, women have been very enthusiastic to take the opportunity to study and develop diverse skills. A former female manager of the training programme said,

I have to say that the switchboard department situation is not very common; it is not just because they are women or professionally have a low education, this is not true. There were regions in Mexico where switchboard workers had a low formal education because it was the personnel requirement just to contract unskilled female workers. However, [today] we have doctorates, general practitioners, architects. I mean, we have any number of professionals in the switchboard department. When we gave them the opportunity to study secondary and high school education, switchboard workers were the first to get the certification [...] I think switchboard workers have the option to manage their time. Then, many of them joined the company when they were 15, 18 years old, no more than 20 years old, and what happened? They studied better because their work was apparently flexible and convenient. Even so, I have to recognise, they lived a very complicated life 30 years ago. It was a surprise 13 years ago [1993] when we made a human resources inventory and we found a woman with a doctorate in aeronautics. Alicia Sepulveda [switchboard leader] is an example, she is very cultured, interested in political issues and this gave her a kind of confidence to participate actively in the union (T12)

Thus changes in the training model have produced valuable results, specifically with semiskilled female workers. After the restructuring of the TELMEX Company and female workforce relocation all the female workers interviewed recognised the advantages that the training programme gave to women's development at work. Furthermore, the union has developed a specific programme addressed to women delegates. This programme has been organised for the UNT and FESEBES (Federation of Unions of Goods and Services Enterprises) where the telecomm union is playing the leadership role. In addition, "the Solidarity Center" of the AFL-CIO and such gender organisations as Mutuac-mas (United Women Workers in Trade Union Action) have been working together to give women more knowledge concerning, on the one hand, gender issues such as violence in domestic life and gender discrimination, on the second hand, information in relation to labour and human rights to support their self-defence against gender and employment discrimination (Ferro, [undated]).

In summary, then, managers and the STRM signed an agreement (1990) to promote a new training system to respond to technological change and personnel relocation in the process of restructuring. The resulting training system is a part of the TQM productivity strategy which is intended to support human resources management. In particular, the TELMEX training system is a permanent policy organised in 12 programmes to shape flexible personnel to

support human resource objectives through an active participation of workers and their union in making decisions at the workplace.

According to interviews, the training system has dual implications for workers lives. Firstly, new tasks oriented to customer service allowed workers to develop their individual abilities with more confidence. Workers developed individual capabilities such as decision making to solve varied problems and perform diverse activities at work. In this context the training system promoted collective cooperation in the analysis groups, but also encouraged individualism through the reward system. Secondly, self-development has been central in the training scheme that helped workers to build up their own skills, with important consequence in their private lives.

### **Overview of the TELMEX case-study**

The TELMEX management plan, based especially on human resources administration, has promoted a new labour culture that emphasises the latest technology and new forms of organisation. Overall, this section has analysed the union's and the managers' participation in the TQM strategies which involved technological innovation, participation in the "analysis groups", pay, recruitment and training. In relation to work organisation, the STRM adopted the TQM model as a union strategy to improve the union position in the bilateral relationship with management.

The STRM built a strong position in a partnership relation to make suggestions and proposals to solve production problems in the workplace and within the TQM strategies mentioned above. These specific circumstances during the privatisation and personnel relocation propitiated an independent unionism rather than a traditional corporatist relationship (Pries,1995). The main basis for the consolidation of the union's position was that in practice the TQM model in TELMEX involved some collective features, which encouraged cooperation among managers and the union in Joint Commissions on technology, modernisation, training, health and safety and analysis groups, intended to reach productivity goals while enhancing worker influence.

However, at the same time, the organisational strategy of the TQM model also promoted individual competition among workers to get more financial benefits. Consequently, this individual competition in relation to the reward and evaluation systems, designed to take full advantage of labour flexibility, has weakened the traditional values of union solidarity and discouraged the participation of workers in collective activities in the union. In consequence after almost twenty years of TELMEX privatisation, the union has shown some decline in their proposals and traditional active participation in company issues. This situation has positioned the union as a more resistant organisation rather than as an actor in an innovative dynamic partnership as used to be the case in the earlier process of privatisation and personnel relocation.

There is clear evidence through company documents and interviews that this model also encourages individualism expressed through more individual training to maximise labour flexibility and service quality. The self-development of each individual is central in the training system. This training system is focused on personal development to build up initiative and leadership to perform decision-making in varied situations. Therefore, white-collar employees and manual workers face tensions between the emphasis on collective collaboration and that on individual performance. On the basis of my interviews and observations, I believe that the specific skills developed in the training programme have contrasting consequences. On the one hand, this system increases cooperation in teamwork. On the other hand, it promotes more competition among workers to get more money through the productivity bonus. Even so, managers and the STRM union find greater identification with the TQM values and more presence at work among workers who participate in the analysis groups. Meanwhile, however, the participation of workers in collective activities within the union is lower than before the TQM model was adapted in TELMEX. Nevertheless, the union still has an influence in the organisation of human resources and especially in controlling recruitment based on kinship relations.

Digital technology, training system and the TQM model have transformed practices at work, motivating differentiated outcomes. On the one hand, after switchboard workers were relocated, the gender composition of the

occupational structure was modified, crucially by giving women the opportunity to train and develop different skills to be redeployed in the restructured company. On the other hand, new technology promoted different forms of marginalisation as well, as the Company did not enrol new workers over a ten year period. As older female and male workers were placed away from technological innovation and the youngest more qualified workers were situated close to technology change, this situation created a generational gap with clear generational differences that will be analysed in chapter five.

Finally, the dilemmas facing union policy involvement produced real but uneven gains for workers. Firstly, “analysis groups” signified a new collective scope of the union to address collective issues in the workplace. The TELMEX Company and the STRM union promoted, through this new organisation, more collective horizontal collaboration to confront competition. The union participated actively in the diverse phases of the training programme and technological innovation, among other things. Secondly, however, during the time of this research, the TQM model tended to favour workers’ apathy in relation to collective issues, which increased the risk of weakening and fragmenting the union’s membership. The union also confronted marginalisation in relation to decisions about the production process and a form of ‘powerless participation’ on technology innovation decisions. As a result the STRM today just participates in technological committees to reaffirm current bilateral agreements. This means that the union’s influence on technology

change is limited to earlier arrangements signed previous to privatisation. Thus the union is only allowed to negotiate particular issues of employment after technological innovation decisions have been taken.

### **III Limited management restructuring at LyFC, militantly defensive trade unionism and its dilemmas**

The LyFC Company remains a public company, and in this context the state still intervenes more directly in its work and employment relations. At the same time, the influence of the SME has been remarkable, as it has remained a militant union that has resisted government privatisation policies. Against this background the company has experienced only limited implementation of modernisation policies as a part of the preparation for privatisation (see chapter two). Accordingly, this section focuses on an analysis of continuities more than changes in the participation of workers in the management restructuring at LyFC, as it has affected technological change, labour conditions and training systems during the process of modernisation and continuing moves towards privatisation of the company.

#### **a) Family recruitment and seniority promotion as continuing bases of worker identity and solidarity among unionised workers**

In understanding employment relations and working conditions at LyFC it is important, firstly, to recognise the role of family relations within the company, a feature noted in chapter two, as this provides a sense of property rights among

unionised workers and links them as a social group. Accordingly, in the LyFC kinship and blood relationships are very important as a basis for enrolling new workers. The collective labour contract says that “unionised personnel must be contracted and the administration has to consult the union about the new personnel that are going to be employed” (SME CLC, 2002-2002:119). As a unionised engineer in the SME union said. “This is a job that is kept for generations; I mean the father is truck driver, the son and the grandson. The enrolment process is done by tradition. That is, few people come from outside and women even less [meaning that only a few women are recruited into traditional male jobs]” (S55). These kinship and blood relations have, through several generations, played an important role in preserving and reproducing a working class identity among workers and in their families, and this has especially been the case among male workers in the SME.

At LyFC the promotion of unionised workers remains fundamentally by seniority (SME CLC, clause 21, 2002), and this traditional form of advancement by precedence has a double effect in the Company, giving rise to very different evaluations among managers and workers. On the one hand, managers argue that seniority is an inappropriate basis for promotion, because it restricts the application of efficiency criteria. Thus a social security manager at LyFC represents in part this perception about unionised workers’ promotion.

I do not give any consideration to workers that are promoted by  
*‘escalafon’* [promotion by seniority] workers that get a position

just by length of service and do not know how to use a machine. Nevertheless, they are here because the time gave them this right, this privilege. It is a deplorable situation that unionised workers as well as white-collar employees get positions of power and control in this company [on this basis] (L50)

On the other hand, workers tend to see seniority as a right which protects them against arbitrary management decision making. This was strikingly demonstrated by the perceptions of female workers, especially as it might be thought that men were the main beneficiaries of such a system. However, for the women seniority positions have been seen as a basis of gender equity where women are protected from gender segregation. A female secretary of the social security department said,

Our collective contract gives women the opportunity to protect us from male pressures. Men have to respect us, our position in the '*escalafon*' [seniority], as well as it [seniority position] stops bosses committing sexual harassment. This ['*escalafon*'] sometimes controls [gender] injustices (S70)

Thus for the women secretaries and female tabulators interviewed in the LyFC Company, promotion by seniority ('*escalafon*') gives both women and men equal opportunities to be promoted on some of the promotion ladders while more specifically it gives women the possibility to protect themselves against sexual discrimination at work. At the same time, this has to be seen in the context of the constraints on female job opportunities and the broader

naturalisation of gendered job segmentation that women confront in the company and wider labour market, which are discussed more fully in the next chapter.

Overall, then, established contractual arrangements that give priority to kin-based recruitment and progression on the basis of seniority help to consolidate an independent working-class and union identity among workers at LyFC, though the implications of these practices remain distinctive for men and women. Meanwhile, managers feel constrained by and resent these arrangements.

***b) Conflict and recriminations over technological stagnation at LyFC***

In corporatist arrangements the state has a central role in relationships with the enterprise and the union (Pries,1995). However, while the state sets the parameters of management policy in this case study, it is the SME union that LyFC management faces in bilateral negotiations over issues of work organisation and employment relations. On the one hand the state has limited the flow of resources to the company, but on the other hand the state's populist policies have allowed the SME union to intervene directly in Company projects and employment relations, albeit primarily in a defensive fashion. As a result the LyFC managers distrust the government's populist policies because they see them as supporting an obstructive and belligerent unionism which they face when they seek to negotiate new projects on organisational systems, training and technological innovation. In the opinion of LyFC Company managers, the

main reason that LyFC continued to use old technology is not so much lack of state funding but that the SME union has been an obstacle to introducing any technological change. As a manager said, “the [SME] is against any company policy that reforms and modifies their interests and limits their privileges” (L45). Indeed, there is a long standing belief in LyFC and in public opinion that the SME position against privatisation is the principal factor to explain the LyFC’s low rate of technological change.

Certainly the difficult relationship between the SME union and managers has meant that the LyFC has been left behind in technological change in the national electricity industry (Report LyFC, 1999). However, this does not provide an adequate account of the complexities of the relationship between the management and the union in this company. Firstly, managers at LyFC have also been partly responsible for the lack of innovation in company projects, because they have narrowed the agenda of negotiations with the union. Thus negotiations have been confined to traditional issues such as salaries and job security. Managers have been reluctant to recognise the importance of the continuing role of worker expertise in the company. In this case study, unlike at TELMEX, there is no evidence that managers have been interested to find new spaces of negotiation to improve bilateral relationships on issues related to technology change.

Meanwhile workers have developed their ingenuity to work effectively with the old technology. This was emphasised by a leading officer of the SME who represented the union on the Productivity Commission of the LyFC Company:

They [workers of the LyFC Company] have developed specialised skills in their workplace to maintain and repair the company's obsolete electric equipment in most of the work processes and departments that have been left out of government investment on the infrastructure (S60)

In this context he also argued that the union has accepted the idea of modernisation because they had proposed several changes to improve the productivity of the company. However, he suggested that the company had not recognised the capability of LyFC workers to suggest solutions and solve problems in their workplace in these conditions of insufficient financial resources. He believed that

The administration has not recognised that this company [LyFC] works because workers have solved problems using their creativity and intelligence, developing diverse skills at work. Workers have to manage the lack of investment in technology, to repair old equipment that dates back to the 1940s or 1950s, and workers have to be ingenious to make all the equipment function to give an electricity service to Mexico City, the biggest city (S60)

Thus, paradoxically, the constraints on investment allowed, perhaps even required, a more active and creative input from workers, though one which went unrecognised by management.

Furthermore, when technological innovation did occur it took place in a form that reinforced union suspicions but also continued to need the active input of workers. In particular SME has associated technological innovation with various preconceptions about “international domination” and foreign interventionism by international companies in Mexico. Thus another union official argued that the form taken by technological change in the LyFC would be dominated by such international forces and would therefore be against nationalist values and national interests. “The government opens the door to the foreign capital of international companies that come here to take our national resources” (S65). The main reason for this union view was that the Mexican government has contracted various companies to finance electrical infrastructure and develop organisational and informatics systems.

The government policy to develop new organisational systems through contractors has caused severe conflicts between the SME union and the managers, as was evident in the case of FENOSA, one of the Spanish companies that the LyFC Company has contracted. This conflict has shown the union’s influence during bilateral negotiations and their pressure to stop such projects. Thus the labour secretary of the SME union argued that

In 1990 when the Spanish king visited, Salinas [Mexican President] signed a technical cooperation agreement with FENOSA [a Spanish company] which arrived here. [This company] has displaced the work force here. In 1991 the director [a former General Director of the LyFC

Company] signed a contract with this company and he said to us, “your informatics system does not work”, and for that reason FENOSA came in. The FENOSA Company received everything to develop its work. The argument to justify this was that “you are anachronistic, obsolete”, then FENOSA applied their systems and realised that the requirements were complex and asked us for help. Actually, they are selling us informatics systems that they do not own. However, the worst thing is that they are finishing their work with union advice, when it was not our original idea to contract them. The Company’s argument is that ‘the union is not competent’ but finally they [FENOSA] realised that we are indispensable. This is a continuing debate. [...] Today, the FENOSA contract is in suspension until the union gives permission to carry on its project. Nothing [that FENOSA designed for the Company] has been applied; everything is in an experimental stage. We have seen how FENOSA has been in countries like Uruguay, Argentina, Ecuador, how it arrives, gives its services and finishes buying the property where it first offered its services, it is clearly the strategy of privatisation (S53)

This pattern of events has largely been confirmed in an interview with a manager of LyFC Company, though with an emphasis on the negative role of the union:

The modernisation project did not work because the government does not have a political intention to solve the LyFC’s technological problems. [...] The FENOSA tasks were related to the organisational

systems; it was aimed at the restructuring of management conduct.

Actually, to accomplish this project union collaboration is necessary,

but the union does not want to work with this company (L48)

Thus some managers recognised both the political tactics of the state and the indispensability of union co-operation, though they interpreted the implications of these circumstances differently from the union activists.

In this context it was also agreed that the union retained significant leverage in negotiations. A middle manager of the social security department remarked that the managers were in a weak position during negotiations with the union, emphasising that “The managers do not have a right to make a protest while they [union representatives] belittle us” (L49). This manager suggested that the SME has demanded the right to make decisions on company issues because, historically, the government has not made clear the limits to the scope for negotiation. In consequence the union has taken advantage of government ambiguity to seek to widen the limits of negotiation between managers and union. This situation has caused conflicts over the definition of the boundaries between management and union roles.

In summary the SME as a militant union has rejected almost every technical change that has come from the company administration, because it sees technological innovation as a part of a government strategy of privatisation and of foreign intervention by international capital which is against national

interests. Certainly the empirical evidence during interviews and observation shows that the SME itself has not proposed any modernising project related to technological innovation. Instead the union has sought to exploit ambiguities in the state's specification of the negotiating arena. Meanwhile management has sought to narrow the bargaining arena and has failed to recognise the expertise of workers in operating both old and newer technologies.

*c) Piecemeal modernisation initiative and their impacts*

In the traditional union model, represented in some aspects by the SME, the relationship between productivity and the organisation and culture of work is focused and structured primarily through regulations and labour contracts. Against this background LyFC management have introduced both technical changes and organisational initiatives (such as TQM) only in a piecemeal way, just in some departments and some productive processes. As we have seen, and in contrast with the TELMEX experience, the SME has resisted the acceptance of restructuring policies because many workers identify every change in company policies with a strategy of privatisation. Nevertheless, the company has experienced little by little the implementation of policies that are preparatory to privatisation (see chapter 2). Thus a female manager of the informatics and technical services department (who was the first woman in the LyFC Company who reached a management position in a technical area) argued that, even though the union has resisted, "the SME has failed to

recognise some spaces where the management has introduced some managerial changes” (L47).

It has been female workers in clerical areas, especially, who have experienced these restructuring attempts, and in ways that have not been entirely negative. According to interviews among female tabulators in the technical services department, these partial changes in the LyFC Company have motivated more involvement of workers in some areas. Thus, even though the union’s strategy of continuity rejects such changes at work, women in female areas, especially in clerical and secretarial occupations such as tabulators, have experienced changes in technology innovation and more training related to information technology. The new technology in these areas of LyFC consists in the use of such tools as informatics systems, word processors and networks. This is already transforming the organisation of work in these areas, and these changes have been influencing female workers to be more confident at work and in union activities. However, even though female workers have gained more possibilities to develop more skills through the training programme and technological change, these women are still segregated just in some “feminine areas”. Thus these changes have not produced more equality of opportunities in employment in LyFC, as was happening in TELMEX after privatisation with the relocation of female workers into traditional male occupations. Nevertheless, tabulators have started to benefit from the new technology more than other workers in the organisation at LyFC.

*d) Training in Luz y Fuerza del Centro*

One of the areas where innovation impinged directly on negotiations between management and union was training. However, here again we find a combination of defensive trade unionism, piecemeal management change and uneven implications for workers which SME could not address effectively. As such an analysis of the role of the union and the participation of workers in the training system at the company can illuminate the process of reproduction of working class identities, in terms of both underlying management-workers relations and specific occupational experiences.

According to union documents, the instruction of workers in the electricity industry began in 1903, but formal technical education started only in 1975-1978, supported by *Electricité de France* training programmes. Since that moment, the LyFC Company has developed a training curriculum, organised and delivered by the department of industrial relations. The first training manuals were just some instructions to operate different sections of a hydroelectric plant, not precisely to instruct workers in their specific tasks. This was the basic training for electricity worker to operate the machinery in the early years (S56).

During the 1970s the government tried to solve the unemployment problem by enrolling workers in public companies such as CFE, PEMEX (Mexican Petroleum) and LyFC, among others. Originally, the training programme

covered the requirements of 2500 to 3200 workers per year. This situation meant that the training lessons taught in the main schools were insufficient (S56). Evidently this government policy had more of a political purpose than being linked to a productive strategy and this influenced the development of the training programme at the company in the 1970s.

The current training system which grew out of this period is divided into two programmes. The first is the 'basic and integral' programme that covers the basic knowledge for the whole organisation: electrical, mechanical, automotive, and security. The second is the set of specific programmes, which are taught in each department for all personnel of that department. The aim is to cover particular requirements of every job position. Each of these is divided into technical-operative sections, and administrative, pedagogic and humanistic subjects (LyFC, 2002). The training programme addressed to workers seems very basic for an electrical company that requires specialised personnel.

This suggests that training in LyFC, like technical innovation, has been neglected by the company and union bargaining agenda. One union officer involved in the Union Training Commission recognised the importance of renewing the content of this agenda because this has not been modernised at all. Furthermore, he also highlighted the lack of articulation between the basic and the specific programmes in the LyFC training model, noting that "We [union and managers] have information about the progress of basic and general

instruction, but we don't know the specific training requirements [in each department] (S54). This opinion highlighted the problems of a decentralised training system and a lack of communication and coordination in the Training Commission when it came to organising specific basic and general training programmes.

There is some limited evidence that managers have tried to implement features of the TQM model in the training system. The information related to basic, integral and specific training programmes that comes from a Human Resources official document mentions that "the [training] system has identified the needs required to develop organisational and technical skills to create a culture of total quality in the firm" (LyFC, Labor Report, 1998-1999). However, while this programme claims to be based on the TQM model, this seems to be a superficial commitment and it has not been implemented across the organisation in any meaningful way. It is also notable that the integral training system of LyFC Company refers very little to any white-collar training programmes. A middle manager confirmed this when he said "White-collar non unionised workers have an irregular training and [the consequence is that] they do not acquire proper skills to develop their job" (L50).

What then was the role of the union in relation to these different training programmes? Although tabulators have been involved in management's plans to implement a TQM model, clause 118 in the Collective Labour Contract of

the SME union only gives the union the right to participate in the training system as a guarantor, to sign bilateral agreements in the Joint Training Commission. This commission, created during the early 1980s is formed by ten members of the union and ten company representatives headed by the training system manager. The union representation is composed of the General Secretary, the Training Secretary and commissioners. One of the training commissioners of the union reported that, “Every commissioner receives information about the training requirements from different departments, areas and sections in each sub direction of the LyFC Company. This information is integrated to shape the annual training programme” (S54). All members of the Joint Training Commission meet quarterly to define the annual training agenda. At the same time, a unionised instructor reported that, “The administration and the union have accepted that each department could have its own agreement to organise its specific training programme in more than 2200 jobs profiles” (S56).

This decentralised system has produced a mixed situation. On the one hand, each department has the responsibility to organise its training programme to cover specific tasks across diverse job profiles. This situation limits the union’s capacity to gain influence in practical decisions at the departmental stage, firstly because the union members of the commission are far away from practical decisions in the workplace, and secondly because managers have direct contact with workers and in consequence the opportunity to put into operation their conception of a modernisation programme (L47). On the other hand, the union

has the possibility to obstruct the implementation and impact of the modernisation programme or to cooperate and influence new proposals in the commission. At the time of this research, the union had just started to participate in the Joint Training Commission, showing some interest to collaborate constructively to improve the training system.

In practice, within this framework, it appears that the union does not have sufficient influence at the departmental level to elaborate plans or collaborate to suggest major changes in the training system. Beyond these formal agreements, (Federal Labour Law, Art. 153a, 2001; LyFC CLC, 2002) where the union could have the opportunity to elaborate suggestions to improve these programmes, there was no significant evidence during this research that the union participated actively or made structured proposals about such training programmes.

Nevertheless, a former training pro-secretary of the SME union argued that “[as] an effect of the privatisation threat, the union has started to work more enthusiastically to suggest improvements in the training programme” (S52).

The current pro-secretary of training in the SME union has confirmed this interpretation,

At this moment, training coordinators are discussing about the quality of the training plan through a specific methodology. This is to see how the system is developing in the company. We are analysing if the basic and

integral training programmes are related to the specific instruction activities. This is something that has not been done before; maybe just in 1996 the company studied the composition of human resources in some areas [...] In January and March [2002] we had a meeting with the company to talk about quality. In that meeting we asked the company for more information about financial and human resources to work in the Joint Training Commission, to sketch the new training strategy (S54)

Finally, however the union proposal to improve the training programme remains quite limited, as it is only related to asking the company for more information about financing resources.

In the end, then, the union has not shown a real desire or capacity to participate more dynamically to build a new training programme. Even so, they are conscious that it is important to create a new image of the electricity worker as part of union publicity in the campaign to address customers and persuade them against privatisation. Thus a union representative in the central union committee says, "Today, we have an aim; the priority is to change the worker's labour culture through instruction emphasising customer service exclusively, because they are our face, our image to clients" (S54). On the one hand, this means that the union has started to be more aware of the implications of training in the construction of a "new labour culture" and had begun to develop more inter-communication between the union and administration on that basis.

On the other hand, however, the union is also finding new ways to renew its strategies of resistance, as some members see the use of more professional customer service as a means to promote the union campaign against privatisation policies, though this is currently just a newly emerging strategic discourse.

### **Overview of the LyFC and SME case-study**

The State's populist policies have allowed the SME union to play a predominant defensive and constraining role in relation to management projects and employment relations at LyFC. While edging towards privatisation, the government has not made clear the boundaries of collective negotiation between the SME union and managers of the LyFC. This situation, combined with the plans for privatisation, has fostered a permanent conflict due to contrasting union and management visions of their roles in the company and the future of the enterprise itself.

The SME union and managers have different conception about the targets that the LyFC Company has to achieve in relation to technological innovation, labour conditions and training on the shop floor. On the one hand, the SME has focused on defending the enterprise as a state enterprise and has not proposed any clear project linked to organisational modernisation or technological innovation. At the same time workers have developed their creativity to deal with the old technology and keep the electricity network going, and this has

increased their defensive power. Union opposition to privatisation is one of the main reasons that explain the reluctance of the union to collaborate in projects to promote technological change at LyFC, especially as these projects have been linked to the role of external contractors. On the other hand, then, managers also have their part of responsibility in the lack of innovation in company plans because they have narrowed the agenda of negotiations with the union to traditional issues such as salaries and job security while introducing piecemeal change. Their rationale for this has been that the union is an obstacle to the introduction of any modernisation or technological change.

In relation to labour cultures and conditions in the LyFC Company, I have found that the role of family relations is significant to understand employment relations and working class identification among unionised workers. In LyFC kinship and blood relationships are very important as a basis for enrolling new workers. Thus it is not only the experience of adversarial management-union relations in the workplace but also the operation of these kinship relationships that have preserved and reproduced a working class identity across the generations. In this context the union has drawn upon Mexican corporatism and the history of state ownership to develop a sense of property rights over LyFC as a state company based on nationalist ideology.

Furthermore, this labour culture is embedded in established working practices which workers and the union are concerned to defend. In particular promotion

of unionised workers at LyFC remains essentially by seniority. Workers are inclined to see seniority as a right which protects them against arbitrary management decision making. According to female workers, promotion by seniority also gives women gender equity to be promoted on the promotion ladder and some protection from gender segregation. Enrolment based in blood relations and promotion by seniority both help to consolidate working-class and union identity among workers. At the same time managers argue that this traditional employment system limits efficiency in the labour process.

In relation to organisational issues, both the company and the SME union have taken up parts of the TQM model but their emphases are different and they have not applied the model in a consistent way. This organisational model requires culture changes that privilege service, quality and excellence. In practice managers and union have both embraced just some selected aspects of TQM. The result in LyFC has been a complicated mixture of different management influences. In this context it is also notable that it has primarily been female workers who have experienced more involvement in managerial projects because tabulators have been in the place where the Company has pushed its modernisation programme furthest. The unevenness of the impact of such initiatives underlines the extent to which the generic features of management-union conflict and accommodation nevertheless take on rather different implications for different occupational groupings.

My discussion of training also illustrates the complex relationship between the overall pattern of defensive management-union bargaining and the differentiated experiences of change across different occupational groupings. Training at LyFC has its roots in the origins of the electricity industry and has promoted continuity in the current basic general training programmes. However, specific instruction has been beyond the control of the union because the management do not have a structured system to follow progression and to homogenise contents in each department. Even though the managers and union have the same number of representatives in the Training Commission, there is little evidence that the union takes the opportunity to have an active role in the Training Commission. In this respect the union has been limited in practice at the department level and in the joint commission.

**Conclusion: a comparative overview of developing class relations and occupational experiences in the two cases**

This chapter developed an examination of class relations in two contrasting enterprises by analysing the interaction between management and union strategies and tracing the changing patterns of experience of key occupational groupings in each case before and after restructuring and/or privatisation. These developments have been set within a wider understanding of changing state policies and class relations in Mexican society. Against this background, however, the different ways in which management and union strategies and policies have evolved in each company have generated different

forms of class relations and organisational and occupational cultures in each case. In this chapter I have focused on the class dimensions of these processes, but I have also noted some of the ways in which class relations are interrelated with gender and age relations and forms of differentiation at work.

Firstly, this chapter has analysed the relevance of changes and continuities in employment relations and the occupational order in both companies, TELMEX and LyFC, before and after economic restructuring. As a point of reference I have used the Pries (1995) typology to help to identify the distinctive features of the labour relations of TELMEX and of LyFC in the context of, and in response to, privatisation. However, neither company fits accurately just one of his models of labour relations in Mexico. In both case-studies, the state plays a central role in labour relations. Both companies share similar influences from the broad context of government policies of privatisation. However, the particular character of employment relations, labour conditions and demographic composition in each case help to explain the contradictory responses of unions, managers and workers at the TELMEX and the LyFC companies.

Following the Pries typology, the TELMEX case has some characteristics that coincide with the first two models described before. On the one hand, in the TELMEX case, the state played a fundamental role during the process of privatisation and work employment relations. On the other hand, the STRM

union developed an independent unionism in a partnership relationship to make suggestions and proposals to solve production problems in the workplace. The main basis for the consolidation of the union's position was that in practice the TQM model in TELMEX involved some collective features, which encouraged cooperation among managers and the union in the commissions on technology, modernisation, training, health and safety and in the analysis groups.

The approaches of the LyFC Company and the SME union to labour relations have been identified essentially in this research with the long-established corporatist agreement on modernisation that Pries (1995) has described in his typology of labour relations in Mexico. The company is a public company and the state is a central actor that intervenes directly in employment relations. The SME union has traditionally refused to accept privatisation policies because the union's principles have been based on a nationalist ideology to protect the state-owned companies as a national patrimony. However, Pries's model highlights a subordinated union position in the relationship between the state-enterprise and the union in such labour relations, but the LyFC case is far from this. The SME union has played an active role taking the advantages of being a politicised union of a state company but without the compromises which arise from incorporation as a passive actor in the political corporative structure. In this relationship, it is managers at LyFC who have been placed in the relatively powerless position, constrained both by lack of investment in the state enterprise and by an entrenched oppositional union and working class tradition.

In this context managers have been able to gain only limited and piecemeal leverage to develop modernisation policies preparatory to privatisation, by limiting the scope of formal contractual obligations and demonising the union.

This analysis suggests that the evolution of class relations in each of my case studies cannot be directly equated with just one of Pries's models of labour relations, but both case-studies in different ways are characterised by two influences. The first is the Corporatist agreement and the second, the Reorganisation of Industrial Relation System. These cases can thus be analysed in terms of a changing mixture of those models in different moments of their historical development.

Secondly this chapter has analysed the main patterns of participation in the union and the workplace, especially as these related to the TQM model as a human resource strategy which links production organisation, technological change, labour conditions and training systems by emphasising the role of worker expertise and responsibility in enhancing productivity.

TELMEX focused on the interaction of modernising management strategies and a pro-active union commitment to worker participation. The TQM model was promoted to change some practices in the workplace through a labour culture based on new forms of communication. At the same time the TELMEX Company adopted digital technology to raise productivity and generate new

processes and products. The major implication of this company policy for the organisational structure was the relocation of workers to customer services and new jobs and services. Relocation changed the gender and age composition of some occupational groupings and this influenced the character of the participation of workers at the company. The new spaces of participation represented by “the analysis groups” gave workers and managers the opportunity to increase communication and information in the productive process. However, the development of these different collective spaces that promoted more active interrelations between management and union, has also encouraged more individual competition among workers in a competitive environment to get more economic incentives, and meanwhile the pro-active role of the union has weakened over time.

The introduction of new technology and training in TELMEX had a double implication at work. On the one hand the transfer of female workers to what had traditionally been male jobs gave those female workers more training opportunities to develop different skills in new areas. New digital technology and more training promoted more equal opportunities for women, changing the perception and reality of female job segregation at TELMEX Company. On the other hand during the restructuring process older workers developed some resistances to recognizing the authority of new young skilled managers and to accepting the new technology and changed patterns of behaviour at work that were associated with it. These older personnel were generally located or

relocated far away from this technological innovation. At the same time, however, the youngest and more highly skilled workers of Tecmarketing were located in several areas where the latest modern technology is applied in the production process, but were also employed on different, usually inferior, contractual conditions to older workers. Thus new skills were not a guarantee for such younger workers to gain a privileged position in the company. It is true that new technology opened the opportunity to both female and male workers to obtain more individual skills through relocation and training, but at the same time it was also the case that the flexible working practices related to the nature of their employment contracts promoted marginalisation along lines of age and generation. The benefits of new technology do not favour increased equal opportunities among middle aged men or women, or the retired or young workers. In particular older and younger workers are disadvantaged in terms of salary and labour conditions, a point I will explore more fully in chapter five.

The SME union has restricted its participation to preserving the current situation at work and the union has not proposed new alternatives projects to improve labour conditions, training and technology as a part of a union strategy. One consequence of this is that the union has not taken seriously the technological changes involving information technology which have recently been introduced in clerical areas where most of the female workers are located. The union programme has been built to preserve the permanence of the state-owned Company and working class relations based on a nationalist discourse

which emphasises the historical and legal justification for public ownership and corporatist relations, all represented by the National Constitution, the Collective Labour Contract and the union's statutes.

The differences between TELMEX and LyFC labour relations are clear from my analysis. TELMEX and the STRM have implemented a strategy to change and adapt workers' practices at work, and thus to improve the union position in bilateral relations with management. The LyFC management and SME union relation has been characterised by a permanent relationship of confrontation, in which the organisational and occupational structure is characterised by continuity more than change. TELMEX has changed most and in contrast LyFC remains an example of a typical corporatist model that has experienced more modest transformation at work.

In turn the privatisation and restructuring processes have been differently affected. The re-composition of occupational groupings was more radical in TELMEX than in the LyFC case. The SME approach in the bilateral relationship tended to sustain an existing division of labour embedded in a traditional labour culture that favours seniority, and in this sense older workers have more labour privileges in the promotion ladder while in the union the middle aged and older pensioners have more political presence.

By comparison the STRM strategy addresses occupational composition proactively, but still faces real challenges arising from both individualisation and processes of re-composition that threaten and marginalise different occupational groups in different ways. Before the privatisation of TELMEX, women were very concentrated in specific occupations such as the clerical and switchboard department. The high concentration of women in a few occupations made them more exposed and more vulnerable to technological change. Switchboard operators were directly affected after the privatisation but consequently many were relocated into hitherto male areas. In the TELMEX case, restructuring and relocation gave to switchboard workers more diverse occupations and opportunities, allowing them to develop their individuals skills through new training programmes.

Meanwhile, LyFC has continued to be distinguished by sexual segregation of labour where women tend to be concentrated in a limited number of occupations that have been characterised by less skill and more routine, in clerical jobs such as clerks, secretaries, and tabulators. At the same time, the tabulators in LyFC have been experiencing the introduction of information technology in their workplace after the modernisation policies established by the company. I have found that technological change has resounded more in clerical areas at LyFC, where female workers such as tabulators and secretaries are located. In this respect there are important similarities with developments at TELMEX during the process of personnel relocation. However, this situation

has been restricted to a reduced number of female workers in LyFC, which is quite different to TELMEX where women represent more than 50 percent of the workforce.

Managers of both cases have professional qualifications, while young workers at Tecmarketing are part-time university students as this is a requirement to be enrolled in the company. Workers of my two companies do not have professional qualifications, though there is evidence that some workers in TELMEX take the opportunity that the training programme gives them to study in colleges and public universities.

The next two chapters take up these different dimensions of differentiation and consider them in more detail, firstly looking at gender in the next chapter and then at age relationships in chapter five.

## *Chapter 4*

# **Gender relations in the workplace and the union**

### **Introduction**

This chapter studies the dynamics of gender, to more adequately understand the diverse and complex circumstances of the participation of workers in the two unions and companies. In doing so it analyses different aspects of the current gender relations of paid work outside the domestic environment, seeing these aspects as products not simply of immediate circumstances but also of longer processes of historical change. The chapter considers four aspects of gender relations. Firstly, it examines gender relations as a feature of occupational hierarchies and descriptive patterns of worker and management recruitment. This involves a consideration of the traditional female occupations in both companies to understand gender segregation and its role in the dynamics of participation. Work and home are interrelated but for analytical purposes this research will focus on paid work outside the home. Secondly, workplace gender relations are studied as a feature of identification that has been the basis of solidarity or competition among workers. Thirdly this analysis presents the ways in which male dominance is produced and reproduced in the union and the company, by men but also by women. Finally, this chapter attempts to show

how some workers have challenged a masculine culture of domination, through efforts to change the gender dynamics at work and in the union. This analysis is based throughout on the varied voices of young, middle age and retired male and female workers, union officers, managers and activists.

### **I. The Feminist Conceptualisation of Intersectionality**

In this analysis different theoretical perspectives offer various resources to analyse gender relations at work and the participation of workers in their enterprise and union organisation. Thus I have taken insights from different theories to reconstruct and give an overall explanation of the empirical evidence from my research, as there is no single theory that allows us to see all facets of these social phenomena.

The concept of intersectionality is being used within the wider social sciences by feminists to theorise the relationship between different social relationships: class, gender, race, sexuality, etc. The concept of intersectionality has grown out of post-modern feminist thought, postcolonial studies, Third World feminisms and Black feminist studies. “In the American concept of intersectionality (Crenshaw,1995), the focus was on race and gender. However, since social marginalisation was included, social class was embraced in the theoretical reflections and analysis” (Knudsen, 2005:62).

Against this background McCall (2005) argues that “despite the emergence of intersectionality as a major paradigm of research in women’s studies and elsewhere, there has been little discussion of how to study intersectionality, that is of its methodology” (McCall 2005:1771). McCall reviews alternative approaches and proposes a distinctive methodology to be applied in the analysis of intersectionality, as a way to approach the diverse interactions and complex connections among diverse systems of social relations and inequalities. She describes three approaches that researchers have taken to analyse the complexity of intersectionality. The first, *anti-categorical complexity* is connected to poststructuralist, postmodernist and anti-racist theorists from different perspectives developing in feminist theory from 1980s. Most feminist scholars have based their studies in this methodology. The *anti-categorical* approach is based on a methodology that radically deconstructs the analytical categories that are conventionally used to locate inequalities and characterise identities, emphasising diverse, fluid and socially constructed character of such categories. The second focus on *intra-categorical complexity* highlights the complexity inside intersecting categories. This means that it keeps a critical posture towards categories but recognizes the established relationships that these categories represent and use them to focus on specific groups at ignored points of intersection, in order to reveal the complexity and linkages of ‘lived experience’ within such groups (McCall, 2005:1774). Finally the third approach, looks at on *inter-categorical* complexity, assumes existing analytical categories to characterise relationships of inequality among groups but focuses

on changing configurations of inequality among and across multiple and conflicting dimensions. In this case the attention is on comparison between groups, while recognising the complexity of the matrix of groups involved (McCall, 2005:1773). McCall places her own research in this latter framework of *inter-categorical* complexity. This approach builds largely on quantitative rather than qualitative methods, where the two other approaches primarily make use of qualitative methods (McCall, 2005:1773). She argues that “the three approaches can be considered broadly representative of current approach to the study of intersectionality’ but that this categorisation also recognises ‘that different methodologies produce different kinds of substantive knowledge and thus a range of methodologies are needed to more fully understand intersectionality” (McCall 2003:6).

McCall’s characterisation of the whole spectrum of intersectionality studies represents an analytical tool that can be applied to comparative studies because it proposes a realistic representation of complex inequalities and the diverse interrelations between various identities. The three approaches are considered to represent the main ways to explore intersectionality in social life. In this research I have drawn on the last two approaches, while remaining aware of some of the issues of the social construction and potential fluidity of the categories I used. Firstly, I addressed *inter-categorical* complexity, though mainly on the basis of qualitative rather than quantitative data, by considering the distinctive positions, experiences and outlooks of workers versus employees

versus managers, and male versus female, and younger, middle aged and older workers. This helped to provide a basic map of intersecting relations within each of my case-study companies. Secondly, however, I gave particular attention to the experiences and outlooks of subordinated or potentially marginalised groupings within each workforce, in line with the *intra-categorical* approach. Thus in this chapter I centred particularly on the experience of women workers, and the ways in which their situations are contested and changed. This also involved attention to the complexity of the internal relations among women. In the following chapter I then focused on the distinctive experiences of younger and older or retired workers. Finally, in chapter six, I return to a characterisation of the dominant features of the overall matrix of social relations in each case-study, both in terms of hegemonic discourses and active power relations. In this context class tends to subsume gender and age relations, but only in quite uneven and sometimes uneasy ways. McCall delineates *inter-categorical* intersectionality as “the relationships among multiple dimensions and modalities of social relations and subject formations” (McCall 2005:1771). Elsewhere she argues that “no single dimension of overall inequality can adequately describe the full structure of multiple, intersecting, and conflicting dimensions of inequality” (McCall, 2003:23-24). The concept of intersectionality does not just consider gender as a basis to understand women’s inequalities because gender is not an isolated form of social marginalisation. As McCall suggests, one particular form of inequality cannot simply represent the others. Thus in her approach and in my study

gender and social class relationships are understood as reciprocal processes. This is consistent with Pollert's (1998) proposal that class and gender are mutually constituting but representing two conceptually different types of irreducible social relationships. This means that there are no un-gendered class relations and no gender without class dimensions (Gottfried, 1998:453). In this way, Gottfried (1998) agrees with Pollert (1996) that "a theory of practice can open a space for analysis of both gender and class dynamics [...] We should document lived experience as means of identifying the complex mediations of gender and class" (Gottfried, 1998:455). Both Pollert and Gottfried also argue that gender and class are historical relationships. Therefore intersectional analysis highlights that our life experiences take place in several and multifaceted spheres and are historically contextualized in their intersections of time, place and context.

In order to develop her analysis further Gottfried highlights the usefulness of the concept of hegemony. She suggests that "hegemony is an historical process in which one picture of the world is systematically preferred over others, usually through practical routines operating through political, cultural and economic, as well as ideological, forms [...] Hegemony is the conceptual tool that can be used to explore this field, paving the way for dissolving the static opposition of agency and structure" (Gottfried, 1998:458). Gramsci's concept

of hegemony<sup>37</sup> involves more than dominant values, it implies a prevailing “common-sense”<sup>38</sup> or hegemonic understandings of the way daily life is built and reproduced as an uncontested reality articulated by dominant groups and embraced by the population in society. Therefore, this analysis takes Gramsci’s concept of hegemony as an historical process which helps to constitute the relationships between dominant and subject groups. On this basis, inequalities, values and practical routines are legitimised by hegemonic practices that help to include or exclude individuals and social groups from power.

### **Gender differentiation at work**

Gender is a central feature of the social organisation of work and union organisation. In the workplace and in trade union activities, women and men as individuals have constructed for themselves differentiated forms of participation. As Kate Purcell argues, “Gender is an attribute which individuals of both sexes bring to the workplace as a component of their identity, which influences the sort of work they do, where and with whom they work and how they are treated by their workmates, supervisors, managers and others with whom they interact in the course of their employment” (Purcell, 1986:157). Furthermore, gender inequalities influence individuals in diverse ways during their life-course, depending on their social life chances, geographic location,

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<sup>37</sup> In Gramsci’s thought, hegemony as a political process recounts two dimensions characterised by a mixture of consent and force. Hegemony is achieved throughout a successful balance and consensus among the dominant groups and / or the population (Gramsci 1975:155-156).

<sup>38</sup> ‘Common sense’ is understood in Gramsci’s philosophy as the “uncritical and largely unconscious way of perceiving and understanding the world that has become “common” in any given epoch” (Gramsci, 1971:322).

and political and economic experiences of participation at work and in organisations such as unions in different historical contexts.

I have emphasised an historical approach to the study of gender at work where the formation of gender relations is a process in a dynamic relationship with social class rather than just a permanent attribute of relations between women and men. Ava Baron has argued that as a social process we should see “gender not as a noun but also as a verb. The study of gendering is concerned with how understandings of sexual difference shape institutions, practices and relations. When we study the gendering of work, we look at how gender becomes a property of activities and institutions as well as individuals” (Baron, 1991:36-37).

This chapter seeks to address some of the issues raised by these general debates by developing a comparative analysis of gender differentiation among workers in my two case studies, to understand the social processes which generate and sustain unequal opportunities for individuals to participate and gain access to positions in the hierarchy and organisational resources as well as different levels of power in the workplace and union during their life time.

### **Gender relations as an historical dynamic**

In Mexican academia some of the studies of industrial relations and sociology of work in Mexico identifies workers as a gender homogeneous category, with

only male workers visible (Melgoza,2001). Others, more interestingly, have acknowledged female workers but underestimate or ignore the significance of gender and the active role of women in both reproducing and contesting the established gender order (Garza,2002). From Garza's (2002) analysis, the participation of women at work is as a painful experience that has created suffering among women in the rest of the spheres of their life. This analysis found that the specific conditions of labour conflicts, low salaries, the restructuring process, working time systems and the general labour context generated negative consequences and deeply unstable conditions in the private lives of, for example, switchboard operators. However, De la Garza's (2002) analysis of the switchboard occupation in the TELMEX Company does not take into account the women's trajectory as activists in the telephone union and the female contribution during the restructuring and relocation of personnel within the company. In particular this analyst does not recognise the female presence in STRM union activities, and their role in initiatives to promote discussion about gender issues in the training programmes and to develop regulations to penalise sexual harassment in the union and workplace, among other topics registered in the union's documents (STRM, 2001). Also neglected is the active participation of female phone workers in national and international organisations (STRM, 2001b). In this respect his interpretation contrasts with my findings in my research on the STRM and TELMEX Company that will be explored in this chapter. In sum, gender relations at work have not received appropriate attention, often because women workers have been neglected

altogether but sometimes because they have been seen as victims rather than as active agents in the workplace or the union.

While these writers played down gender, other authors take the opposite position, where gender as a variable is overestimated and workers are separated as men and women in their analysis (Mercado, 1992). However, in recent years there are few important attempts in Mexican social sciences to see gender as a significant component of identity where gender relations shape the rest of cultural and social relationships at work. There are interesting studies about gender identity at work (Cooper 2001a, 2001b; Urrutia 2002); case studies about the sexual division of labour (such as Rendón 2003; Pedrero 1997); and the discrimination facing women in the labour market (Fernandez-Kelly 1983; Tiano 1994; Pollack and Jusidman 1997; Peña and Sanchez 1998; Salzinger 2003, among others). These studies show the important attention that gender is gaining in social studies. However, these themes are not addressed from the perspective of intersectionality. Thus the attempts to combine analyses of gender with other aspects of social relationships, such as ethnicity, class or age, that grew out of postcolonial studies, Third World feminisms and Black feminist studies, are not well known in gender studies in Mexico. At the same time such an approach offers the possibility of combining the insights of those who highlight and those who neglect gender, by taking both gender and these other aspects of social relations seriously.

### **The historical dynamic of the gender distribution of occupation in the two cases**

My earlier discussion suggests that we should consider historical explanations, or explanations that attend to entrenched processes and sequences of developments over time, for the specific characteristics and dynamics of the recent gendered distribution and location of employment in TELMEX and LyFC companies. These companies recruited mainly men from the time that they were established because women were only later incorporated into the labour market. Nevertheless, there are more specific gendered reasons that explain the differentiated sexual distribution of women and men through occupations. Ever since women joined these companies, their activities have been concentrating in administrative tasks and secondary positions in the company and the union. Enterprises recruited women following gender stereotypes about “female jobs” in contrast with “male jobs”.

Looked at in historical perspective, the principal reason for this specific gender segregation at work was that the manual jobs and managerial positions were already constituted as male functions when women arrived. As an engineer of LyFC Company avows,

There is a practice that the job [outside occupation] is for men, but the tradition is settled, women appeared later and it is difficult to say that women are actively 'discriminated' against in being excluded from these male jobs (S56)

In this case, the historical rationale to employ male workers initially gave the workplace and union activities a masculine character. The labour environment and political culture of participation in the union was shaped by rules made by men to keep masculine social dominance. Such male social dominance became entrenched as “men were able to impose their definitions and evaluations upon the social world. Thus, men told women how they should be” (Bradley, 1996:82). This male supremacy was developed in the initial circumstances where specific masculine forms of work were constructed in the LyFC Company and the union, not just to discriminate against women; but with the marginalisation of female workers as a consequence. Nonetheless, rules and methods continued to favour men over women in the union activities because those regulations were made to sustain a masculine organisation. This meant that institutional conditions such as collective labour contracts, internal company regulations and union statutes gave the impression of being gender-neutral, for both unionised and non unionised personnel (T12). However, in both companies such rules continue to favour men. Thus part of the explanation for established patterns of gender relations in the company and the union was the historical sequence of recruitment of men and women and the ways in which male managers and workers constituted work (and union activity) as male domains, so that women were then recruited to, and confined within, specific, subordinate female occupations within a predominantly masculine environment.

### **Gender as a basis of both solidarity and competition**

In this section I will explore the routinised ways in which a gendered culture and gendered power relations are reproduced in the union and in the management hierarchy, before going on in the next section to explore the way these features operate in relation to specific gendered occupations, and finally I will then explore some efforts made by female union activists to challenge these patterns. Gendered power involves the use of cultural aspects of gender, where men and women are active but unequal agents in the construction of their reality. In this sense both men and women reproduce social patterns of domination, marginalisation and inequality. However, women may take different roles, involving a more passive or dynamic position. They have two main ways to live in this male culture, if they are unable to challenge it directly. Firstly, they can passively adopt the dominated traditional female role, or secondly they can more actively reproduce the same patterns as the male culture of domination in their relations with both men and women. In these respects it is important to recognise that in both case studies women did not necessarily respond in terms of a broader solidarity among women. Thus a secretary in LyFC reported that she found “women are the first to obstruct women at work” (S64).

Such gendered cultures and power relations characterise organisational relations in the union and at work among managers and workers (T12). In this context “organisational power may actually come to constitute as well as simply

reinforce gendered power relations” (Halford, 2001:26). This strengthens male dominance in the union and in the management hierarchy.

### **Male culture and ‘*masculine style*’ in the trade unions**

A male culture of participation already existed when women workers arrived in these unions and companies. Men were the founders and members of the union for a longer time than women and the best positions in the organisation were reserved for them. As a female pensioner said, “the rules of participation in the company and union were made by men” (S65). Since their foundation women, especially in the SME, were excluded from participation in political activities in the union. In the SME union, male workers and employers saw women as outsiders or secondary newcomers as members of the union. Therefore, male workers built a negative stereotype of women as ‘weak’, ‘unreliable’, ‘timid’ and ‘inefficient’ at work, and this view was both based in and reinforced their structural and systematic marginalisation. In this sense, language in the union was male oriented and served as an instrument of dominance. Also, particularly in the SME case, this was the basis to establish the boundaries between female and male spaces of participation in the union, because the union is a space of political discourse, where strength is associated with a manly way to behave and weakness is associated with women’s participation. The very violence in the language is a component of the daily discourse in the union which contributes to female marginalisation. The use that is made of this language is linked with male power. The “*masculine style*”, rude, sexual and chauvinist, is

extensive, and intimidates women, discouraging them from taking part in political activities of the union during assemblies (ST28). In the SME, in both men's and women's perceptions, men are more aggressive against women and women feel threatened if they participate in political activities. Women talk less during assemblies and their public interventions are limited just to making elementary requests or specifically gendered demands.

However, the situation turns more aggressive when women participate actively in the union's political activities or seek to modify in some way the union's practices. At such moments women are treated like outsiders. For example, a female representative of the SME union recalls that "some years ago, in an assembly a man shouted at one of their female representatives who presented a proposal, 'what are you doing here, this is for men, you are just complaining'", and there is evidence that this remains an influential attitude (S74). During union meetings, women were interrupted constantly with rude comments, which undervalued their demands and sought to discredit them. A female pensioner registered these features when she commented that

[during assemblies] men are very rude and they want to intimidate us when we take the microphone, they do not listen to us, they just see women and shout at us *'it is better if you go back to the kitchen'!!* It is a humiliation that in the middle of 1000 whistles and booing they shout at us *'it is better if you stop working'* (S66)

At the same time this dominant masculine rhetoric undermines the confidence of women, so that women in the SME often considered themselves as incompetent to participate in union activities.

By contrast, in the STRM women experienced fewer obstacles than in the SME, where traditional gender roles are more emphasized. Firstly, female workers represented a large group in the union and company over a relatively long period of time, and, secondly, women gained access to high positions in the union, and in consequence the relationship between men and women in the union is less problematic than in the SME. A switchboard worker in STRM compared the women's situation in both unions and asserted that "in my union [discrimination] is not a problem if you compare us with the SME" (ST28).

In the STRM, women and men developed a more egalitarian relationship than in the SME, because women have played a central role during social movements such as the switchboard strike, campaigning in relation to the process of privatisation and restructuring. Thus historically men and women share more spaces at work and in the union. Women gain more respect and the relation between men and women are defined more in professional terms. Thus women and men are less restricted by traditional gender roles than in the SME. However, even when a woman reaches a high position in the union hierarchy (or develops a successful career in the firm), her image may be stereotyped in

terms of masculine values, identity and behaviour. A former female representative of a male area recounted her experience

I became more masculine by the tone of my voice, and behaved more like a man. I had to say it was rudeness. They wanted to give me orders; they use to say... '*Maria [...] you do this and that!!*' Until one day I told those who shouted at me, *Stop it!!*  
(ST40)

Both the stereotype of the passive outsider and the masculinised activist are part of the culture of masculine domination which influences both men and women, and both genders may contribute to reproduce these features. This culture also is common within managerial levels of the organisations. Thus, in the following section I will explore the managers' perception about masculine culture at work and their participation.

### **Gender identities among female managers and their relationship to masculine space**

Female managers in TELMEX represent just 10 percent of the seventy sub-directors and twenty directors. Female managers are located in customer service, Tecmarketing and human resource areas. In LyFC women are less represented at the top and there are just 2 directors and sixteen middle managers placed mainly in human resources, finances and technical services. It is significant that most of the women managers interviewed in the LyFC and TELMEX Companies see the relations among men and women as equal in

these companies. They consider that, in fact, gender is not the most important reason that explains careers and the gendered composition of occupations. As Halford says, it is common that men and women “deny that gender plays a significant part in their experience or career development” (Halford, 2001:4). Thus a female manager of TELMEX argues, “gender is not a determinant factor for a woman to be successful or unsuccessful professionally or for what kind of job she has or how much she is paid” (T12). The main argument of female managers is that “female employees are individuals with their own specific skills and capabilities, just like men” (L46). As this manager meant, gender is sometimes a minor part of work identity and it is not seen as a basis of unequal relations at work, especially for women in upper management positions. While this self perception represents a rather superficial viewpoint of inequality in the company structure, it is of considerable significance in understanding how gendered inequalities are perceived, reproduced and modified within these organisations.

The most important factors of differentiation is that these managers identify salary, attitudes at work, developed skills and training levels, age and time in the company. For male and female managers their role in the hierarchy of their organisations is fundamental to the way in which they build their identity at work, and tends to override class or gender distinctions. Nevertheless, there are contradictory strands of opinions about how far gender is a clue to understanding their identity as managers. A male manager says “women and

men have similar opportunities” (T10), while a female executive of Tecmarketing says, “gender is not an important issue at work” (Tec39). However when this executive talks about similarities with men, she recognises that gender differentiation exists in all social contexts, because management is based in a masculine culture, and this does influence working life in a variety of ways. Thus, she defines two facets in women’s lives. On the one hand, she argues from her experience that “the reality in this company is, being a woman is not an obstacle to get a high position on the ladder” (T12). She emphasizes that men and women are allowed to develop their own individual capabilities. For this female manager, women have a gender-neutral relation at work based on Company rules. On the other hand, elsewhere in the interview she recognises that gender distinctions are present in everyday life as a part of unequal social relations where women are at a disadvantage in relation to men. She also accepts that there are cultural stereotypes which contribute to stigmatise female workers in the workplace. Thus she suggests that the distinctions (of skills etc.) noted above are combined with other factors, especially with how women organise their time at work and at home. Finally she also suggests that an extended male culture that promotes gender and age segregation is one of the main issues that women generally have to confront in daily life at work (T12).

Indeed, despite the downplaying of gender, such women managers are very aware of the roles they are playing and how they are contributing to change

perceptions towards female managers. One of the first female managers to get a senior position in TELMEX says “I opened the door to the other women in the Company, I am a part of the statistics [history], which gives me satisfaction” (T12). The women I interviewed who have high positions in the hierarchy are enjoying this new role and they do not criticise the system that gave them the opportunity to get a position of authority. This is the case of female managers interviewed in Tecmarketing, TELMEX and LyFC Companies. All of them experience a deep satisfaction after they receive a senior position in their organisation.

At TELMEX there are some important parallels between the experiences of female managers and female union officers. A woman member of the central committee of the STRM told of her experience after she got more responsibilities in both the union and the company, suggesting

...the relationship among work, leadership activities and private life is a combination of responsibility, enjoyment, ambition and guilt for not giving more time and attention to our domestic life  
(ST20)

Some of the female managers of TELMEX Company and some of the union representatives of the STRM union who achieved important positions in their organisations are delighted by this new experience and they are very aware that other women are looking at them as an example. As they expressed in interviews, they felt a deep gender responsibility. A female manager of

Tecmarketing commented in an interview that she sees her professional trajectory as the woman that opens the way for other women in senior manager positions. This was combined with the belief that she enjoyed the same opportunities as men to develop her skills. She considered “the low [level of] female participation is more [the result of] an individual attitude at work than gender discrimination at work” (T12). However, she believed that this more egalitarian context only arose during the last decade, and was directly related to remarkable changes from restructuring and privatisation. This sense of important changes in gender relations at TELMEX was also echoed by male managers, who found that there are more women in senior positions than sixteen years before, when TELMEX was a state-owned Company. Thus a male executive of TELMEX argued

This manager [the first woman to achieve a senior position in the TELMEX Company] was the first sub-director in TELMEX. After [this director] there are 4 or 5 women sub-directors, against more than 60 men sub-directors and 20 directors. There are a few women, around 5-or 10 percent However, I reckon prejudice against women does not exist in the company (T10)

Thus structural changes opened up more possibilities for some women at TELMEX, and helped to cultivate a sense of increasing opportunities and gender equality among those women who gained senior positions. Meanwhile, in LyFC Company there are fewer women managers, but in the last 10 years

their numbers increased among professionals such as engineers (Appendix B 4.1), white-collar non-unionised employees and workers (S55).

It should be noted, however, some managers at TELMEX also recognised that gender remains a factor of differentiation in more subtle ways, which qualifies the emphasis on equality of opportunity. This was evident when a director of Tecmarketing argued that “women are more organised and efficient than men even when they have domestic responsibilities, because they are always ready to give their time to the company” (Tec39), suggesting that, to be successful, women have to match a male performance norm while also coping with domestic responsibilities. This feature was also implicit in the comments of the female manager quoted in the previous paragraph. Meanwhile another male manager recognised that there was scope for further progress in the advancement of women, as

Women that I know that have decided to climb the corporate hierarchy and they have been doing it very well, certainly, [but] there must be more women in the organisation, or at least should be half of the organisation (T10)

Nevertheless, in both companies women managers who achieved more successful positions accept that they played on supposedly equal playing fields that were actually constructed primarily on male terms; they believe that they were fairly treated as individuals in this regard.

Against this background it is important to recognise that women in management positions in the company and/or with senior status in the union do not

necessarily adopt masculine attitudes but they feel that they are in a masculine environment and that they have to respect their rules. In this way, a female manager of a technical area at LyFC says

When I came [to the technical services department] I had a very difficult time, the unionised personnel, especially the engineers saw me as a stranger and rejected me for three reasons. Firstly I am not an engineer, I am an economist; secondly, I do not come from electricity family roots; and the worst [for them] was that I am a woman!!! It is understandable; I am the first woman in a senior position since the company was founded 90 years ago. [However] we had to work together and then, I respect them (L47)

In another example, a female union representative who leads a male area recounted her experience. She described how she approached the male personnel and how she was accepted on that basis: “I observed them, their everyday journey repairing underground networks [...] also; they showed me their activities and tasks. I learned to know them” (ST40). Both women, though from different companies and in different hierarchical positions, accepted that as they were adapting to and understanding the male space they came to be accepted by the male personnel. I found no evidence, at least during the time of this research, that women in senior or middle management positions, or union representatives of the STRM, sought to confront or even criticise male dominance in the organisation. They were playing by masculine

rules that they did not openly criticise because their successful careers developed in that male space and their adaptation was through playing by the same rules.

As we analyse in the following section, however, other women in these firms, female workers and activists, showed more class and gender awareness about gender distinctions at work and within the union than these female managers and union representatives, and they sought to change or modify the pattern of masculine domination at work. Women on the shop-floor perceived and responded to male dominance in different ways than female managers.

### **Relations among women on the shop-floor**

In TELMEX and LyFC Companies different perceptions and attitudes co-exist among female workers in terms of their responses to male dominance. In particular two contrasting responses are related to different forms of identification with members of the same gender and with positions of power at work and in the unions. Firstly, one strand of these perceptions is certainly supportive of shared concerns and solidarity among female workers. This is well illustrated by a representative of the tabulators in the LyFC Company, who tells of her experience as more than just a representative:

...some women come to me not just to solve their requests; some of them come to talk about personal problems that affect them in their private life [... Probably] because we, as women we have many problems in our private life that we want to share with

other women. [...], I think, always I am a representative, I am not a counsellor, but the situation makes me change [my role] to support them. There are divorced women, widows, single mothers, breadwinners in their families that represent [around] 80 percent [of female workers] in this company. It is very difficult not to be supportive when you see young single mothers, 16 or 17 years old [...] Also, we have cases of domestic violence, alcoholism, drug addiction, but women do not want to tell anybody and we have to keep this [information] secret because they are afraid, they feel insecure. There are many problems with women [...] I think [we as] women have many problems that we have to solve because it is in our culture. [...] More than a representative I have to support female workers as a woman (S57)

This indicates a shared awareness of the distinctive circumstances and problems experienced by women workers, both in the workplace and beyond, and the way in which this can lead to mutual sympathies, support and gender identification. Furthermore, this pattern of experience and orientation was shared by significant numbers of female union activists in both companies.

Secondly, however, another important strand in women's perceptions, again found in both settings, involves the competitive relationships among women, and I wish to argue that this contributes to reinforce male dominance. From the

interviews there is also some evidence that women tend to reproduce masculine patterns of domination in their relations with other women, taking a manly role or adopting behaviour traditionally associated with men, particularly in places where men are numerically in the majority. Addressing the theme of competition, there are a variety of accounts that suggest this relationship among women at LyFC Company. This is certainly the view of some men, though they may be thought to have a vested interest in such a view. Thus a male representative of the “*Oficinistas Varios*” (clerks) in LyFC suggested that there was little evidence of solidarity and mutual gender support among female workers in his department

I have been representative in a female department, but I have to say that they entrust me more than they trust to women. Well..., women have a big problem, [during elections] women give more their vote to men than women (S71)

Thus he identified a lack of gender solidarity to support each other in the political arena, resulting in a failure to elect female candidates to represent them on the union committee. Furthermore, he argued that in his own experience as a representative, in a mixed department comprising more than 70 percent of women, he found that women prefer men to represent them rather than their own female colleagues. Finally he argued that

Women cannot separate the private and public environments, [and this is one of the reasons that] many times with no apparent reason women compete among themselves (S71)

This male account suggests that women internalise the view that they are less worthy than men, perhaps because masculine jobs and male workers are seen as more important than female jobs. Significantly, a female worker in the same department supported this perception when she said

In this department, we are 75 or 80 percent women, but actually, we do not participate in the union a lot. I think that some of us do not trust ourselves, we do not trust to women or maybe our culture makes us think that the men are the leaders and we as women are not prepared to lead, or maybe we need something else that we do not have. The fact is that we do not know how we should change this situation (S72)

There is, then, an association between the masculine character of participation in the union and company and a male dominated union leadership, especially in the SME. Leadership in both the company and the union is seen essentially as a male activity associated with power and strength. Paradoxically, women who take power positions tend to follow a masculine style in seeking to be recognised and trusted by everybody. Many unionised female workers I interviewed, in both companies saw leadership as a masculine gendered phenomenon. Such individuals sometimes reproduced stereotypically male characteristics that could be found in women as well in men. Thus a union leader of Tecmarketing company said “Since I have been a representative, I have had to acquire some masculine attitudes to achieve respect among men and women” (Tec40). Such women appear to have felt that they are accepted as

a good leader in the union and an efficient agent in the public sphere if they behaved like men. At the same time this stereotype tended to limit female participation in both of the unions, because women shared the same culture of male domination and felt intimidated in a masculine space.

Overall, then, the gendered culture of male domination has been an important influence on competition or solidarity among male and female workers, but this has involved both men and women as active agents that often reproduce social patterns of domination. Among female workers, two different attitudes have been evident. The first is supportive of other women and can translate into challenges to male dominance, but the second encourages a competitive relationship among women that itself contributes to emphasize male dominance. In addition some women have adopted masculine manners in order to be respected by everybody, because leadership has been seen as a male activity, characterised by masculine power and strength.

## **II. The interaction of gender and occupation**

The first section of this chapter emphasises that historically, in both of my case-study companies and unions since their foundation, women and men are associated with specific positions in the sexual division of labour and this is also reflected in activities in the workplace and union. In many of my interviews the historical patterning of the sexual division of labour is recognised, but treated as a “tradition” or linked to a naturalistic explanation of

sexual segregation. Most of the male informants also provide more specific gender reasons for the differentiated distribution of work. Some of them express the view that women should be occupy a “female job”, which is identified with clerical, secretarial, customer service, telemarketing, commercial and tabulator occupations. In the LyFC Company, more than in TELMEX, there is a presumption that “female jobs” are less skilled than “men’s jobs”. In both companies, the masculine job is identified with diverse occupations involving physical strength, such as underground network or outside work, or otherwise with more specialised, “permanent” and “formal” jobs, for instance, finance or technical support services in information systems and technology. All of these positions are associated with more specialised and technical activities.

By contrast, the work assigned to women is “feminine”, “soft”, “safe” “temporary”, “provisional”, and “transitory” because, as a pensioner worker and member of the Legislative Commission of LyFC Company argues,

Women are not allowed to hold the same job as men because women do not have the same muscle as men, that it is evident. [Also] they do not want to take jobs on the street, climbing ladders, repairing underground networks, no, no, that is just for men. [...] but we recognise that women are confronting this [condition] (S59)

Both in TELMEX and the LyFC Company, female workers are predominantly located in administrative departments as secretaries, clerical workers or tabulators. However, in the LyFC Company gender segregation in the productive process is more evident than in TELMEX, for reasons that I will explore below.

In the first case, after TELMEX introduced the latest technology in telecommunications the customer services were increased, and in consequence TELMEX changed the traditional patterns of employment at work. Thus restructuring and relocation of personnel introduced, on the one hand, more service occupations and flexibility at work. On the other hand, those changes at work gave apparently more diverse opportunities for women, predominantly for switchboard workers to be trained and gain entry to different occupations than the traditional “feminine job”. These changes had some implications that modified the sexual stereotypes of “masculine and feminine work”. After the TELMEX privatisation (1990) some female workers were reassigned in different departments to develop various tasks that they had not done before. Some women of the switchboard department moved into traditional male sections to carry out “male jobs”, in finance and also in outside occupations, maintenance, the underground network and the construction department among other positions. Thus the pattern of changes at TELMEX involved a decline of some ‘feminine’ occupations and the redeployment of some women to once stereotypically ‘masculine’ work areas.

In most of those cases, switchboard workers adapted to the new occupations through appropriate training, but some women who could not accept to share the same space and work with male workers resigned. A manager of TELMEX Company asserts, “[...] a few women that were relocated in outside jobs or the finances department could not adapt to the new tasks and resigned very soon after the redeployment” (T11). However most of them stayed. Nevertheless, as the same manager said, even after the TELMEX restructuring and the introduction of new technology, when female personnel were relocated toward conventionally “masculine jobs”, men remained still the majority in traditional “male occupations”, in the outside work, finance and construction of underground telephone networks.

On the one hand, then, such changes of the gender composition of occupations, which resulted from the technical and economic transformation of occupations, gave women some advantages to gain access to different occupations at work and also more chances to get senior positions. On the other hand, however, the dominant male distribution of power is still there in both of the companies studied. In consequence men are still in the senior positions of both companies and unions.

In the second case, in the LyFC Company, in the face of increasing unemployment and as a consequence of the economic situation during the last decades in Mexico, women were increasingly enrolled in the administrative department that initially (from the companies’ foundation) was defined as

involving “male job”. However, after women joined, little by little clerical positions in the enterprise started to be defined by both workers and managers as “female jobs”. The positions involved were “office workers”, “tabulators”, “secretaries” and administrative jobs in general. A male engineer of LyFC threw light on the processes involved when he suggested that the company enrolled “women in administrative positions in the spaces where male workers left or are not interested” (S56). Initially, administrative jobs were taken by men, but during recent decades the sex distribution changed until women became the majority in some administrative areas, especially in tabulator, clerical and secretarial jobs. As a result a male representative of the category of ‘various clerks’ (*oficinistas various*) said that

men felt uncomfortable in a feminine environment and they were pushed out [of tabulator and secretaries’ jobs]. Those spaces were taken by women, like a ghetto [for female workers] (S71)

For women, however, the tabulators’ and secretaries’ jobs became a new territory of power and a space of participation in the company. The representative of the tabulators gave her opinion about the tabulator job as a feminine space. She said,

There are not men here, because we are protecting ourselves, we won’t let men get in again. [...] When I first enrolled in this area I worked with men [but] today we are 100 percent women. We have fought to keep this position just with women, because we have received many instances of aggression from our mates. [...]

Also I like to say that we [women] interact with men in different departments but we want this [tabulators] job just for us (S57)

In interview, I asked her whether this attitude to protect their space was based in the same logic that they criticise in relation to the wider gender segregation in the company and the union and she avowed, “Yes, I think so, but we are angry that they [men] do not respect us, our work and we cannot [compete to] have better opportunities of employment at the company” (S57).

Thus women in the LyFC Company suffer gender discrimination, and the defensive character of these women’s concern to establish and sustain a strongly female gendered occupational space is underlined by my informants, suggesting that this reflects the entrenched character of male organisational power, both in management and in male dominated occupations. These women protect their spaces as a primarily political response to protect themselves from a hostile male space. Nevertheless, such gender discrimination is also reproduced defensively by women, so that it becomes a common practice on both sides of the gender relationship, while men reinforce the gendered character of work not only by actively defending their established positions but also by withdrawing from increasingly feminised organisational spaces.

As a result of the economic restructuring and changes of gender distribution during the relocation of personnel at TELMEX, the company provided women with new conditions to develop different occupations at work, more chances to

get senior positions, better salaries and additional advantages for professional development. By comparison the opportunities for women at LyFC were more limited, though there was some scope for them to consolidate their positions in increasingly feminised job areas that were being evacuated by men. However, the dominant male culture and distribution of power is still there in both of the companies studied. Thus, in consequence men are still at the top in both companies and unions.

### **The dynamics of gender segregation and change in women's occupations**

Female workers have been located in specific occupations as I noted above, with those in LyFC limited to clerical and secretarial jobs while at TELMEX switchboard personnel have been relocated primarily to the customer service and commercial areas. In this section, I look in more detail at two of these occupations, and consider them both in terms of gender and social class location within the organisational structure of inequality. I have chosen the switchboard operators at TELMEX because that was the activity that changed most during the relocation and restructuring processes, and I have chosen the tabulators at LyFC, because they have experienced the impact of information technology during the process of modernisation. In terms of the sexual division of labour in these workplaces, women have traditionally been located in greater numbers in these occupations but the incumbents of these occupations have also changed most as a consequence of relocation and new technology. Thus a fuller analysis of these traditional female occupations will help us to understand

the basis of gender segregation and its influence on the dynamics of participation of workers at work and in the union.

**a) Switchboard workers at the TELMEX Company**

The switchboard department in the TELMEX Company has historically had a long record of participation of workers in the STRM union and in activities addressing company issues, both before and after privatisation. The switchboard section has been the largest primarily female occupation from the company's foundation until privatisation (STRM,1999). Against this background the contemporary telecommunication union's history is deeply rooted in the historic switchboard strike of 1976 against the poor labour conditions that had women suffering over decades. A woman that participated in that strike recalled that

I remember in the training period [1975] in the telephone exchange department, the supervisor told us the rules; we were not allowed to turn our head or laugh or chat to each other. I felt like I was in prison, we had inhuman labour conditions. We had to use signs of different colours: blue, green, red and yellow to ask for permission from the supervisor if you had to stop your work or ask authorisation to do anything. [...] During the strike, we were beaten by men sent by the government that wanted to break the movement. [...] Privatisation came later, but we were organised to respond to that, we thought that through proper

training we could develop different activities in the company; it was a different time for us. The hard moment for us was before privatisation when we had conditions of slavery (ST21)

For those female workers I interviewed who had lived through the switchboard movement of 1976, privatisation and the restructuring processes in the company signified an opportunity for women to develop different skills related to traditionally male jobs and new activities. Thus, according to my interviewees, relocation signified a positive change more than a negative experience, giving women more options to develop diversified skills to perform in male jobs.

The historical role of the switchboard workers in the social movement of 1976 and the later job relocation gave women a more active role in relation to male workers, managers and union leaders. A male leader of the STRM talked about the high participation of women in the union organisation.

The organisation [the STRM] has 55,000 union members, included Tecmarketing Company and at least 30,000 are women. [...] If they [men workers] do not give the recognition to gender equality, the union as a working class movement could be very limited because women have promoted the union movement and they have my respect for that. Women have been integrated into the union struggle and men have been working hard to understand them [women and the difficulties of] the double labour working day without remuneration (ST16)

As this comment implies, it has been a long process for female workers to get recognition from their male counterparts. In this regard the strike of 1976 was just the beginning of female workers' fight for their recognition at work. Firstly a female union official argued that "switchboard labour conditions improved just a bit" after the strike (ST21). Secondly, however, it was during the 1980s that some female workers started to talk about the consequences of the new technology for employment, especially for the switchboard department.

An operator observed that the second event that put the employment of female workers in crisis was in 1985, after the earthquake of Mexico City that destroyed most of the transmission infrastructure. This situation gave the government the opportunity to introduce new technology and changes at work in the TELMEX Company. A switchboard operator recounted her experience

The switchboard's job decline started after the Mexico City earthquake [1985] when the administration and the union realised that the company could work without our help. We were necessary for the union during the movement (switchboard strike 1976) but later on we were dispensable. [However] the modernisation in the telephone exchange department was proposed by switchboard delegates, not by the union. Actually, after 1985, we became aware that we had to modernise ourselves (ST27)

In fact, the telephone exchange was the department most affected after the company started its reorganisation through the adoption of the digital technology. This meant that, as a manager said, “the relocation of switchboard workers was the most important issue during privatisation” (T12). A union official of the training section confirmed that women switchboard workers were the most exposed to technological change and job relocation.

One interesting characteristic of personnel relocation was that only women were affected. They had to move to male jobs in technical areas, particularly to the customer service and administrative areas (ST22)

Most of the women who were relocated understood that they did not have an alternative choice other than to adapt to new occupations to keep their jobs at TELMEX.

Some women experienced recognition for their efforts as capable female workers during this restructuring of occupations at the TELMEX Company. However, women also faced male resistances to their presence and role, particularly in the finance department and technical areas such as the outside occupations and the underground network (T11). A middle manager talked about his experience of the first gender clashes in the traditional male departments during the initial period of privatisation in the 1990s. “Initially, women were rejected by unionised personnel and later by managers who had not [experienced] work with female personnel before” (T13).

Even so, despite the difficulties that these female workers experienced as a consequence of the economic restructuring, they adapted themselves to a new mixed gender working environment, and for the first time these women had a more positive experience of work and the opportunity to develop their individual skills. A switchboard worker who was relocated into customer services was quite explicit when she reported that “women discovered their own abilities through different labour experiences and re-education” (ST17). She then elaborated on the way in which the switchboard workers who were situated in commercial and customer service areas felt this gave women more freedom to develop more diverse activities at work than in the previous job:

they [women] realised that the nature of this job [helped them to] change their mentality [because this new job] gave them more freedom, self-confidence, capability to develop new and varied activities more than in the previous area [switchboard department]. Also, we found that women experienced more support through workers of the same gender [that share the same experience, background and worries]. Men have lived this experience in a different way. They did not accept the female presence [during the initial process of relocation] (ST17)

Thus the women sought to redevelop their expertise in a context of initial male hostility.

However, the opposition to women declined when women adapted to a traditional masculine space and also demonstrated capability to perform traditional male jobs. The company policies promoted new job profiles (as discussed in chapter 3). The training system was planned to develop new skills amongst workers to develop the tasks related to their new jobs. This reinforced the women's awareness of the scope to play an active part and take advantage of the company training and education system. Reflecting on the orientations of these workers, a manager said,

Switchboard workers were always interested in their professional development [...] I remember, nine years ago, we were evaluating TELMEX human resources. We noticed that especially operators had taken the opportunity to study. We found architects, teachers, operators with master degrees and one of them with a doctorate degree in aeronautics (T12)

In this context the new management ideas and attitudes, belonging to a new organisational model, allowed women to develop their individual skills through the company training system.

### **Reorganising switchboard working time: long hours, gender identity and male time**

The organisation of working time is an important expression of gender inequity, because women have to adapt the whole of their life to manage their domestic responsibilities and employment. In this sense women get a job in unequal

conditions compared with male workers. As a female worker said, “Men do not know what women have to do; women perform three times more than them in their working day” (ST29).

Before TELMEX’s restructuring, flexible working time was one of the most important elements that characterised the labour conditions of switchboard workers. The old switchboard working time was composed of sixty-four different shifts, involving continuous, intermittent, during daytime and evening shifts that had to be performed by and rotated among these operators. In some ways this range of shifts opened possibilities for juggling paid work and family commitments, but overall it was also a demanding constraint on time flexibility.

Against this background, the organisation of working time had complex implications for the experience and identity of switchboard workers. For example, one female worker argued that “[traditionally] switchboard workers had managed their activities at the company, domestic life and professional development through flexitime” (ST27). She went on to explain that, before restructuring, women who were senior switchboard workers were more independent than the youngest with less seniority. This situation happened because older women in senior positions on the promotion ladder had more advantages than younger switchboard workers. Older workers left it to the youngest to work during inconvenient working time shifts, such as night shifts. Thus these older women controlled their working time to find enough flexibility

to organise their private life. They fixed their working time according to their domestic activities.

Thus the old system, with an apparently unconventional and “irrational” arrangement of working time, helped older female switchboard workers in senior positions to combine their job and domestic life. However, restructuring and relocation changed their access to flexible working hours and undermined the privileges that older female workers used to have.

Operators organised their own flexible working time to carry out their compromises in their private life. Actually, restructuring and relocation in different departments imposed a difficult situation on them, to manage and reorganise their life again.

(ST30)

Those women who moved to restructured areas in TELMEX had to take full-time work in a continuous working day as this was a company norm (STRM, CLC 2002-2002, clause 76). As another operator said, “They were adapting their private life to new ideas of space and time to survive in a new context” (ST21).

This new space is based on a model of the full-time male breadwinner linked to historical patterns of gender relations dominated by male culture. Full time work was imposed on everyone and, in consequence, these erstwhile switchboard workers had to manage their private life in different ways than

they had organised it before. In consequence, seniority among older ex-switchboard workers has been reduced in importance and young and senior female workers have to reproduce similar attitudes at work.

In the new organisational model, then, women's working time is transformed and takes masculine characteristics related with full-time continuous work and long hours. A female member of the STRM union National Committee confirmed this new perception about working time and its relation to efficacy and success, as it was defined in the new organisational culture, when she mentioned that "my family life and private activities are organised around my work" (ST23). In interviews, female managers as well as women members of the central union committee who had experienced the economic restructuring of TELMEX Company, reported that they had adapted their private life to company and union activities. Indeed, women who had achieved senior management and union positions were proud to spend longer working hours per day in the company and in union activities. For example, a woman representative in the national committee of STRM said,

"I am a leader and all my energy, time, everything are [focused] on this task [...] I am so proud to be capable to be here and satisfied to serve my mates" (ST21).

Similarly a female manager of TELMEX said

“I have to work hard, I am aware of my responsibility [...] I am the first woman [to reach this position] here and everybody is watching me. I have to work double” (T12)

Other informants also said that, even though they have their families, they were prepared to sacrifice aspects of their private life. A representative in the training department reported

For men it's easier to leave aside their families but we [women] have children, it is more complicated. I have been working 15 years in this company and union and I have stopped doing many things with my children [...] After all I am happy [because] I have developed my career, all [facets of] my life and this is for them [children] (ST23)

In such cases working hard at the company and in the union was identified with more efficiency, success and loyalty to these organisations.

Thus the relocation of women into a wider range of occupational locations was generally experienced positively by these women. However, organisational changes of working time after restructuring and personnel relocation were an important expression of gender inequality where women had to adapt to a masculine space constituted in terms of the traditional full time male breadwinner. In consequence women had to work with those new sorts of values of efficiency and capability to perform not only in a male space also in male time too.

### **b) Tabulators<sup>39</sup> at LyFC Company**

The LyFC Company started its activities in rural areas where, characteristically, the manual work is intense. Initially just men were enrolled to undertake this kind of work and this is a part of the explanation of the unbalanced gender composition that still characterises this company. This situation also has to be understood in the wider context of gendered job segmentation, where women and female jobs are underestimated by comparison with male work. Also, when recruiting new personnel it is assumed that men possess naturally specific skills to develop a male job and this is why there is a male majority at LyFC. As a result most of workers I interviewed at both companies gave biological reasons, such as physical strength, to explain the distinction between male and female jobs. In line with this a unionised engineer summarised the sequence of recruitment and argued that it was based in recruitment policies during the foundation of the LyFC Company, which were associated with traditional gendered assumptions rather than any overt favouritism or gender discrimination:

The LyFC Company appears in the countryside, where manual work is strong. In the beginning, the company had just men, today is composed of 90 percent men and 10 percent women.

However in the operational area men are 95 percent or 98

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<sup>39</sup> The tabulators' promotion list or in Spanish "*Escalafon de Tabuladoras*" is an office job classified as a technician job with responsibility (LyFC-SME Collective Labour Contract, art. 20), composed by 12 levels or steps in a ladder of seniority. Tabulators perform 4 main administrative activities: capture customer's information; register forms to provide *customer* receipts that detail balances; sell Company services; and keep the record of customer payments in an information bank.

percent and women are located in the commercial department or in the administrative occupations such as secretaries, clerks, etc. [Even so], women are situated in the clerks' promotion ladder of [unionised] white-collar workers where originally those jobs were just done by men. [...] There is not [gender] favouritism; we just do not advertise the available jobs in the newspaper to enrol workers in the company. In the LyFC Company we have the promotion ladder and there are just men that can take the job [because there are just men available]. It is not [gender] discrimination; it results from the origin of this company. [In relation of male jobs, he said] I do not know anything about a woman that drives a truck [...] it is a tradition that [this sort of] job requires a man. The [main] reason of this situation is found in the origin of the company (S56)

As this suggests, one of the first limitations facing women in the organisation is the method used to select personnel. On the one hand the Collective Labour Contract of LyFC Company establishes that there should not be gender distinctions in this process. On the other hand, however, the first restriction is the physical requirement in manual jobs, which is identified with male natural capacities to develop specific tasks. The second limitation facing women wanting access to jobs in similar conditions to men is that most of the LyFC jobs are gendered as male jobs and this situation favours men over women to be enrolled.

All through the 1970s, employment opportunities increased in the state owned companies like LyFC, as a result of the government policy to avoid unemployment and the potential social conflict. In this period women's participation in the labour market also rose and they enrolled predominantly in public services. As a consequence of such government policies, the LyFC Company increased worker recruitment, and the gender proportions in the workforce changed. This was the first time that women were recruited to work in a variety of occupations such as tabulators, secretaries and clerks that in their origin were male occupations. The director of one training centre said,

During 1970s [the occupation of] *Oficinistas varios* (various clerks) was created, [to join] other [clerical] jobs such as the 'tabulators' and 'secretaries'. In the beginning, those occupations were [taken] just by men. However, during the last decades this gender composition has changed. Today in 'various clerks' men represent 70 percent and women 30 percent (S55)

In the clerical occupations secretaries and especially tabulators came to constitute 'traditional women's jobs', involving the less skilled and more routine work. Today, the tabulator occupation is composed entirely of women.

As the director of IT said,

All [tabulators] are women, 60 percent are single mothers and their salaries are the main source of income in their families. Around 75 percent or 80 percent are members of the "*electrical family*" rooted in the traditional unionism. (L47)

Thus there has been a significant change in the number of women working at LyFC, but these women have been drawn into occupational areas which are more readily defined or redefined as women's work, and their recruitment has also been underpinned by state policies designed to bolster employment and by established family (male) connections with the company.

However, while these women joined what became predominantly feminised areas of work at LyFC, they have more recently faced new challenges arising from technological reorganisation. Thus the IT director also noted that

These workers [tabulators] felt their employment jeopardised when we started with the information technology system, for as we know, the evolution in informatics tends to affect office employment (L47).

During the 1990s managers were introducing new office technologies in clerical areas where female workers were the majority and in consequence there were fears of job loss, while training in the use of information technology became more intense (L46).

Initially, female workers rejected the use of this new office technology because they followed the union strategy of resistance against company policies. However, later on, in opposition to the union strategy to reject all modernisation programmes promoted by the company, tabulators decided to work with the company on the new informatics system, to manage the data base

of the company and improve their jobs. A union delegate who represents the tabulators compared traditional male jobs and the new tabulator jobs in the following terms:

our mates [male workers in the electricity networks] are the spine of this company but we have got the knowledge [tabulators manage the data bases of the company] (S57)

She then spelt out the implications for union attitudes and strategies

We are the owners of the informatics. The tabulators are who manage the information in the archives and it is our strength. For this, the union have to respect us because we have kept a position. Apparently we [women] are not important, however only we have given new alternatives to the union. Just us have been involved in the modernisation and just us are supporting the training programme for all women [*compañeras*] [...] the worst problem here is we [the union] are afraid of the Company modernisation (S57)

Managers, senior union officials and feminist union activists have all indicated in interviews that, after technological change was applied in the administration of LyFC, it was tabulators who developed a more gendered collective consciousness as a group of female workers and greater confidence to participate in the company's modernisation programme. The advantage that tabulators experienced in the company was that "women are in the place where technology has resounded more" (Neri, 2002:93). Compared with other

unionised workers in different departments of the LyFC Company, the tabulators were also getting more training to use the new technology in processor programmes. For example, a manager in HRM reported that tabulators showed more interest to take extra training lessons to manage computer programmes that the company promoted as a part of the Modernisation programme (L46). Thus the use of information technology and word processors in administrative areas has been changing the women's perception of work in clerical areas. Consequently, they have been acquiring more confidence to change their marginalised situation in the company and the union.

Both tabulators and switchboard operators have had to engage with the impact of new digital technologies and informatics systems, and in both cases they have experienced new sorts of training and experienced new opportunities for skill development. However, the character of this encounter with technical change has also been different in the two companies. At TELMEX women experienced relocation and retraining in a context of cooperation between the company and the union. Meanwhile tabulators and clerical workers in the LyFC Company started just recently to recognise their potential advantages, but they have had fewer opportunities to change their labour conditions and union representation than the telephone women workers had during the restructuring process. Furthermore, this change within LyFC Company could still have an adverse impact on women's employment. Thus it is too soon to assess the full

implications of this new technology for the participation of female workers, and their capacity to improve their labour conditions in the LyFC Company, or its implications for their representation in their union, and in what ways it might parallel the changes that took place in TELMEX Company and the STRM.

Finally it needs to be emphasised that, as we analysed in the second section of this chapter, the dominant way in which the structure of gender inequality at the company and in the union is experienced and understood continues to regard the participation of workers at work and in the union as male activities. This remains the case even though, against this tendency, some groups or individual female activists of TELMEX and LyFC have made a great effort to challenge male dominance. These challenges form the focus of the next section.

### **Attempts to challenge male dominance**

#### **a) The female electricity workers**

Historically, on the one hand, feminists groups in Mexico have been associated with a broad range of concerns linked to female subordination and the specific demands of women in diverse spheres. On the other hand female workers' grievances have been related to workplace issues. Thus "female activists' demands have been linked to work for equal opportunities in the union and the labour context" (Cooper, 2001:98). However, despite these differences of focus between feminists and unionised female workers, women union activists have drawn some ideological influences from the feminist agenda, especially as these have related to concerns to introduce changes in occupational sexual

segregation, and pursue the same remuneration, equal opportunities and proportional gender representation in the national union committee. There are two groups that have been involved in the most important attempts of female activists to challenge male dominance in the SME union, the *Frente Femenino* and the *Brigada Femenina*, and I will consider each in turn.

### ***“Frente Femenino”***

In the SME union women started to criticise the male culture at work through the first female political group in the SME called the *“Frente Femenino”* (“Feminine Front”), which was a women-only organisation led by Perla Villavicencio. This group was influenced by the first feminist radical movements of the late 1960s and 1970s (Neri, 200:120). *“Frente Femenino”* was the first modest movement to change the male culture of dominance in the SME union. These women developed their strategy by promoting cultural and artistic activities such as theatre. They supported such artistic expressions to encourage transformations in the family values at home, because they believed that only making changes in the domestic life could change the gender culture of male domination at work. The leader of this group said,

we wanted to change the *‘machismo’* [‘sex chauvinism’] behaviour but not only in the workplace, we wanted to extend this influence to women and families, giving to them the values of the family where men and women share responsibilities at

home [...] Their families accepted our ideas which were promoted through performances in the theatre (S66)

The “*Frente femenino*” also extended their activities outside the union to support the “*Movimiento de Mujeres*” (“Women’s movement”) through social work to help single mothers<sup>40</sup> in poor areas.

The most important contribution of this generation of female activists in the SME union was that female workers got the right to retire after 24 years and 6 months with 100 percent of their salary without age limit. They also influenced the movements that followed later in the SME union, for as another member of the “*Frente Femenino*” said,

after the 1970s the women woke up and they started to think that they are human beings and they have the right to participate [...] I think we contributed to this change, we influenced them to transform some [of their] values (S73)

A female pensioner that lived through this period argued that women as subjects of change in the union and company had been forgotten in the SME’s history. Women were excluded from the union’s memory and political life, but even so women made important attempts to include themselves and their gender proposals in the union (Neri, 2002). She also pointed out that in the historical

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<sup>40</sup> In 1979 they founded a kindergarten called “*La Semillita*” (“the small seed” metaphor of small children) to take care of children that come from single mothers, most of them women from the most marginalised urban groups such as unemployed women or prostitutes.

compendium of the SME union, from 1914 until today, the participation of women was only mentioned in relation to the strike of 1987. Thus, women in the SME have been ignored or considered not important enough to be included in the written history of this, the oldest Mexican union.

### ***“Brigada femenina”***

The second attempt to challenge male dominance, which had better results, involved a group called the “*Brigada Femenina*” (Feminine Brigade). This political group emerged during 1980s and was led by Elvia Neri among other female activists, and it sought to organise female workers to tackle gender issues at work. “*Brigada Femenina*” was the second feminist attempt to claim women’s equal right to participate in the SME union. The main distinction between “*Frente Femenino*” and this group was the way they intended to change the social structure of inequality. “*Frente femenino*” considered education in the family as a central element to promote more equalitarian gender values in society. In contrast “*Brigada Femenina*” considered that changes in gender values had to start in the work-place and in political activities in the union.

During its early years, “*Brigada Femenina*” attempted unsuccessfully to organise women in diverse departments of LyFC. However, it was not until 1987, during the SME strike, that more women joined this group. The incentive

for women to adhere to the “*Brigada Femenina*” was for most of them more their union and working class identification than the motivation to participate in a feminist movement (S72). Firstly, female workers established their loyalty to fellow workers and the union by seeking to solve economic problems in the workplace, and secondly gender demands were subordinated to class interests. They found more enthusiasm to participate in political issues especially when their employment was threatened by new government policies, such as modernisation or restructuring programmes, rather than to organise a feminist group in the union.

In LyFC Company is clear that female workers are actively involved in organising actions of resistance against privatisation policies, but always as a part of the objectives of the SME union. Thus there is a genuine basis to the claim of a male pensioner who argued, “Men and women join together in the defence of the national patrimony, there are no [gender] differences” (S65). This suggests that women and men tend to see themselves primarily as members of a gender-inclusive (and even gender-neutral) class grouping acting to protect their employment. However, when these women have to interact in their union to attend to everyday matters of their working lives, gender differences are present. Thus the resulting gender demands are always there but not in explicitly gendered terms; they are present implicitly in the union but unrecognised and subordinated to broad union interests.

Elvia Neri, one of the founders of “*Brigada Femenina*”, throws light on the more explicit emergence of a distinctive female presence in the union. She mentioned in her thesis about workers of the SME union that, “We [women] were not in the formal union structure [...] For the first time, we opened the space that was full of male values. After us, during the union debates, women were more visible making specific gender proposals [...] Today, we are recognised as female representatives on gender issues as well as a part of a social class group” (Neri, 2002:131)

At the same time this process did not go uncontested. Thus, the most important contribution that “*Brigada Femenina*” proposed was to create the ‘secretary for women’ in the union to attend to female workers’ demands. However, the union’s central committee rejected the project to create a permanent secretary just for women. The union committee responded to the “*Brigada Femenina*” with legal arguments that frustrated their initiative. According to the committee this scheme was against the “gender neutral” organisation supported by the SME statutes. Male unionists also argued that this initiative could promote results opposite to those intended, by more strongly segregating the participation of women just in relation to one secretary in the union (Neri, 2002).

As McBride (2001) argues in the British context, changes in the union’s structure are necessary but not sufficient to counter-attack gender segregation.

In this case study, women as a social group are still quite powerless in relation to men in the trade union. Certainly individual female workers have worked for women's interests, as is also true in the other case-study union, and such individual efforts have gained some benefits for women as a collective group. The "*Brigada Femenina*" did not consolidate a political faction in the union, but they linked with female activist groups of diverse social organisations, and especially with unionised women. In 1997 female workers from various unions, included the STRM and SME among others, organised "*Red de Mujeres Sindicalistas*" RMS, (Network of Unionised Women) to make sure gender demands were included in union policies. The RMS as a civil association organised a variety of workshops about different topics, such as union representation, domestic violence, sexual harassment and discrimination at work. Neri insisted that they had organised the RMS among female workers because on labour issues only women know how to protect their own interests. "We are convinced that the strengthening of RMS has two components, first we need to organise female workers to protect our labour rights and second, all of us are authentic employees and we have to be our own voice without interlocutors" (Neri, 2002:134). In voicing this opinion, Neri emphasised that female workers should define their own experiences. Thus, knowledge about women has to come from women's experience.

### **b) Female telephone workers**

The “*Brigada Femenina*” was not as successful as the female workers at TELMEX were in the Switchboard strike (1976), which influenced active female political participation during the early TELMEX restructuring and developed through the 1980s. These experiences gave the STRM women more confidence to participate in the union compared with their counterparts in the SME union. In the SME there is a belief among men that women are completely different and should have a traditional female role in society. TELMEX female workers experienced fewer obstacles in participating in the union and the workplace than those in the SME Company, where their gender, understood in such traditional terms, has been an obstacle to involvement in the political life of the union.

There were different historical moments in the STRM that encouraged women to participate at work and in the union. The *switchboard movement* of 1976 was the first social movement where women, motivated by their poor labour conditions, started their active participation in the union (L47). A female worker confirms the significance of this movement. “[Women’s] participation in the union issues found its foundation with the *switchboard movement*” (ST36). In becoming active around this issue the motivation of these women was to improve their working conditions more than to develop gendered demands at work, though there was clearly a gendered dimension to their concerns.

The second important moment was in 1985 after the Mexico City earthquake that damaged the telecomm infrastructure. Women then started their actions in a more coordinated way. Women I interviewed who had lived through that moment recognised that the damage caused by the earthquake to the main operator system brought a real threat that they could lose their employment. As a female pensioner said “for us [switchboard workers], the earthquake was an event that shocked us and motivated us to improve our labour conditions with more concrete results” (ST33). During this time, the participation of women was characterised as more militant than collaborative with the company. A commissioner of the UNT concerned with gender issues mentioned,

In the beginning, women had meetings just to organise strikes. Some time later [after the introduction of digital technology], they changed their strategy to maintain their employment and improve their working conditions. [...] women took initiatives to participate in the company programmes with more enthusiasm than men (ST18)

The principal reason for this was that the technological innovation in telecommunications, that changed from analogical to digital, caused significant changes in women’s employment, especially during job relocation.

The third important moment in terms of female participation was the privatisation of TELMEX Company, which influenced workers’ responses to economic restructuring. A female pensioner said, “When workers were

relocated [after privatisation], they were also adapting little by little to the new TELMEX structure, new job profiles, tasks, new life, etc” (ST33). This involved some recognition of the specific ways in which women experienced and needed to respond to these new developments.

Against the background of this series of developments STRM female activists promoted an important proposal to challenge male dominance. They sought to change internal company regulations and the collective contract to penalise sexual harassment in the workplace and union (STRM, 1999). This initiative was extended to other unions related to the UNT Confederation. So far the Tecmarketing collective contract is one of the few cases that included a clause that will punish sexual harassment. Finally, during the time of this research, a group of unionised female active and retired workers from diverse unions of the UNT formed the '*Grupo de Trabajo sobre la Normatividad Laboral con perspectiva de Género*' (Working Group of Labour Norms with a gender perspective) to work on a proposal to be presented in the context of Mexican Federal Law discussions. In their discussions they emphasised the defence of female workers' rights in equal terms to men, in relation to the same employment opportunities, remuneration and training as well as judicial prosecution in cases of sexual harassment.

There is some evidence that many aspects of modernisation, restructuring and privatisation involve processes that affect both genders in similar ways and

unify them in their organisations. However, this research also shows that other aspects of these processes have a distinctive impact on women when compared with men. Furthermore, in both cases there are elements of a gender culture of male domination in every day life that stop women from developing initiatives to collaborate more actively at work and in the union activities. The most important aspects that female workers mentioned were: a gendered culture of segregation, male domination and patriarchal practices at work and in their private life. At the same time women in both unions and workplaces have developed some challenges to these entrenched features of gender inequality, though those in STRM have pushed this further than those in SME.

***The reproduction of female subordination and gender inequalities in both companies***

In this chapter the concept of intersectionality helped to conceptualise the relationship between diverse structured systems of inequality at work that in this research have been identified especially as gender, age, ethnicity and social class relations. In particular I developed a discussion informed by an awareness of *intra-categorical* and *inter-categorical* approaches to the complexity of intersectionality, and I sought to register these features in my comparisons between the two case-studies.

I developed a discussion informed by an awareness of *intra-categorical* approach to explore the heterogeneity and complexity of gender relations in

both case-studies. I developed an in-depth qualitative approach to analyse some of the specific ways in which the gendering of work was experienced and understood, in relation to new forms of work organisation, training systems and technological innovation. These developments meant that the gendering of work was not a uniform experience but was characterised by important variations between different groupings of women.

At the same time an *inter-categorical* approach was used in this chapter to differentiate relationships of inequality among groups of workers. I identified different intersections based on gender, age and social class relationships in daily life and in different historical context. This meant that these differences intersect differently in each particular context. In this context age and social class were sources of differentiation among both men and women, but comparisons between female and male workers also showed that men had systematically privileged patterns of participation in the union and the workplace, even in TELMEX where there had been the greatest changes in this regard. The concept of sexual division of labour highlights the unequal relationship between male and female occupations which was reinforced by patriarchal practices in the workplace and unions. At the same time, the gendered division of labour and associated social perceptions about female occupations vary between the cases and have changed historically over time.

The cultures and practices of the companies and unions are built in masculine terms and women who accepted the male rules are more successful within the constraints this involves. At the same time both women managers and workers are still experiencing significant vertical and horizontal sex segregation in both companies and unions. Women have a secondary place or status as members and in gaining political positions in both unions. However, the strongest vertical and horizontal patterns of gender segregation are at LyFC and within the SME union, where the traditional sexual division of labour is more evident than in TELMEX and the STRM. At work, the SME male workers dominate the occupational structure and women are still segregated in “female occupations” and men in “male jobs”. In both unions, political opportunities in the union remain less open to women.

These patterns of experience are not simply the products of male power but are also reproduced through some of the responses of women themselves. In these conditions, women often reproduce patterns of subordination that disadvantage other women and even themselves when they compete at work. This reinforces male dominance because women incorporate masculine ideas of gender marginalisation as a part of their own way of thinking.

### *Significant changes at work*

The reorganisation of work processes and the relocation of female personnel into male jobs are creating new opportunities for women (switchboard and tabulators) and young workers (Tecmarketing) through new technologies, new

occupations and new careers and training where none existed before. The evidence has shown that female workers at TELMEX are experiencing broad changes in the organisation of work and the division of labour, while changes in career pathways and in the operation of the union have also given women more egalitarian spaces to participate in senior positions at the company and in the union. The legal framework in the company and the internal regulations in the trade union provide superficially “gender neutral” conditions. On this basis most of the managers, workers, and trade unionists express a common perception of gender differentiation based on legal conceptions that are supported in collective agreements such as general regulations, collective contract or statutes. In TELMEX (and also in LyFC), women workers and managers feel that the company gives them the same possibilities as men to get a better job. Indeed, they think they have more equal gender conditions in the company than in the union, private life or in the society.

Relocation has been linked to feminisation as male jobs have been taken by women, but at the same time this process is also related to masculinisation because women have had to adapt to masculine time and space after personnel relocation. Thus, economic restructuring has contributed to change the lives of both men and women at work, to some extent in similar ways but also with distinctive implications for each gender. Despite real changes, women have not substantially improved their condition and there is clear evidence of persistent

marginalisation of women and gender issues especially in the SME union and LyFC Company.

The patterns of male dominance are more evident in the LyFC Company and the SME union than in TELMEX and the STRM. In the LyFC Company, women are less represented in their union (SME) than in the STRM. In the SME women are still living with a deep gender traditionalism manifested in the reproduction of patterns of covering up discrimination and gender under-representation. Thus while women in the SME are not on the Central Committee, a representative in the union argues that, even so, “the female absence is justified because women are a minority that just represents less than 10% of the total of workers” (S52). However, even though they signify a minority in the company, they are still inadequately represented in the senior positions at the company and in the union.

### *Challenging male dominance*

We have seen, particularly in the STRM case that some women have become active and influential in union affairs. However, better representation in the unions is just the beginning to develop a more equal and effective pattern of gender representation within the union structures. This is necessary but not sufficient. Women as a social group are still relatively powerless in relation to other groupings within the trade unions. As a consequence there is too much dependence on small political groups or individual women to push women’s

concern. In both cases studied there are similar situations with female leaders who have primarily worked as individuals to get some benefits for women as a collective group or social group.

I argue that women's responses are significantly different in each union, especially through the switchboard operators' movement in the case of STRM and the *Brigada Femenina* in SME. There are some similarities between the two studies: in each case women have some spaces to participate at work and less at the union. In both women tried to find a solution to overcome inequality of gender participation at the union and recognition of female labours lights. However, middle aged men still dominate at the top of the companies and unions. Consequently, in the SME case women have claimed more representation in the union but most of the women's efforts to find a space of representation in the union have failed. However, women are building their alliances with other feminist organisations through RMS (*Red de Mujeres Sindicalistas*) in order to reinforce the struggles for gender justice in different spaces of their life.

The *Brigada Femenina* tried to feminise the participation of workers in the union by proposing to address just women's issues. However, the risk of this proposal was to confine women just to "feminine areas" instead of finding a broader solution to challenge the inequity of gender participation in the union. This project failed because it focused just on women's issues as central

demands and the activists did not understand that they are part of a social class as well as gendered subjects. In these circumstances men were against such efforts to feminise some union spaces to address just women's issues. However, female groups contributed to develop informal campaigns of education to change the male culture of domination. Those efforts were addressed to everybody to promote a change of mentality and the male culture of domination from below. SME women began to see themselves as working class members only in the process of privatisation, when they felt their jobs could be at risk.

In contrast, STRM female workers saw themselves as participant in the construction of social class meanings, because female phone workers participated actively during the union's wider social movements. Therefore, in STRM women still understand political participation in the union from the perspective of class more than gender relations. They identified themselves first as class members and then in terms of gender.

In the STRM, female workers who climbed to powerful positions have accepted to play by the same rules imposed by the traditional male environment of the union. Men are at the top and female representatives perform in a low profile producing and reproducing the same culture of male domination to preserve the '*status quo*' in the union. Nevertheless gender demands have been institutionalised through the Gender Commission of the STRM confederation UNT. This commitment means that union policy is made to attend to gender

issues. However, this change promoted from within the union is addressed only to female leaders and not to workers in general, a major weakness because at this stage, the project risks failure because it has not been promoted to everybody. The history of female movements in both unions shows that changes come from below, promoted by social movements or activists, especially when these are linked to changes such as technological innovation, training and education. Such initiatives from below are more significant than institutional changes from the union made in ways which reflect masculine gendered power.

## *Chapter 5*

# **Age relations in work and union activity**

### **Introduction**

This chapter investigates the social significance of age and in particular demonstrates the role of age, alongside class and gender, in explaining the participation of workers in central issues in work and union activity. It does this by continuing to develop a comparative analysis of my two different case-studies.

As we saw in the last chapter, the *inter-categorical* approach to inequalities studies the diverse interactions of class, gender, ethnicity, race and age inequalities among others. However, in this chapter the *intra-categorical* analysis of complex inequalities is more central, and is used to understand the complex relationships among different sub-groups of workers distinguished in terms of age groups: young, middle age and retired workers in both cases.

In view of the relative absence of discussion of age and life stage in the workplace and union literature I start by exploring the relevance of age in labour studies from diverse theoretical perspectives about the sociology of age.

This highlights the need to conceptualise the ideas of age, generation, and more specifically the clustering of the distinctive experiences of contemporary youth, middle and old age to understand the ways in which these features play into working class identities in a specific historical and economic context. On this basis, this chapter analyses how different generations of workers in two different unions have worked to build alternative models of unionism in Mexico, and the way in which these projects have been related with specific historical moments.

Thus this chapter is an attempt to explore the substantial relevance of the concept of age in understanding different patterns of workplace relations and union activity. Firstly it seeks to analyse the dimension of age by drawing on in-depth interviews about the participation of workers in technology innovation, training systems and labour conditions. Secondly it uses this interview data to analyse and explain key instances of age-conflict, age-cooperation, age-inclusion and ageism or discrimination as they influence the participation of workers in the companies and unions. Finally, this analysis of the dimension of age seeks to understand the ways in which it interrelates with other dimensions of social organisation and inequality (class, ethnicity and gender) in these settings.

To pursue these objectives I have organised the chapter in three sections. The first provides a selective review of theoretical approaches to the analysis of age

stages and age relations, and uses this to highlight major analytical resources and themes that are picked up in the substantive analysis. The second focuses on specific aspects of the two case studies that reveal the distinctive social locations and experiences of younger, middle age and retired workers in each case. Finally the third section draws more directly on the concepts highlighted in the literature review to analyse age relations, generational diversity and generational conflict in each case.

### **I. Theoretical perspectives on Age**

Age will be examined in this chapter as a social construction by which people identify and define groups and individuals within their society rather than just a biological or physiological distinction. Thus the focus is on social categories such as youth, middle age and old age as these have been conceptualised to characterise relationships between individuals and groups during their life course in the work place.

There is no general inter-disciplinary consensus in defining the concept of age. Age has often been described as a chronological indicator to locate individuals; however age as a social phenomenon has not been studied extensively (Pilcher, 1995:4). Following Pilcher's analysis, age has three dimensions of interest to sociologists. First, "age and ageing have a biological and physiological dimension, so that over time, the appearance and capabilities of our physical bodies change quite dramatically" (Pilcher, 1995:5). The second characteristic

of age is connected with attachment to, and movement through class locations in the labour market and the workplace, status positions associated with specific expectations, and power positions associated with politics. Following Bourdieu, the third aspect focuses on the idea of age status as a cultural life style in a specific location in a cultural and historical context (Bourdieu, 1984). In this sense “[a]geing and age groups are demarcated not only by economic and political practices, but also by specific life-styles, a cultural habitus and by dispositions which differentiate them from other, competing social groups” (Turner, 1989:590). In this study, age must be understood as a relation of two processes: biological and physiological ageing and socio-cultural ageing.

One of the implications of this approach is that the ageing of individuals needs to be placed in a specific period of history since each of these dimensions gains specific characteristics from particular historical conditions. In this analysis it is necessary to take account that the young people, the middle-aged and the elderly within contemporary societies have to be analysed in the economic context of ageing in relation to developments in the labour market and the workplace, such as privatisation, economic restructuring and relocation, as well as the specific political conditions of diverse age groups with respect to social benefits, retirement, health-care systems and the general cultural values about age (Turner, 1989:599). This provides a more specific basis on which to consider patterns of cooperation and conflict within or across age categories. I will now explore these arguments in more detail by reviewing some of the main

debates about ways to conceptualise the experience of different age phases and the movement of people through age categories.

### *The life course and life cycle perspectives*

The age concept as chronological and social phenomenon has been approached from two different perspectives of analysis: 'life course' and 'life cycle', and each of these terms have distinctive meanings. Firstly, 'life cycle' refers more to the biological characteristics of individuals than social distinctions. This perspective is used to focus on aspects such as birth, reproductive cycle and death. The main characteristic of the 'life cycle' concept applied in social analysis is its universalistic, asocial and anti-historical approach.

Despite this, 'life cycle' is seen as a process by which an individual passes through the successive phases of life over time from birth, childhood, adolescence, middle age, old age and death. This process plays an important part in understanding age as a dynamic variable when studying social change. Aspects such as reproductive life and ageing have their meaning during the productive existence of people. However, the concept of the 'life course' provides a better basis for analysing social relations than 'life cycle'. The 'life course' concept includes individual biographical features as well as collective change during a specific historical period.

The 'life course' concept is more associated with life events or turning-points in individual experience and roles related with institutional arrangements and attitudes or social values such as the legal majority, marriage, parenthood and retirement. This idea takes into account the chronological development of human beings combined with the social implications. The concept of the 'life course' has been associated with American academia. Hareven suggests that the 'life course' approach is concerned with how individuals and families made their transitions into those different stages. "Rather than viewing any one stage of life, such as childhood, youth, and old age, or any age group, in isolation, it is concerned with an understanding of the place of that stage in an entire life continuum" (Harven 1982:xiii). One important conception shared by the 'life course' is a concern with the ways in the individual negotiates the nature of social reality and the role of meanings in its construction.

Therefore, life course is more concerned with social life stages than 'life cycle', where each stage is defined by its social expectations. "Social rules suggested what forms of behaviour are suitable for each age-group ...[and] Many activities are quite strictly segregated by age" (Bradley, 1996:147). In this sense, age identities change permanently to adapt age groups to wider social structures.

Consequently, the concept of time is important in the "life course" approach. Hareven (1982) has distinguished different levels of time that she considers important to understand the "life course" of individuals. Those levels of time include family time, which is linked with life course events such as marriage

and transitions of individuals between different family roles. Individual time is synchronised with family time because individuals' life transitions are related to collective family transitions. Finally, the last level is historical time. Some criticisms have been made against the generalised nature of the life course approach, even though it has focused its attention on social relations, because it has focused on how individuals have made their transitions within a given social structure, rather than on social groups responding to changing historical conditions (Hareven,1982 in Pilcher, 1995:21).

In sum, life cycle and life course are interrelated biological and social conceptions of age differences and relationships that help us to understand the different roles that workers and employers play throughout their lives. In particular I will seek to show that the categories and transitions mapped by the life course approach are relevant to the experiences and responses of the workers and managers in the organisations and workplaces that I studied.

Furthermore, the social conception of age can be developed further by highlighting the significance of historical changes in social contexts and relationships involving age. One way in which this has been done has been through the arguments that different historical generation have distinctive experiences and ways of understanding their life courses.

A central notion within the generation concept is 'cohort'. 'Cohort' designates the lives of individuals within the specific historical time in which they are living and getting older with other individuals who have experienced the same events and are of similar calendar age. In the Karl Mannheim essay (1952) "The problems of generation", he developed a systematic analysis from the sociology of knowledge approach. Mannheim elaborated a theory of generations based upon the ways in which such generations experience and understand specific socio-historical structures in terms of interlocking life course events and patterns of social change. The conception of social generation in Mannheim's theory addresses different patterns of experience at any specific historical time. In the same chronological moment there exist different social generations each having diverse characteristic worldviews of the same historical facts (Pilcher, 1995:23).

A generation is not always homogeneous as a social collectively because it is marked by divisions by class, gender and ethnicity. However, sometimes a group or sub-group of a generation live similar experiences and share the ideas, interests, cultural values, opportunities and ideals of a relatively unified consciousness group. Also, groups of generations that coexist in time are mutually defined in their distinctive locations by each other. I will argue that the theoretical approaches focused on generation and the life course provide the most useful insights for conceptualising ageing processes within politics, economy, culture and history.

## **Structural and Interpretative Approaches to Age**

Alongside the debates about life cycle and life course, there are five main theoretical perspectives on age and inter age-group relations that have been developed over recent years. The main theories are each distinctive in their conceptions and understandings of age, but they can be classified in two groups. The first includes the functionalist, political economy and cohort/social generation perspectives, all of which share a structuralist emphasis, while the symbolic interactionist and phenomenological approaches have an interpretative emphasis.

### ***Structural analyses***

The structuralist approaches argue that “the social significance of age in various ways is the result of organisation and structure of society” (Pilcher, 1995:29). Throughout the interpretation of the data, this study draws on these theoretical positions that have been taken to analyse age in the work place as theoretical tools to explain the dynamic of change of age groups in socially differentiated contexts.

Economic development has often been the reference point to explain the situation of the elderly and youth in contemporary societies. In the modernisation analysis connected with functionalism, under the industrial system young workers are better able to get a job than older workers. Furthermore:

“...industrialisation inexorably led to the formalisation of ‘retirement’ as a status for older people and the evolution of welfare and security schemes to fund it. The previous role of older people as informal repositories of knowledge within the community was jeopardized by the development of the formal mass education systems and by processes of rapid technological change which appeared to make that knowledge outdated” (Bradley, 1996:158).

Functionalist theories have been criticised for analysing old people as a homogeneous group. It is important to “emphasize social divisions among older people and locate their positions firmly within the broader structure of inequalities of wealth and power. These are seen as deriving from capitalist relations and disadvantages of age linked to class” (Bradley, 1996:158-159). Following such arguments, the Political Economy approach to old age has been understood as the study of the relationship among economic, social and political structures, and especially between the state, the labour market and social classes. The central characteristic of this theory is its concern with the ways in which such structures involve the unequal distribution of social benefits and resources. Following the Marxist theoretical tradition, political economy has pointed to social class inequalities in relation to forms of involvement in economic production and their ramifications for the consequent positions of older people.

The major achievement of the political economic perspective is to have established age divisions as a form of inequality and the significance of such variation in the study of age groups. This theoretical perspective has linked age inequality to capitalist production organisations which exclude older workers but take advantage of the labour of middle age and younger workers (Bradley, 1996:160). This theory sees understanding the legal exclusion of children and persons of over retirement age from the labour market as an effect of social and political practices in the context of structural inequality. Thus Bond (1993) argues that young and old persons are in a status of 'structured dependency' as a result of different access to social resources. The exclusion of the oldest and youngest groups from the labour market reproduces forms of age segregation at work. These inequalities in the distribution of resources should be understood in relation to the distribution of power within society, rather than in terms of an individual variation (Arber and Ginn, 1991:67).

Some authors have criticised the political economy perspective for its emphasis on social class in generating distinctive patterns of experience within age groups, as this overstates class homogeneity and down plays the heterogeneous social composition and inequalities between genders or people from diverse ethnic groups. Others have argued that it does not pay sufficient attention to differences between capitalist societies in the ways in which state policies operate and age relations are organised (Blakemore and Boneham, 1994).

### *Interpretative approaches*

In contrast to the structural approaches interpretative perspectives, including symbolic interactionism and phenomenology, emphasise understanding how individuals act toward the society in terms of meanings. Interpretative perspectives within the sociology of age emphasise the meanings individuals attach to age, both in terms of their own subjective age-identities and in their interactions with others. These perspectives have influenced studies about subjective age-identities between older people, their interactions with others and stereotypes and images of old age. However this approach is also criticised for paying no attention to structural contexts, structural inequalities and the continuities of social relations (Pilcher, 1995:28). Nevertheless, some recent French discussions of intergenerational conflicts within the contemporary workplace have studied the ways in which younger and older workers have defined themselves against one another, while seeking to locate such interactional and interpretative processes in the context of wider sets of social relations, involving both workplace conflict and changing patterns of education and family relations (Beaud and Pialoux 2001; Durand and Hatzfeld 2003).

In different ways all of these theoretical approaches suggest that age is indeed an important dimension of inequality that should be taken into account as one more among diverse dimensions such as class, gender and ethnicity, which help to structure the building of social differentiation in access to social resources, such as wealth, power and status (Turner, 1989: 588-589). In many cases, age

crosses all of these dimensions as a complementary category but keeps its own characteristics and dynamic. Thus, in this study, I will present some of my evidence about ageing as a social construction that, on the one hand, explains one more dimension of social differentiation and inequality in the workplace. On the other hand, I will also show that it can be the basis of a generational identification, which informs efforts to obtain power and authority. The category of age plays a double role that segregates or integrates the oldest or the youngest workers in each case studied, in ways that varied over time.

The historically specific conditions of western and contemporary societies are the base for this analysis of age. The categories of age and conceptualisation of young adulthood; mid-life and old age vary from society to society. Nevertheless sociologists have differentiated five main groups in contemporary societies: childhood; youth or adolescence; young adulthood; mid-life and old age (Arber and Ginn, 1991). In this research, I have linked age inequalities to capitalist production organisation which tend to privilege middle age groups, excluding young and oldest workers. I will focus the following analysis in two of those age groups that have been marginalised in different ways from the labour market, namely younger workers and the old.

### ***Young adulthood and old age as distinctive categories***

Young adulthood can be conceptualized as the transitional period from school to the labour market or the transit from family to independent life, while

remembering that such transitions may also have a significant generational distinctiveness. This is because “Young people’s location in historical time means that they are likely to experience problems which arise from their social class position and their stage in life course position *differently*, both to those who have gone before them and to those who will come after them” (Pilcher, 1995:70). Thus, the life course of individuals located in specific historical time interacts with other social variables such as class to promote a distinctive youth culture which may embrace diverse environments, such as those at work, university and in leisure time. In this way, cultural studies have understood youth culture as a differentiated category related to class, gender and ethnicity in a specific historical time.

During the post-second war decades in Western societies the perception of young people was transformed from passive to active social agents. The conception of young people became characterised as the vanguard of social change, freedom, innovation and with their own style. This perception of youth came from the rise of diverse urban class cultures during the 1960s. Thus, although class differences were registered, this social phenomenon was characterised by the notion that “the youth cultures of post-war decades were evidence that differences based on age become more important and more fundamental than differences based on social class” (Pilcher, 1995:68). This clearly highlighted the potential distinctiveness of youth and young adulthood, both in terms of experiences and cultural responses.

Meanwhile, in industrialised societies, the institution of retirement has promoted a generalised view of older working people as redundant within society, for “where wealth and power are linked to participation in capitalist production, the social standing of older people has declined” (Cowgill and Holmes, 1972, cited in Bradley, 1996:145). However, in my research the consequence of the institution of retirement for the participation of workers in the union is also related to the differences produced by gender and social class. This is consistent with the argument that “the transition to retirement is not a movement from an old to a completely new life (as the disengagement and role theories would suggest); rather it is the final resolution of the advantages and disadvantages attached to given class, gender and ethnic locations” (Phillipson, 1996:193-194). Furthermore, the form this takes also has a generational character. Thus, it is a mistake to study the history of ageism and old age as a homogeneous process during different moments in history (Featherstone, 1996: 331-332).

As we have seen, these arguments also suggest that particular cohorts of social actors may gain a specific generational formation early in their life course, by virtue of the specific economic, social and political conditions of their youth, but that this distinctiveness may also persist as they move through the life course and influence their participation in the union and life at work. Thus in the Mexican context, the political formation of urban youth cultures and generational identity were associated with the rise of diverse new social actors

out of the traditional social structure. Lomnitz (1999) has argued that this new collective representation, formed by emergent groups of ‘new social actors’ and ‘new middle classes’ such as professionals, students and independent unions, were not represented in the structure of post revolutionary governments<sup>41</sup>.

The Mexican political system was organised in a corporatist system, so that new organised social groups did not find a space to participate in the public sphere. The government was averse to giving these new social groups, often associated with “new middle-classes”, space to participate that would be beyond its control. During 1968 and 1971, the government repressed groups of younger professionals, students and independent unions that were excluded from the benefits of the traditional corporatist Mexican political system of representation. As a result “the social movements were conformed around particular leaders and a specific problematic [arising from the historical situation]. For this reason, people who participate[d] in a movement could be defined as a ‘*generation*’ more than a community that is reproducing throughout many years” (Lomnitz, 1999:203-204). Thus this youth generation of the 1960s formed a cohort that is no longer young but continues sharing specific orientations and forms of participation that mark them as a distinctive, but now relatively old generation.

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<sup>41</sup> The Mexican Revolution was in 1910 and the post revolutionary government was organized in a corporative system where the political participation was controlled for the official party through the PRM, the PNR and finally the PRI from 1929 until 2000.

During the last three decades, these social actors were influential with the unions, as they were looking at new political and social spaces to participate in, and to influence and make decisions on social policies. In recent years, independent unions have sought to influence issues such as labour reform, telecommunications regulations, and electrical privatisation, among other important concerns. Linked to the process of new social movements, independent unions such as the STRM of TELMEX Company and the SME union of the LyFC were against government policies on electrical privatisation, labour reform and diverse social policies.

Taking up these themes in this chapter, then, my empirical research focuses on just three broad age groups (youth, middle aged and old aged) who coexist in the work place and the union and constitute a significant dimension of workforce heterogeneity. The development of capitalist production organisation and employment relations in the post-war period, on the one hand gives to the middle age group, and especially male workers in this group, the conditions to constitute a generation that has the benefit of possessing advantageous positions in both work and the union, when compared with other age categories. The middle age generation is the most important group from a political point of view because they hold the authority and have the tendency to follow the establishment in the work place and the union. On the other hand, this type of organisation tends to exclude or marginalise the oldest and the youngest groups from the labour market.

However, the contrasting patterns of development in my two case-study companies also show that these age categories are not always homogeneous or uniform categories that are reproduced in similar ways across different enterprises. Instead, the case-studies suggest that the employment relations of each company have developed in such a way that such broad patterns of age relations have actually had rather specific and different implications in each case.

## **II. First case studied: TELMEX Company and the STRM union**

TELMEX restructuring has had important consequences for the nature and distribution of work among age categories. It has pushed the organisation to change management strategies and as a consequence the worker's behaviour too, in ways that are age as well as class and gender related. My discussion of these features will focus particularly on the creation of a distinctive employment enclave, the Tecmarketing call centres, where management recruited a category of younger workers and where a particular pattern of work orientations and relations with the union developed against the background of the distinctive biographies and contemporary structural location of these workers

### **Tecmarketing call centre workforce organisation**

Tecmarketing is a special case in the Mexican context for two reasons. Firstly, Tecmarketing call centre is the only unionised call centre (Micheli,

2004). Secondly, after Tecmarketing was formed it was unionised in a corporative relation from above through extension of an existing agreement with the largest Mexican union confederation, CTM. However, according to my interviews with young workers Tecmarketing workers took the initiative to change affiliation from below and they finally joined a different workers' organisation, the national telephone union of TELMEX, the STRM union (Tec42).

Young workers in Tecmarketing are more involved with technological innovation than other workers in TELMEX and they are associated with the latest technology in electronic communications. Young workers are familiar with computer skills to manage the Internet and they have the previous experience and knowledge to develop technological support to help Internet customers. Those skills have been developed and learned in their studies at public schools and universities. In Tecmarketing young workers who come from the university level are more skilled than older workers in the company who are affiliated to the same union, STRM. These young workers have spent more time trying to acquire more skills to get more employment opportunities.

Tecmarketing recruits university students from diverse areas of knowledge. Candidates have to demonstrate they are current students. However, the applicants must have theoretical and practical exam credits to get a position. Tecmarketing regulations allow the recruitment of personnel from eighteen to

thirty five years old (Tecmarketing Internal Regulations, chap.1, art. 1, b-d). Administration recruits these new employees through a different labour contract than that used for the rest of TELMEX, because they are thought of as part-time and temporary workers (TCLC 2003; STRM, CLC 2002). In consequence, Tecmarketing workers do not enjoy the same benefits that have been gained by TELMEX workers, such as the pension system, future career opportunities, training programme and the higher salaries of the older workers in TELMEX.

However, TELMEX managers have justified these unbalanced labour conditions between TELMEX and Tecmarketing workers on the basis that Tecmarketing is a company planned for young workers engaged in university study who need financial resources to finish their studies. A manager argued that “the national labour market situation explains the Tecmarketing company phenomenon. Tecmarketing has seen this as an opportunity that the company gives to students, to work while they are studying” (T11).

Managers feel that this kind of worker must be happy because the Tecmarketing Company gives young people the opportunity to work and study at the same time. However, this view is not necessarily shared by workers. For example, an operator at TELMEX took a different view. On the one hand, she criticised the company policies because they took advantage of young personnel as temporary workers with fewer benefits than older workers in the TELMEX Company. For her

The question here is why must our children work while they are studying? Why does the union accept that the company pays less to our children and invests less in training? TELMEX prefers to recruit more trained university students from public universities whose education was paid for by the state. They are poorly adapted workers and at same time bad professionals who have never given enough time to their studies. Finally, why does the company not pay more to parents whose children never finish education? (ST27)

On the other hand, she called attention to the passivity of the union in relation to efforts to improve the labour conditions of young workers, especially when most Tecmarketing workers come from telecom workers' families. Thus, referring to the relationship between younger and older workers in the union she affirms that 'There is limited [inter]generational solidarity from the union and old workers to young workers' (ST27) According to this operator, the union and older workers have an indifferent attitude to protecting these workers that are joining the telecommunication sector and the union has not developed a suitable strategy to confront new forms of control that employers are developing. Thus, management has created new forms of employment in call centres such as Tecmarketing that have been designed to catch the new generation of telecommunication workers. Furthermore, she suggested that this was part of a wider pattern in which the "administration has been transferring our work [from TELMEX Company] to other companies with less benefits".

These new forms of employment for young workers, with a different collective labour contract than STRM unionised workers, suggest that both the union and the managers perceive the new temporary communication workers as long-term university students, which means that they are trapped in an ambivalent labour market and organisational situation where they are neither identified with workers nor with professionals. Most of the Tecmarketing workers come from public universities that in the Mexican labour market have lost competitive standing. There are many reasons that explain the education crisis, and this is not the topic of this research, but for this analysis it is just necessary to point out the pauperisation of public education that these students have lived through during recent years (Padua, 1994; OCDE, 1997; Rodriguez 1999).

In this specific context, both young and old workers have had to contend with unemployment or with part-time low-paid and flexible working in the form of temporary jobs, but this has had a particular impact on the young. This corresponds with a phenomenon noted elsewhere, where “The service industry has often selected specifically young workers, who have to accept low pay and disadvantaged labour conditions” (Bradley, 1996:163). The quality of employment for young workers has declined, in consequence lack of opportunities for employment and semi-permanent jobs have become the norm for those between 18-35 years old in the labour market. The current situation for young people means that they are caught in what may be regarded as a

transitional stage. It is true in Mexico that many in this section of the population are denied the chance to become independent, trapped in parental homes through unemployment<sup>42</sup> or casual work. Young workers have spent more time trying to acquire more skills to get more employment opportunities. Finally, the reality of the labour market confronts the individual aspirations of these workers, because they cannot find a job which accords with their qualifications. On the one hand, the reality of work and employment at Tecmarketing creates deep frustrations, but on the other hand they have to preserve a job that has been defined as temporary. At the same time it should also be noted that these features are not experienced in a uniform manner, and that female young workers are particularly marginalised, a feature that will be returned to below.

As a consequence of these patterns of recruitment, the STRM union has its youngest worker population in the Tecmarketing Company. As a manager of that company said

Tec[marketing] has different characteristics [than TELMEX Company], we are talking about young workers with an average age of 21 years old and the majority are still students (Tec39)

Nevertheless, in the TELMEX and Tecmarketing Companies “young worker” frequently does not correspond with a simple chronological meaning of “young

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<sup>42</sup> The unemployment rate in Mexico according to the National survey of urban employment (*Encuesta Nacional de Empleo Urbano, ENEU 2004 INEGI*) was 4.95 per cent in August 2002, 7.3 percent Aug. 2003 and 7.8 percent in Aug. 2004. The youngest workers and women were more affected. The average unemployment rates of the youngest urban population are 10.8 percent (12-19 years old), 8.6 percent (20-24 years old) and 4.1 percent (25-34). The highest unemployment rate in the three cases reached an average of 10.4 percent (20-24 years old). The overall unemployment rate for men is 7 percent and women is 9.2 percent

worker”. In the first place, “young worker” signifies a differentiation between new and more experienced workers. During the interviews, a union representative of the Tecmarketing workers referred to these workers as young people that have been for a longer time a dependent relative in their family homes, during longer careers at the university. This means they start their working life later than their parents (Tec40), indicated by the fact that in Tecmarketing their average education is 14.3 percent years<sup>43</sup> (Tec39). Thus the very experience and meaning of being a younger worker takes on a distinctive character in relation to this particular pattern of education and recruitment into the workforce.

### **The Tecmarketing call centres: inbound and out bound sections**

Tecmarketing has set up two call centres<sup>44</sup> with different functions and patterns of staffing that have distinctive implications for employment experience and orientations. Tecmarketing Company provides diverse services such as technical support, sales, information about TELMEX Internet and long distance services (Prodigy, Ladafon, Telcard among others) and customer service. The two types of centres handle inbound and outbound call-handling services respectively, with relevant parts of customer support (including multi-lingual support), operator services, directory assistance, credit services, card services, telemarketing, interactive voice response and web-based services.

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<sup>43</sup> In Mexico the education system is structured in terms of the elementary school (6 years); the secondary school (3 years); the high school (3 years) and university (4 or 5 years).

<sup>44</sup> Both call centres are located in Mexico City.

Inbound and outbound sections are characterised not only by distinctive kinds of jobs but also by differentiated benefits, labour conditions and salaries. Overall, however, Tecmarketing has a flexible workforce, as a result of making increased use of part-time and non-standard employment arrangements. As we have seen, wages are lower than those paid to full time workers in TELMEX, but they are also differentiated in the inbound and outbound centres. Both call centres are characterised by a flat organisational structure constituted by an apparently homogeneous workforce, primarily made up of part time university students. At the same time, however, Tecmarketing represents a complex workplace environment which is a product of national labour market inequalities, in which an important feature is differentiation among age groups.

### ***The inbound call centre***

The “Chapultepec Centre, section 159”, is an inbound call centre that receives calls from customers to ask for technical support to manage Internet connections. This call-centre is staffed by the relatively older workers (25-30 years old) situated at the highest level of the promotion ladder as defined by the Tecmarketing collective labour contract (Tecmarketing CLC,2003). This contract establishes two specialities and four salary levels. The two specialities are sales and promotions and professionals and technical advisors. The first speciality is divided into three salary levels, while the second speciality is the highest level on the ladder (Tecmarketing CLC, 2003 annex). From my

interviews and observations it appears that these workers are more linked with their employment than workers of outbound call centre because, as a female worker at Tecmarketing who is a single mother said, “We hope to find stability here [in this employment]” (Tec41). This group has accepted the current labour conditions because their private responsibilities are increasing. Professionally, these workers have a good technical background to develop their activities. Most of them are trained in scientific and technical areas like industrial engineering, mathematics and science. In this first call centre two third of employee are men and one third women. They receive the highest productivity bonus in the Tecmarketing Company.

### *The outbound call centre*

Outbound call centre workers may perform a variety of functions that involve calling customers on randomly made lists. The outbound call centre in Tecmarketing is the “Irrigacion Centre”, and it offers diverse services and products to TELMEX customers as well as seeking to get back old customers who have changed telecom service company. This call-centre is where the youngest employees (18-25 years old) work. They are on the lowest level of the promotion ladder and are not required to have much training or developed skills. Here there are more working women and they are paid the lowest rates in the whole company. Women are the majority because to perform customer service the primary skill required is good communication and this ability has been identified and stereotyped as female. Thus, women and less skilled

younger workers are concentrated more in outbound than in inbound call centres.

At Tecmarketing young female and male workers came from similar socio-economic backgrounds, because the internal regulations agreed between the Company and the STRM favour employing relatives in the company (STRM-CLC, chapter 6, art.13). However, although TELMEX's workers know that these new workers come from a similar background and the same families as themselves they also observe that Tecmarketing's workers do not share the same labour and political culture as their relatives. An STRM union representative that works closely with Tecmarketing workers in the union argues,

The conservative political tendency has been settled down among youth. [...] We have tried to organise them to share the same labour culture as us, but they do not accept themselves as workers. I told them, 'accept you are students outside and are workers inside the company'. [...] They do not have a union project and a clear union conception like us. This happens because they have the aspiration to be managers (Tec39)

However, the viewpoints of the young workers themselves were more complex than this suggests. At the time of the fieldwork, young workers interviewed in Tecmarketing expressed their concern to have more employment stability in this new company. They felt that workers who have more private

responsibilities, like being the head of the household, become more interested in participating in collective activities in the union, but rarely felt themselves involved in this way. This also suggests that young part-time workers, who in the beginning did not identify with the main body of telecomm workers, placed greatest emphasis on wanting to keep the relative stability that they had gained through this temporary job, as they confronted the labour market restrictions on getting a better job which would accord with their qualifications.

On the one hand young workers have recognised the importance of collective organisations to represent their interests but on the other hand they identify more with managers than with workers elsewhere in the company. Thus one young worker believed that younger “workers are more related with management values than union interests and only use the union to solve administrative problems” (Tec42). This suggests that, as university students, the professional aspirations of Tecmarketing workers are more similar to managers than workers.

However, a manager of the Tecmarketing reported that “this company has planned for just temporary and part-time workers” (Tec39). In turn, this temporary labour system undermines the professional aspirations of the graduate recruits. The consequence is that they are confused with respect to their identity. On the one hand, young workers do not trust in the union. A young worker expressed this

I have found support from the union, but it is not enough. We feel we cannot trust each other. We have to find different ways to solve problems (Tec42)

On the other hand, within the union, the labour culture in Tecmarketing is associated with plural political tendencies and perspectives from the university which coexist with the mistrust mentioned above. Against this background the Tecmarketing representative in the STRM argued that “...the participation environment is anarchic when “kids” believe they have got the power to transform everything” (Tec40). This key informant suggests that the distinctive labour culture of the Tecmarketing workers is related to their limited knowledge of collective organisations such as unions as well as the limited labour opportunities available to them.

Tecmarketing as a company project has been directly connected with a previous stereotype of young people as inexperienced, individualistic, misinformed, anarchic, but with the apparently permanent status of “scholarship holder” rather than as a transitional period. A generalised vision among managers, officials, workers and union leaders has shared this as a common perception of Tecmarketing employees. In this sense, Tecmarketing workers have not been taken seriously in their participation during union assemblies, and they complain that they have been treated as permanent scholars rather than proper workers<sup>45</sup>. These workers have been identified as the category of “young workers”, and have been attributed an ill-defined identity between student and

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<sup>45</sup> The STRM-Tecmarketing Collective Labour Contract Assembly, 22/02/02

worker. The general perception about them has been that they do not have a labour culture and clear identification towards collective union interests.

Thus the identities and orientations of Tecmarketing workers have been seen by both managers and other workers at TELMEX as embracing a confused perception of worker circumstances. This has been manifested through lack of interest in union affairs, but also ‘anarchic participation’ in the STRM and the work place. At the same time, these Tecmarketing employees are actually very conscious of their contradictory position. For example, a young worker believed that workers in Tecmarketing have an ambiguous position, which he characterised in the following terms.

We are part-time students and part-time workers. Also I have studied engineering at the university and I am not a worker, I am here just for a while (Tec44)

Furthermore, they expressed their frustration when they could not use their knowledge and developed skills. Thus, another informant agreed that, if the company were more sensible and the union were more motivated, this company could be improving its quality and service by using the skills of these young workers (Tec42)

However, in practice it seems to managers and union officials that the employment model of the Tecmarketing Company, coupled with the labour market context and the tasks assigned to workers, contribute to build a characteristic labour and political culture. This culture is related more to

individual values than exclusively to the age differentiation emphasised by managers and TELMEX workers. The union representative of Tecmarketing in the STRM union believes that this absence of a collective identity is an effect of individualisation related with new forms of employment, such as part time working and the permanent fear that comes from economic insecurity and unstable jobs. This could be a possible explanation about why new young workers do not share with middle aged workers a traditional work identity and attitude towards work. Tecmarketing workers have more similarities with the rest of university students than with workers. Certainly other workers in TELMEX Company believed that younger workers are more related to youth culture and student organisations than to the working class.

This group of younger workers does not have much communication with TELMEX workers. A member of the STRM union drew upon her own experience within the union to assess the current relationship between the young workers at Tecmarketing and the STRM union, but emphasised that this relationship was different in critical respects from that of the dissidents elsewhere in TELMEX:

Tecmarketing and us are absolutely disconnected. They are new people that do not have contact with the dissident group because the mechanisms of control [that the union has developed] have blocked us. The people assigned to make a link with the Tecmarketing workers are completely loyal to the current union

direction. Thus there is not a linkage with these new people to transmit our experience.

In Tecmarketing there are many political tendencies, because all of them are young and they study at the Poli [National Polytechnic Institute] or in other [public] universities and they have a different experience. Thus, their experience at work, [especially with their labour conditions and their political experience] has stimulated their interest to organise, but they have generated a dispersed dissidence with conflicts among themselves. The dissidence that has been developed in Tecmarketing has not been proposing a consensual platform. I think, in our experience, when we were in a convention we were very different, we came from diverse political and ideological tendencies. However we developed a common project. The situation that I can see in Tecmarketing is that they have not got a project, there are many groups, but all of them are dispersed. I consider that the company and the Committee representatives are responsible for this situation (ST30)

This suggests that there is quite wide awareness of the situation at Tecmarketing across union activist networks, but it also underlines quite marked differences in the ways in which activism has developed in these different settings, with a sharp contrast between diverse and disunited

tendencies at Tecmarketing and more disciplined collectivism among dissident activists elsewhere. .

However, the union has justified its approach in relation to Tecmarketing workers precisely on the basis that young workers are seen to have an anarchic form of participation without a united leadership or coherent project, in contrast to the ‘disciplined participation’ of mostly middle age workers in the union. This generational clash was clearly manifested during a union meeting within the STRM to deal with the Tecmarketing Collective Contract Negotiations (2002). Workers did not recognise the traditional mechanisms to manage the union assemblies, or the union leader’s authority. However, it should be remembered that this is not simply a feature of Tecmarketing workers, as in a similar way TELMEX workers are also questioning traditional processes to manage assemblies that were clearly accepted by workers during earlier years. Traditional leaders have not accepted new forms of participation that unbalance the current order inside the union, even though they are developing new projects to expand their presence in the public sphere, through reinforcing cooperation through ‘union solidarities’ or making new alliances with national and international unions or diverse organisations in civil society, features I will analyse in the next chapter.

In analysing the age groupings discussed above it is difficult but important to try to disentangle real differences from the stereotypes that surround them. The

younger workers in Tecmarketing are more individualised, but they are also strongly influenced by shared experiences and ideologies taken from the student's organisations in the public universities and from their families. However the generalised perception of the differentiation between middle-aged TELMEX workers and the younger Tecmarketing workers is actually based on rather stereotyped accounts of the age differentiation that prevails in the organisation. Such stereotypes misrepresent the detailed character of these generational differences, but nevertheless help to consolidate the differences that do exist.

In sum, this also suggests is that there are a range of different obstacles to the mobilisation and participation of the Tecmarketing workers within the union. Firstly, the limited employment alternatives, the different collective labour contract to that of other TELMEX workers, and the seemingly permanent temporariness of these workers mean that they have ambivalence about their position, dissatisfied but also aware of the advantages of their situation. Secondly, the educational and work experiences of the workers have helped to develop a rather disorganised range of expectations and demands among this workforce. This does not justify the stereotyping of these workers as passive or anarchic, but such stereotypes may make it more difficult for younger workers to develop a clearer identity. Thirdly, both middle age and young workers do come from similar socio-economic background and blood relations but it is

clear that because of these processes they do not have the same labour conditions and share similar labour culture.

### **III. Second case: *Luz y Fuerza del Centro***

#### ***Young workers***

In the LyFC state-owned Company and the SME union, managers, unions and workers have a different perception of young workers than in the Tecmarketing and STRM case discussed above. In the STRM young workers are treated as second class. Even though everybody recognises young workers are better skilled workers, ‘special’, ‘different’, ‘peculiar’, ‘singular’ with high potential to be developed, they have been seen as ‘immature’, ‘classless’, ‘undefined’, ‘impulsive’, ‘anarchists’ and so on. In the LyFC some of these terms are also present, but they are given a different emphasis to discuss young workers who are generally perceived as ‘immature’ but overprotected. In this LyFC discourse such young workers are defined in terms such as ‘infantile behaviour’, ‘futile’, ‘unready’, ‘sterile’, ‘dull’, ‘less stimulated’, ‘slow’, ‘empty’, ‘lazy’, and they are also seen as unconscious of social class and union principles. This image of young workers in the LyFC Company, which is shared among managers, union officials and older workers can primarily be seen as a consequence of the recruitment system.

During the interviews with managers, union officials and workers at LyFC these attitudes among the young workers were seen as a consequence of the pattern of recruitment because it discouraged active participation to get better

labour conditions, as their parents have been guaranteed employment for their children as “a right”. Young workers know that even if they fail in their careers they have a guaranteed place to work and security in their future with a pension system (S75). They do not have to put much effort into getting a place in the company. As a manager of HR of LyFC argues,

“We developed a social diagnostic to study why the efficiency among professionals [engineers] and workers has been deteriorating, because before work at the LyFC was prestigious for an electrical engineer. Then, we asked workers if they wanted their children to work at LyFC. The generalised answer, among unionised and non-unionised [workers], was, ‘if they do not find something else better than here, then yes’. What are they saying? They are saying that this is not a good place to work. This is a place for somebody else that does not have the capability to compete outside. (L46)

This was the management twist to the argument that young workers were protected by the arrangements won for them by earlier generations.

From another vantage point, a leader of the electrical union suggested that young workers feel relaxed with their future guaranteed, and this is a reason that the newer generations have low participation in the political aspects of union activities.

This has been a problem for a long time. This is a real problem that has been reflected in low participation of our new members.

The union has tried to make some initiatives to create a new staff union. However, I cannot see the solution. Today, [on the one hand] I see virtually the state of a lack of participation among youth. [On the other hand] there is a generation [in the SME] that is finishing their time. I mean this is the last part of an active generation that is going away. Nevertheless, our union has sometimes acted in a way that has contributed to discouraging the participation [of young workers]. Our Statutes give priority to recruitment of our children. The father gets his children a job for sure, this is the problem. The child never learns to look for a job; in consequence he does not participate actively in the union

(S59)

The same leader interpreted this situation as an absence of consciousness of union principles.

For some commentators this pattern was linked to a lack of active participation of young workers in the union's political debates and sometimes this was formulated in a way which was more critical of the union itself. Thus a female worker understood this apathy and lack of interest among young workers as follow,

The form of recruitment in the LyFC Company contributes to increasing corruption. New workers that have been enrolled are relatives and [they are] privileged. Those people do not have to

engage with the union [principles because] loyalty is bought by union representatives. Leaders press workers for electoral support, otherwise they do not help them to recruit their children (S64)

As this worker suggest in this interview, recruitment is used by various groups as a political instrument in the union. Some union officials utilise this prerogative to preserve their influence in the electoral process in the union, and recruitment tends to be controlled by the political group in charge.

The orientations of young workers at work and the union are, however, more complex than this might imply. The same informant defined two different groups of young workers in a way that illuminates these complexities:

There are two kinds of workers that have arrived at the company (LyFC). Firstly, there are those young workers that the Company can attract easily because they do not have union experience. Secondly, there are the young people that have experienced [union] struggle and have not been good students or have failed in their personal projects. Parents punish them by getting them a job (S64)

My interviews with young workers confirmed the distinctiveness of the groups that this worker has identified. First, there is an integrated group of new workers of both genders who accepted the LyFC as one of the last job options that they have found. Additionally, this kind of young worker comes from

public education and all those interviewed had given up their studies. Thus in one interview with a young worker he displayed a low interest in being informed about the company situation, rights, statutes, or collective contract. It was evident that he was confused and lacked sufficient communication with union leaders about the most important topics that the union is working on now, such as about reform or the opposition to the privatisation of the electrical sector in Mexico. He said “I understand that the company is already privatised” (S61). In the same way, he said that he had taken the job in the LyFC temporarily because he could not find a better job opportunity. He said

My aspirations are different. I do not want to stay here as a unionised worker even though I have advantages I think, unionised workers have to serve us and the manager is the boss here (S61)

This interview shows an absence of class identification between young and unionised workers, partly grounded in individual aspirations to move on and partly based on a view of the union as an administration bureaucracy rather than a representative organisation.

The second group defined by the tabulator mentioned above is the group of young workers more “manipulated by the administration”. This is the group, most of them with university education, who share more interests with the Company. As a young female tabulator of the LyFC has expressed, “today the mystic idea of unions is missing, today it does not exist any more. The union is seen as an obstacle to modernisation” (S68). In this opinion there is a clear lack

of recognition of the role of collective worker organisations in the company projects, and a more direct identification with the company as moderniser and against of the union policy of continuity.

### **Young workers at TELMEX and at LyFC compared**

There are important similarities between both cases studied. Both recruitment systems privilege the children of union members to be enrolled. Thus, young workers come from similar social background based on union and kinship roots because the statutes of both the SME and the STRM unions give priority to recruiting their relatives to their respective firms. Unions and managers of both companies have built a similar conception of young workers based on age stereotypes that differentiated them from the middle aged and old workers.

However, even though both companies have similar unstable labour market and organisational situations, young LyFC workers are nevertheless perceived differently than the Tecmarketing workers. Despite the individualisation of workers present in the workplace, Tecmarketing workers have reinforced their collective influences that have been taken from collective organisations at the university and to some extent have confronted their unstable labour condition at work. However these Tecmarketing workers still feel more identified with students and professionals than workers. By comparison the LyFC young workers have a relatively more stable employment situation than Tecmarketing workers that underpins a more relaxed attitude at work. They are less interested

to participate at the union and company to change the current situation that in the end favours them. This has been one of the reasons why LyFC young people have been seen as passive actors at work, quite different to the Tecmarketing workers who participate actively in diverse social organisations and in the STRM union.

In TELMEX the staffing policies changed after the company restructuring. On the one hand, workers were not laid off as a part of the previous agreement with the union in the process of privatisation. On the other hand, new workers were not recruited into TELMEX Company during a whole decade. This created a generational fissure between middle age and youngest workers of workers, with different labour conditions, different labour contracts and different profiles of participating in the same union.

Male middle age workers have the best position in the hierarchies of both unions and companies. Young workers in the STRM have been marginalised as workers with fewer benefits than the middle age workers and they have also been excluded or sometimes ignored in terms of participation in the union decisions. The dominant group in the union is linked with a generation composed of middle age men and women that lived through the process of privatisation.

## **Older workers, the organisation of retirement and the role of pensioners**

To understand the positions of older workers, and especially pensioners, in my two case-study companies it is first necessary to outline the social policy context within which pension provision in these firms operates. There are two institutions of the security system that serve workers at national level. The *Instituto Mexicano del Seguro Social* (IMSS) (Mexican Social Security Institute) was created to insure workers in case of work accidents and occupational diseases, illnesses in general and maternity, offering disability, old-age and insurance benefits. The disability and old-age pension system created along with IMSS was designed to operate as a benefit system, based on a scheme of benefits determined at the time of retirement, and a salary-based contribution was fixed to finance it. These contributions were intended to generate collective reserves to meet obligations to future pensioners. The IMSS manages the retirement system for TELMEX and the workers' pensions for LyFC.

The ISSSTE (Social Security Institute for State Workers) was created to provide health and pension services for most government employees. The IMSS has 42.5 million rightful claimants and ISSSTE has 10 million (Informe IMSS, ISSSTE, 18 Marzo 2004). The old age security system involves two elements. Firstly, the public pay-as-you-go pension plan consists essentially of two components of support: a) retirement and disability pensions based on payroll

contributions of 8.5 percent of wages for private sector workers, administered by the IMSS, and 7 percent of wages for public sector employees administered by the ISSSTE; and b) pensions financed from individual employee accounts in two specialised housing funds, based on a contribution of 5 percent of wages for private sector employees administered by INFONAVIT (Institute of the National Fund of Housing for the Workers) or 6 percent of wages for public sector workers administered by the FOVISSSTE (Fund for Housing of the ISSSTE) (Inter-American Development Bank and Bank of Mexico, 1996).

Secondly, in 1993, a new system of Individual Retirement Accounts (or SAR accounts) was established for both public and private sector workers. The SAR accounts are funded with additional employer contributions equivalent to 2 percent of wages and are guaranteed by law a real rate of return of 2 percent. These funds are collected by commercial banks and channelled to the Central Bank (Bank of Mexico, 1996). The pension system was reformed in 1997, despite unions' mobilization against privatisation. Mexico shifted from public pay as you go to individual accounts scheme managed for private financial agencies. In Mexico government agencies organise the pensions sending them to pension's administrators. Nevertheless since the pension system has been privatised, there are private and public companies that keep the public pension scheme. Actually old pension system covers a small percentage of population and excludes a high fraction of workers. The retirement age is at 1,250 weeks (25 years) 65 years. The years of contributions required to be eligible for the

minimum pension guarantee vary from 10 to 25 years. After the pension reforms each worker's individual retirement account is composed of two compulsory sub-accounts one managed by the AFORES Retirement Funds Administrators (*Administradores de Fondos de Ahorro para el Retiro*), and the other by the INFONAVIT Institute of the National Fund of Housing for Workers (*Instituto del Fondo Nacional de la Vivienda de los Trabajadores*) sub-account. Workers have a third subaccount for voluntary contributions. Workers' contributions are automatically passed on to the designated AFORES.

Retired workers of LyFC have a privileged position among average workers in Mexico. The LyFC pensioner's salary is based on personal contributions and length of service (SME CLC, 1996). TELMEX workers before and after privatisation have also kept an advantaged position among workers serviced by the IMSS, but the TELMEX collective labour contract benefits on pensions are not shared by workers in TELMEX filial companies such as Tecmarketing.

#### ***TELMEX retirement arrangements and the role of pensioners***

The TELMEX CLC (Art. 149-150) establishes that female workers of 48 and male workers of 53 years old or with 20 or 25 years of service respectively, are allowed to receive at least 50 percent of their pension, and after 31 years of service 80 percent of their pension. At the time of the empirical research, February 2002, TELMEX Company had 7680 unionised pensioners and 10,000 employee pensioners. During the rest of 2002, the former increased by 2,000

and in less than ten years time the number will be doubled; there will be approximately 14,000 unionised pensioners (Union's General Assembly of Collective Labour Contract, 12/02/02). Moreover, the administration and thus employee pensioners of TELMEX are expected to increase by 4861 pensioners by 2007 and 6114 by 2008 (Human Resources of TELMEX, 2002). This data also shows that there are more telecommunication workers that are retiring than are being recruiting.

The issue of pensioners has been expressed as a very important topic to address in collective negotiations. However, the union has found it difficult to develop a policy or a suitable proposal for negotiations. Indeed, an executive of TELMEX has said about the retirement system that "the union always lets the management solve this problem" (T10). The background to the company management's strategy was indicated by a Tecmarketing administrator who noted, on the basis of a specific piece of research about life expectancy, that the workers of TELMEX Company have the longest life expectancy in Mexico. Because of this situation the company has proposed a different retirement programme.

In this company we can see pensioners of fifty years old with the highest life expectancy compared with other workers. It means that if the people are going to live until eighty years old, the company has a main responsibility in the future. In this subject, the union should be helping us (T12)

Actually, though the union has not been proactive, their response has been collaborative on this issue. A leader of the STRM union has endeavoured to convince workers to delay retirement, and the union's general secretary has discussed in general assemblies some voluntary alternatives to delay retirement.

The voluntary retirement plan proposed<sup>46</sup> to increase the age of retirement and this programme for a later retirement level in the near future seems to be an adaptation of the union to company interests, because the union had not developed its own plan to address their interests for the future (ST29). However, in interview two members of the traditional opposition reported that workers in a variety of union meetings have not accepted this initiative (ST27; ST30). A former member of the STRM committee explained that the current union direction is inviting workers in different work places to delay their retirement to stop the increasing trend of pensioners. She is critical that the telecom union never developed a project to address this future and she suggests that in a few years, "in TELMEX Company the number of pensioners will increase more quickly than active workers and the system will collapse like what happened in the Mexican rail industry" (ST27).

This problem particularly developed after privatisation, as TELMEX significantly reduced enrolment of new workers. Even though Tecmarketing

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<sup>46</sup> Union's General Assembly to discuss the negotiations of the TELMEX Collective Labour Contract, 2002- 2004, Mexico City 12/02/02.

has been enrolling new workers, there are fewer workers and they are under a different collective contract than TELMEX's existing workers, with fewer labour benefits than before. This demographic shift not only placed pressures on the pension scheme, but can also be seen as a source of the weakening of the union organisation as members are more and more growing old.

The STRM in its Collective Labour Contract already specifies the possibility of postponement of voluntary retiring to stay longer, at least up to seven years (TELMEX-STRM, CLC 2002, clause 160). However, the traditional employer-provided pension plans do not give attractive incentives to continue in the work place at older ages. The current pensioner system gives more advantages and benefits if workers take early retirement, such as fewer taxes to pay and more time to enjoy their private life. Indeed the union leader has recognised the workers' position; he has said that workers want to retire as soon as possible because their rights will be affected by the possible new policies.

In this company, then, the pensioners and those approaching retirement are represented in their union. However, they do not have a clear or well organised voice and union policies affecting them have been developed in terms of a more general logic of progressive co-operation between the company and the union, rather than representing their interests in a strong and direct fashion. As we will see, the position of the pensioners in my other case study is rather different, as pensioners are a more important and vocal presence in the SME.

### *The role of the LyFC pensioners in the SME union*

In the LyFC Company workers get to retire if they have been 25 years in the company and 55 years old or have 34 years of services without limit of age. Women get earlier retirement, they are able to retire after 25 years of service with 100 percent of the salary (SME-CLC, 2000-2002, art.64a).

In the union of LyFC, the SME pensioners have an unusual position in comparison with organised labour elsewhere in Mexico, as they have the same rights as the active members in the union. “At national level the SME is a unique organisation in recognising pensioners as active members” (S67). This atypical situation in the Mexican labour context gives pensioners a privileged position to make decisions about union issues that have repercussions in the workplace. A former member of the SME national committee said

The phenomenon here is that staff workers are not increasing while pensioner power is growing. If pensioners are 16,000 or 17,000 against 34,000 active workers, it means that the problem is that pensioners have more specific weight in the general perception of the union members, and they outvote active workers. The pensioners are just worried about their retirement situation and not for the rest [of the organisation and the company] (S58)

From this quote it is clear that some workers saw such pensioner power as a problem for the union. In the same interview this informant re-emphasised that pensioners just pursue their own interests.

One pensioner said to a tabulator: 'pensioners are the true owners of the union because I have given more dues to the union than you in all my life. I have worked for 30 years and I have been a pensioner for 10 years. I have been paying dues to the union for 40 years but you for only 15 years. I am more owner than you'. This is just an anecdote to show what they believe (SM58)

This suggests that there was some tension between the concerns of the pensioners and older workers who were approaching retirement and the concerns of middle aged workers. This analysis was confirmed by a former labour secretary of the SME:

The opinion of pensioners is getting less and less adaptable to change. They do not understand change and maybe they should not have to understand it; we should not have to demand that they understand it. As active workers we should assume the responsibility of understanding change, while preserving retirement. [But] they have to give us the chance to modify the company and let us do the best to sustain retirement (S58)

Overall, then, a contrast in interests and perceptions can be identified, between pensioners and other workers active within the union. The pensioners appear to

be active in the union in pursuit of their own agenda, but this reinforces a defensive union stance and makes it more difficult for other union members to develop strategies for responding to organisational change.

This observation about pensioners, and their interest in maintaining everything in the company as a public company without changes, has been confirmed by the opinions of all of the retired workers I interviewed. Pensioners have been the most interested to defend the official union discourse against modernisation and privatisation policies, otherwise they could be the first affected if any change is introduced by the company and the government. Seen narrowly, they could lose their privileges and political influence within the union. However, the way in which these retired workers formulate their opinions during interviews emphasises the relationship between their own goals and the national aims to preserve the national patrimony of electricity.

Among the union officials and current activists knowledge of this pattern of attitudes and priorities among retired union members is reflected in many themes that are built around a stereotype of pensioners as a static body who do not have to adapt to new circumstances. For example, a former member of the SME National Committee said

The human being when aged tends to be more emotional than rational or cerebral. Pensioners are looking at the things that they have done and they do not respect the responsibility of active

workers to solve problems of production, modernisation, etc.

They do not recognise that active workers have to plan solutions while pensioners can just give their opinion (S58)

The nature of labour relations under public ownership further complicated the process of devising a new labour relations strategy. At the time of my research, managers such as a manager of Human Resources in LyFC Company, spoke of overprotected workers and often unfruitful dialogue with the trade union, leading to a permanent negation of management initiatives in business.

Consultation had become a way of obstructing innovation for long periods. For example, the collective contract has not changed, the modernisation programme agreed since 1994 has not been carried out yet and pensioners have the same rights as active workers (L46)

Thus there was some convergence between the views of managers and some union activists when they identified these pensioners as obstacles to change.

However, even though pensioners in these accounts seem a homogeneous body that follow a monolithic leadership in this regard, actually there are diverse political positions among them. The pensioners generally are opposed to government and management policy about privatisation, but there are also important differences in the character of this opposition. There are three more

or less defined factions that a female pensioner and member of the “*Brigada Femenina*”<sup>47</sup> described as follows.

The first group, the most structured group, represents the majority of pensioners. This group is an unconditional supporter of the executive policies and decisions, because pensioners are only looking to conserve their privileges and the executive that is in place guarantees their prerogatives. The other two groups constitute the dissidents. One of them is “*Alianza Democrática de Jubilados*” (Democratic pensioners’ alliance)<sup>48</sup> [a political group opposed to the current executive] and the other “*Jubilados unidos*” (United pensioners) [most of female pensioners are part of this group]. These two groups have a radical position of confrontation against the executive. They have been building a stronger political project (S74)

This female pensioner, who has participated actively in the union, described all of these groups from her own experience. She defined herself as a member of “*Jubilados unidos*” and she considers that, in this group of pensioners, women that joined have built a clear feminist position and proposed policies that have been taken into account in some of the executive’s initiatives (S65). For example, one of these policies involved early retirement for women with 25

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<sup>47</sup> The origin of this group in the SME union has been explained in the chapter on Gender.

<sup>48</sup> The *Alianza Democrática de Jubilados Unidos* has proposed a consistent project to attend pensioners’ issues of diverse unions, federations and confederations, not only the SME union. This group has planned to create the National Institute for the Old people to help pensioners to protect their rights. This proposal is based in the agreement to create the National Committee to attend elderly people (Diario Oficial, 12/08/1999). Also this group has been looking to include this project as an initiative to be proposed in the Congress (CNJP, 16/01/2006).

years of services with 100% of pension (SME CLC, 2000-2002, art. 64 a) as mentioned earlier in this chapter.

In this regard the differences between the pensioner factions were less about privatisation than about the bases of participation in the union, but they still had implications for how pensioners responded to the arguments of the officials and current worker-activists. For example a point of debate among the pensioners groups regarding union policy concerns the implications of possible changes to the statutes to give women a specific space to participate in the union, such as a 'secretary for women affairs'. Some argue that this is likely to segregate the participation of women in the union (S52; S51), and also that this is not the way to promote the participation of women in the union. Moreover union officials and most pensioners said that this proposal was against the representation system in the union based on democracy by majority rule that in practice preserves and enhances the autonomy of individuals in the union. Nevertheless, it is clear that the union officials do not recognise that individuals also have specific gender demands that have not been addressed by the union, as was analysed in the previous chapter on gender relations. This has been the reason why most of female activists, including women pensioners, have seen a secretary for women's affairs as a good way to promote feminist policies with less procedural confrontations in the union.

In sum, an important distinction between the roles of older unionised workers in the two companies is that in the LyFC Company retired workers have the same constitutional position as active workers to participate in the SME union and to make union policies. At the same time, there are important differences in the orientations and influence of different sets of pensioners. In particular male pensioners and middle age workers have a better situation in the SME than female active or retired workers. In contrast with their female counterparts, all men fortify their position, whether as male active workers or as pensioners in the organisation, with similar labour rights. Indeed young male workers in LyFC Company have similar advantages to those enjoyed by other male workers in the whole organisation, albeit they tend to be passively enjoyed. Meanwhile pensioners in the STRM have an important presence in their union but less significant than in the SME, where they keep their privileges and have the same labour rights and benefits as active members and are an increasingly influential constituency.

### **Patterns of participation in the company and the union across the life course and generations**

This section of the chapter seeks to explore the implications of my substantive findings by drawing directly on the concepts highlighted in the literature reviewed on age concepts as social phenomenon, life course and generation. In this part I examine the social relation of age, class and gender between young, middle aged and older workers in both companies. I analyse the implications of

their intergenerational relationships at work and union in both case studies, focusing first on differences across generations, then on generational co-operation and finally generational conflict. In doing this I will draw on my discussion so far, but also introduce additional evidence where appropriate.

#### **IV. *Generational diversity at TELMEX, LyFC Companies and unions***

From observations during the empirical research, in the STRM and the SME there are different groups who share chronological age and have their own social, political and cultural features within a specific historical period. Likewise, the members of each age group identify themselves in their specific social, political and cultural context. Those age groups tend to share similar experiences and outlooks, like perceptions of job security, homogeneous experiences at work, shared professional pathways, compatible political and cultural mainstream influences and similar motivations to participate at work and union activities. In these conditions, then, they may be conceptualised in terms of distinctive generations, when “age groups are demarcated not only by economic and political practices, but also by specific life styles, a cultural habitus and by dispositions which differentiate them from other, competing social groups” (Turner,1989:599).

In the cases studied, generational identity affirms a status as a group. Each generation is characterised by horizontal communication, information and similar social concerns more than a relationship between generations. The frontier of each generation is delineated by the awareness of differentiation.

More than a biological explanation, historical context defines the boundaries of each generation. This means that workers identify with their own generation as opposed to others and thus contribute to maintaining the boundaries between them. Generational stereotypes are characterised by misunderstandings in the relations between different generations. Workers are aware of their own identity in generational terms. Thus respondents have shown a negative view towards other generations in TELMEX, Tecmarketing and in the LyFC Company. In the STRM it is only after privatisation (1990) that members with different labour contracts from different generations coexist in the same union. In both unions and companies the workforce is stratified by age, with the middle aged and oldest active workers most dominant.

Workers of different generations have identified their differences in terms of a cluster of characteristics, as when a representative said

I do not understand them [younger workers of Tecmarketing], they are very immature workers, individualistic and do not have a labour culture and they do not know the importance of their organisation (Tec40)

In this way, workers have perceived and reinforced their own generational boundaries through important historical moments. In TELMEX the participation of workers in the processes of privatisation and restructuring was a factor that defined the middle and oldest age groups as generations. According to my interviews, there is a widespread idea that today the participation of workers in the union has lost intensity because the generation that participated

in the historical union movements is retiring and the company stopped recruiting new workers for ten years.

This recruitment situation has created a generational gap between older workers and young Tecmarketing workers in the union. Furthermore, these policies have contributed to unbalance the proportions between workers of different generations and changed the opportunities especially for young workers to get standard and similar employment opportunities to those experienced by older workers. This circumstance contributed to develop a fracture between two generations with different aspirations that today communicate less effectively, especially in their union. There are parallels here with the findings of Beaud and Pialoux (2001), who studied the conflict and social opposition between older semi-skilled workers and younger operatives with school credentials at the Peugeot automobile plant at *Sochaux* France. They argued that young and old workers are simultaneously very similar and very different. Young workers have a relation with their past through their families, collective memory and their wider social group. As in the Peugeot automobile plant of *Sochaux*, Tecmarketing and LyFC young workers have different perceptions about their future than the older generations, because young workers have individual aspirations stimulated by school, but at the same time the labour market reality limits their future. There is also a spatial aspect to this differentiation, as young workers have been located in the call centres far away from the middle aged

and oldest groups and removed from the dissident currents in the workplace and the union at TELMEX, as we analysed earlier in this chapter.

In LyFC, the pensioners play an important active role in the union and the youngest workers play a passive role at the company and in the union. Thus, at LyFC pensioners and older workers have built their perception of the youngest as inactive workers. At STRM young workers are seen as uniformly individualistic part time workers with less interest in collective activities. However, this research shows that young workers are not a homogeneous group. There are important distinctions related to life course and gender differentiations. The young men in Tecmarketing have the perception that young women are more interested in managing their private lives than their jobs or public issues, political news, etc. (Tec42). Interviews with young women confirm that they are less informed about the company and union issues. In this situation, life course relations could be the explanation why young women are not interested in participating actively in company issues or in union activities. Female young workers, most of them in their twenties, are more worried about their personal lives than participation in union issues. One of them said

I am a single mother and I have to take care of my child and parents, they do not work [...] Really, I do not have time for ...[to participate in] the union I have many compromises at home (Tec41)

There are thus significant gender divisions among the young workers themselves at Tecmarketing.

Nevertheless, these female workers share more affinities with both other women and other young workers than with male middle age workers. Furthermore, young workers are more familiar with mixed gender spaces, because most of them come from the university. A female worker of LyFC argues,

Among young workers, women and men have more communication and comradeship than they would have had before, because today it is not the same, people come with a different mentality, they are more educated (S68)

In this generational group it seems that there are fewer gender contradictions than in previous generations, and this is part of the recognition of young workers as a generation.

Thus, such generational diversity at work is not just because workers are all different with different individual aspirations sharing a common space at the company and union, as there are distinctive generational patterns of experience and outlooks. Such generational diversity may be a new form of difference at work as a consequence of changing patterns of labour market advantages and disadvantages, unequal labour conditions, and wider ideological influences, which affect age groups in different ways. These historical conditions

contribute to reinforce misunderstandings and lack of communication between generations, which limits the scope to transmit established political practices, patterns of dissidence and collective memory from older workers to younger workers, especially given their different social backgrounds at work.

### ***Generational and inter-generational cooperation and conflict***

Generational relations involve patterns of cooperation and conflict within and between generations and these relationships have to be understood within particular historical conditions (Riley 1985:371). Cooperation within generations has been expressed in a more horizontal communication among workers at the union and between managers and staff of the STRM union. From observations, senior managers and leaders of TELMEX share similar chronological age and associated generational awareness. This generational identification helps the cooperation between the union and managers within a partnership relationship. Moreover, cooperation is seen within the union in a social category of “generational solidarity”. In TELMEX, there is a “generational solidarity” among workers who lived through the privatisation of TELMEX (1990), and participated in the “*Movimiento Democrático Telefonista*” (democratic movement) in the STRM. These are people that worked dynamically in the modernisation of TELMEX Company and are getting older together. This is the same generation of leaders who are looking for new options to change the retirement system. This means that leaders of the STRM union are making a re-evaluation of retirement and developing a new

conceptualisation of older workers. This generation has been related with different social movements of the 1960s and 1970s in Mexico.

This generation, which was very successful during their youth, is today thinking more about elderly people. Some authors have studied this as an international phenomenon. “The large post-war ‘baby boom’ cohort which became the 1960s generation seemed to have gained a good deal of power for youth. Yet this generation is now in the process of entering middle age and in the early decades of the next century [2000] they will enter old age. They will take with them different values and command financial and other power resources on a very different scale from their parents. It is this generation which will play out the tensions between the current and future images and realities of old age”(Featherstone, 1996:332). In this regard the new proposal in the STRM to delay retirement could contribute to changing the idea and images of old age as a productive stage.

In relation to inter-generational cooperation, the workers at LyFC have initially been identified with their own generation but they have also formed connections across generations, particularly on one important issue: the privatisation of the LyFC. The main reason is that they are all living through the struggles against the modernisation and privatisation of the electrical industry in Mexico. However, in the SME and especially in the STRM I have found more evidence that “inter-generational solidarity” is not always present. A

former member of the STRM national committee claims that within the STRM union there is a lack of “inter-generation solidarity” towards the youngest workers, even though they come from the same families, as a social group or even as their own children.

We say that there is a [inter] generational solidarity, but I cannot see any support or revolutionary conviction!! I see nothing!! It is unfair to younger workers but also to us that our work is moving to different companies where people are exploited and we do not respond to it. [She added] If we are fine we are not interested in the others, even though they are our children and they are maltreated (ST27)

Such remarks highlight the absence of cohesion between generations as an expression of the loss of class solidarity among workers. Old and middle age workers experience a generational clash with young workers who have a negative perception of collective organisations, especially trade unions. Old workers have been frustrated by finding it difficult to understand young workers (ST34), even though one of the most important of the pensioners’ requests is related to the recruitment of youth, especially young people who are relatives of workers (STRM-Pensioners Assembly, 12/02/02). This has been seen as a right that pensioners won during their collective participation in their STRM union but it has not provided a firm basis for inter-generational solidarity.

Thus the relationships between one generation and another may be either cooperative and conflictive. During my interviews, in both cases, managers, workers, women or men, have seen other generations negatively because they hold a stereotype of elderly, middle aged or younger workers. The general perception of the relation between these groupings seems to be of a mutual incomprehension between generations. This attitude seems to be based on a wide range of notions which include age-identity, labour rights, part-time vs. full time status, experience, labour culture (lazy vs. workaholic), knowledge, age authority, distinctive labour conditions, and different positions in the hierarchy of the company and the union. All of these background features may explain the intergenerational conflict made more complex by gender and class conflict and exacerbated by lack of active participation, communication and information within the organisation.

At the same time pensioner and older workers are not a homogeneous group. In particular, female more than male older workers have been stereotyped in both the cases studied, and associated with a negative meaning attached to the experience of growing old. Elderly women have been stigmatised as 'slow', 'dependent', and 'stupid', especially in the SME, even though the male pensioner group has an important presence in the union. In the STRM, female workers have been perceived as politically manipulated without initiative during their youth, or selfish, abandoned and embittered woman as senior workers in the union. Even researchers have contributed to reinforcing negative

stereotypes about old women located in senior positions at the STRM union (Garza, 2002:36). This characterisation of female workers is derived from their weak relationship to power but in turn may serve to justify structural inequality which limits access to political positions or material resources. As Arber and Ginn argue, “no longer restricted and hampered by a reproductive role, possessing the experience of age, older women may be seen a potential contenders for a dominant position, if not kept in their place by means of social control. Persistent denigration of older women may be the defensive reaction of patriarchy, persecution an index of their potential strength” (Arber and Ginn, 1993:66).

### **Overview**

In the literature on age a generalised idea is present that age is an important variable to explain social differences between individuals and groups within society but it has not been studied to the same extent as other factors such gender or ethnicity. “Full recognition of the role played by social and cultural factors in shaping the ways in which human beings grow up and grow old is a fairly recent development” (Pilcher, 1995: 2). Thus, the inequalities associated with age have been a neglected issue scarcely addressed by sociologists. Age has been viewed as a natural phenomenon, because it is assumed that all individuals pass through all the stages of the life course and it has not been seen as a decisive cause of social disadvantage.

I have examined the social relations of age, social class and gender in a comparative analysis between young, middle and old age workers, to understand the implications of generational diversity and divisions at work and in the unions. The implications of age relations have emerged in terms of both the distinctive constraints and opportunities experienced by different age groups and generations, and the ways in which these have been interpreted, understood, defended and challenged in different organisational contexts. This has been seen as a consequence of the labour market advantages and disadvantages that affect age groups in different ways, partly because of common features of the Mexican economy and society, but also with distinctive variations between my two case study companies and unions.

In TELMEX two models are present. The traditional authority model which was based on age and seniority in the company was affected by privatisation. Among workers the traditional model has remained longer where middle aged and older workers preserve their top positions and also get one of the best pensions among Mexican workers when they retire.

Within TELMEX Company and within the STRM union there are a two clearly defined generations. The first generation is composed of the middle aged and retired workers who lived through the period of privatisation and the transformation of company-union relations from resistance to partnership. This group are more or less chronologically homogeneous and shared similar experiences at work before and after privatisation of the Company. The second

group is made up of the youngest workers that work within the two branches, inbound and outbound centres of Tecmarketing. The majority of this group are the children or relatives of TELMEX workers. In the union, the oldest generation is at the top, so that younger workers feel that they are excluded from the best labour conditions and benefits even though they have studied at the university and are over skilled for their current job.

However these workers at Tecmarketing and TELMEX share the union as a space to participate in collective issues. In the STRM it is the first time that two such distinct age groups from two generations share the union as a political space. The result of this interaction has been a clear contrast of attitudes towards authority at work, political perceptions of union aims, behaviour to participate in collective organisations and perceptions of working class aspirations.

The Tecmarketing' workers constitute a heterogeneous group that occupies varied positions at work according to their skills, gender and age. The main characteristic of this group is their limited employment alternatives, permanent temporariness and ambivalent situation as part-time students and part-time workers – all features that have represented obstacles to their mobilisation and participation within the union. The STRM workers have stereotyped them as an anarchic group opposed to working class identity. This has motivated generational clashes that have made it difficult for young workers to be

influenced by the existing heritage of class cultures and perspectives among older workers.

While in TELMEX and in Tecmarketing young workers have been seen as proactive high skilled workers with restricted employment alternatives in the company, in LyFC the youngest workers have been seen as passive social actors. Middle age workers have defined young LyFC workers as “classless” and “immature”, underlining that they are “passive” and “overprotected” workers. Thus, despite the differences, in both cases young workers do not share a similar working class identity with middle aged and the older workers.

Meanwhile the LyFC and TELMEX worker pensioners have a privileged retirement situation in the Mexican context. However, while the social position of older people has declined in the TELMEX union, the oldest memers of the SME union have kept their power and privileges in the union as active union members. The senior job-ladder positions at work have also been reserved for the older workers at the LyFC. Against this background the two unions have approached retirement differently. On the one hand, the middle aged union officers at TELMEX have been collaborating with the company to promote voluntary leaving or delay retirement. On the other hand, in the LyFC, workers always have been against revisions of the retirement system and everything that could change their current situation. In this context pensioners have been in permanent opposition to the privatisation of the electricity industry and they

have been the first to defend the LyFC state-owned company as a national patrimony.

Old or retired workers of both companies have in common that they participate actively in the union and company but in different ways. On the one hand TELMEX workers are delaying retirement to give the oldest the possibility to stay active longer. This is contributing to change the perception of old or retired workers from passive to active. On the other hand, LyFC pensioners reinforce their right as active members in the union to preserve their status as retired workers with the same financial benefits as active workers. Consequently, the pensioner group is becoming a stronger political group in the union. This is associated with the old bureaucratic corporatist structure of the LyFC as a State-owned company. However, even though pensioners in each company have many similarities they are not a homogeneous group in their enterprise or in their unions. In particular, female and male retired workers also participate differently in diverse pensioners' political groups in the union. They have their own political projects and approaches to preserve the retirement institution.

In summary, then, age and generation represent significant further bases of differentiation and identification within my case-study enterprises and unions, in ways that are linked to wider patterns of advantage or disadvantage in changing labour market patterns in Mexico. In this context generational identification can play a double role; firstly, it can segregate, or secondly, it can

integrate age groups. In this research, this form of identification has helped groups of pensioners in the SME union and middle aged workers in both companies and unions to defend power and authority. At the same time cohort identity has played an important role with the youngest workers in their rejection of the authority of unions attuned to middle aged workers and in developing their own identity at work. At the same time, however, female workers have less power within any of these age groupings than men: these age groups are not homogeneous, as they are also crossed by class and gender differentiation or marginalisation.

## *Chapter 6*

# **Intersectionality, hegemony and the power relationships surrounding privatisation**

### *Introduction*

This chapter brings the previous chapters together to study the dynamics of power in my two case-study enterprises in an integrated way. In particular it seeks to comprehend the diverse forms of participation between managers and workers, men and women, pensioners, middle age and young workers in the two case-studies, and their wider implications. In so doing it analyses class, gender and age relationships as interrelated aspects of power, as the exercise and formation of power are important in all these relationships.

Firstly, the concepts of intersectionality and hegemony are used to address the complexities of power relations in different historical contexts, to give an account about the changeable dynamics of social class, age and gender intersections in the workplace. While intersectionality foregrounds the relationships between these different foci of identity and inequality, the concept of hegemony can be used to consider how these identities and inequalities are understood, legitimised and challenged, not simply as discrete dimensions but

as aspects of linked social relationships. In this context this chapter also draws on mobilisation theory to analyse the ways in which conceptions of the interests and collective grievances of workers are actively constructed and pursued.

Secondly, this chapter treats distinctive forms of nationalism as crucial features of the potentially hegemonic frameworks that integrate class, gender and age relations and guide union strategies within the enterprises I have studied. In analysing these distinctive forms of nationalism this chapter attempts to develop an analysis of two contrasting views that nevertheless interplay together in a cyclical process. Analytically these can be termed civic nationalism and ethnic nationalism, and they represent distinctive ideological elements that influence the contrasting patterns of participation of workers in the two specific cases, both in relation to earlier social movements and in the context of contemporary globalisation. These two competing perspectives and their associated routes to participation are represented on the one hand by the STRM union, based on a civic or modernist interpretation of nationalism, and on the other hand by the SME union based more on ethnic nationalism, though both operate in the wider framework of modernity. They appear as exclusive forms of nationalism but actually they are complementary parts of the hegemonic ideology of Mexican nationalism as is shown later on in this chapter.

Thirdly, this chapter considers the patterns of hegemony in the two firms and unions to understand the construction of different identities and labour cultures at work, in which the participation of workers and managers take diverse forms over time and thus involve distinctive relationships. In the fourth section I then use a comparison of partnership and organising aspects of these relationships within both companies at different historical moments, to analyse the unions' strategies of participation, organisational challenges and worker responses to organisational policies.

By pursuing this agenda I discuss the implications of specific historical contexts, forms of union participation and organisational models for the construction of different gender, age and class identities and labour cultures, among both manual workers and white-collar employees in both the case-studies described in previous chapters. Finally, the chapter seeks to summarise the ways in which power asymmetries cross and overlap in both union and company strategies and in the relationships among workers and managers.

## **I Intersectional analysis and the complexities of historical process and power relations**

As we have mentioned before, the idea of intersectionality involves something more than gender differentiation between men and women, or among men's or women's groups, as a basis to understand patterns and experiences of inequality. Intersectional analysis highlights that life experience

happens in several and multifaceted spheres and is historically contextualised in their intersections of time, place and context. Intersectional analysis characterises identity in relation to power inequity and the structure of power relations or social hierarchy. The focus on power in the idea of intersectionality can be associated with forms of exclusion and inclusion in diverse social groups. Social class, gender, ethnicity and age constitute analytically separated relationships that are mutually assembled. Every one of these gains its significance in relation with the others. “The theory of intersection focuses on how power can be constructed through amalgamation of male/female, black/white, Turkish/Norwegian, hetero/homosexual, etc.[...] Intersectionality is used to analyse processes and relationships of power in relation to gender, race, ethnicity, etc., and is involved with analysing social and cultural hierarchies within different discourses and institutions [...] Intersectionality stresses complexity. However, not all categories are necessarily mentioned” (Knudsen 2005:63). In my analysis, intersectionality focuses on how power can be constructed through the most relevant relationships of difference (gender, class, ethnicity and age) at work. Those intersections generate multiple connections of diverse social groups as well as marginalisation produced at the individual and collective level, creating social stratification in everyday life experience. Furthermore, intersectionality also recognises the interactions of those relationships as organising structures of society (Hancock,2007).

In the Gramscian theoretical framework that has been developed to study and explain relations of power in society, the notion of hegemony is central (Gramsci in Hoare 1971:175-184). Gramsci examines coercion and consent as relations of power, which are engrained in daily life experience. Hegemony is a dynamic process that incorporates and balances opposed elements of force and consent (Forgacs 1988:423). Gramsci conceptualises hegemony as domination by a combination of permission and coercion through ideological and political leadership, existing within the relationship between classes and other social groups. The notion of hegemony recognises the combination of two contradictory and conflicting forces represented by consent among allies as well as coercion against adversaries in a continuing interacting relationship that changes its balance over time.

In this research, the concept of hegemony is taken to mean the combination of dominant values and interests, as well as ideological tensions and contestation which surround and inform the everyday experience of class, gender, ethnicity, and age relations, as they are articulated by dominant groups and embraced, negotiated or subverted by subordinate groups. In this analysis, Gramsci's concept of hegemony provides us with an entry point to address the salience of dominant doctrines and discourses in structuring and giving meaning to complex classed and gendered experiences and identities. At the level of the state and civil society hegemony can be used to address the idea of nationalism, which is a central principle of national identity. This has a salience not only in

civil society but also in the operation and legitimation of state and enterprise policies, and in the ways in which workers and their organisations position themselves in relation to such policies. In this sense, I will argue that within nationalist ideology unity is achieved in practice by drawing together diverse principles of national identity found in diverse spheres of socio-political life. Guibernau has defined nationalism as “the sentiment of belonging to a community whose members identify with a set of symbols, beliefs and ways of life, and have the will to decide upon their common political destiny” (Guibernau 1999:14). Furthermore nationalism should be understood as a combination of political praxis and popularised ideology capable of mobilising groups in defence of certain values stressing the unity of national identity, linked with mutual recognition of each other as sharing language, cultural bonds and history. This is shored up through a shared and sustained common sense understanding about what it means to belong to a territory and possess its natural resources.

I argue that nationalist ideological unity is achieved in practice by combining together diverse principles of national identity. This hegemonic principle balances power structures and identities among groups characterised by sometimes conflicted social logics of class, gender and age relationships found in diverse spheres of socio-political life. Thus, when nationalist ideology is popularised it is articulated collectively to be accepted as a hegemonic principle over others, so that it constitutes a dominant nationalistic discourse. Gramsci

(Hoare 1975) has argued that when a hegemonic principle becomes dominant and popularized, it turns into a 'popular religion'<sup>49</sup>. "The particular form in which the hegemonic ethnic-political element presents itself in the life of the state and the country is 'patriotism' and 'nationalism', which is 'popular religion', that is to say it is the link by means of which the unity of leaders and led is effected" (Gramsci 1975, vol.2 p.1084 in Mouffe 1981:232). The terms patriotism and nationalism legitimate the authority of one group over another by establishing that certain values are taken for granted as prevailing over others.

At the same time, it will be evident from my case-studies that nationalism can be evoked by different groups in distinctive ways, so that there remains a terrain of contest within such a hegemonic discourse. In this study nationalism is seen from the vantage point of the theoretical analysis of intersectionality which gives a theoretical basis to understand nationalism and nationalist ideology as a specific point of intersection of social class, gender, age, ethnicity, race, and so on. All of these relationships constitute mutually constructing analytical elements that gain significance through and in junction with each other. The idea of nation in Mexico was historically founded as we analysed before (Ch.2), and is based on specific forms of class, ethnicity, gender and age cooperation. Nationalism articulates all these relationships,

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<sup>49</sup> Gramsci defines popular religion as the "entire system of beliefs, superstitions, opinions, and ways of seeing things of acting, which are collectively bundled together under the name of "folklore" (Gramsci, in Hoare 1971:323).

which gain their specific significance from the way in which each is linked with the others in daily life.

I do not seek to reduce all political and social relationships to hegemony or find a complete explanation of intersectionality in such cultural processes. However, as we have seen, nationalism was a persistent theme in the arguments surrounding the promotion of the dominant policies of privatisation in the 1990s, and provided a crucial matrix within which specific claims were legitimated and contested. In this context I argue that Gramsci's concept of hegemony helps us to analyse how social class, gender and age inequalities are understood and acted on in particular ways when ideas of national identity are invoked or challenged during the processes of nationalisation or privatisation. As we analysed before, nationalism as an hegemonic ideology is generally promoted by state actors and ruling groups, but it may also be appealed to from below in attempts to constrain the actions of such dominant actors. In both my case-studies such invocations from below are evident in union efforts to constrain governmental policies that promote the introduction of international capital in the so-called "strategic sectors" of the national industry (see ch.2).

## **II. Modernist and nationalist variants of corporatist nationalism**

In the following section, it is important to highlight that the distinctive idea of nationalism in Mexico comes from the efforts to create political

cohesion and national identity in the construction of the nation<sup>50</sup>. The concept of nationalism has its meaning in this recent history, and it was the corporatist State-nation that played an important role to create collective identities that were defined against international domination, which implied distinctive configurations of class and gender relations in particular. Therefore, the idea of contemporary nationalism in Mexico is linked to the construction of the corporatist state, and this has played an important role as a hegemonic discourse. This ideology of nationalism showed how heterogeneous groups were coming together under the same roof, because this ideology represented the anti-colonial sentiment against Spanish domination<sup>51</sup>.

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<sup>50</sup> Firstly, from an historical perspective, the Mexican national identity was promoted by the '*criollo*' or Creole group (people born of Spanish parents in New Spain) in opposition to the Spanish domination (represented by Spanish born known '*peninsulares*') in colonial times and this involved the construction of a collective imagination based on the mixture of two main cultures, religions, languages, races and ethnicities. Secondly, Mexican nationalism began with the independence from Spain (1821), and involved resentment mostly against the Spanish; but after the Mexican war of 1847 and the consequent loss of Mexican territory the resentment shifted towards USA (Turner,1968:207). Bartra (1992) explains that Mexican nationalism was also supported by the liberal ideology of the nineteenth century that reinforced this principle of national autonomy. Later on in the twentieth century, during the post-revolutionary period, a dominant party based on the ideology of the Mexican Revolution (1910) created in the Mexican conscience a sense of the possession of all territory and natural resources as a "national patrimony". Thus, this idea of nationalism, related to sovereignty over the territory and strategic natural resources, is sustained in the National Constitution until now.

<sup>51</sup>This created confrontation between the '*peninsulares*' and criollos in New Spain. The *criollo* group was excluded from actively participating to take the decisions in the Modernisation project. During the *Borbonic Reforms* at the end of 18<sup>th</sup> century, the Spanish empire started to promote the modernisation of the economy and the beginning of incipient industrialisation in the Spanish colonies (Florescano,2000) The nationalism promoted by the *criollo* group was a reaction fundamentally to get the autonomy and political freedom to participate in the social and economic changes. Afterwards, in the 19<sup>th</sup> century liberals used this ideology to create a homogeneous national identity among the population to promote a sense of identification with the unity, loyalty and integration of the new state.

Later on, during the post-revolutionary governments<sup>52</sup>, conceptions of citizens' rights provided the main criteria of affiliation to the nation inside the boundaries of the nation or '*patria*'. The idea of citizen was associated with new forms of political participation, freedom, equality and economic development. All of the collective groups mentioned earlier identified with each other in these terms, defining a homogeneous national identity that joined everybody in this construction of nationality or nationalities across different historical moments. One main feature of 'modernity', then, is that the construction of the nation standardises the citizens to be included in the modern nation state. In this way the conception of the nation has been built in a way which cannot easily be challenged by other social legacies and social distinctions such as those of class, gender, or age inequalities.

In Mexico the corporatist system<sup>53</sup> has pulled all the diverse social and political interests together in a single hegemonic discourse. This corporatist nationalism has included diverse social groups in a nation represented by a majority that share similar language, history and culture. In the Mexican corporatist system, the State intervenes to regulate organised class interests and to manage the economic life of the nation. In this context conflicts emerge between employers and organised labour but the State intervenes to manage and moderate their

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<sup>52</sup> The period of post revolutionary governments started after the Mexican Revolution (1910-1915) and the Constitution of 1917 (GarciaDiego,2007)

<sup>53</sup> Schmitter defined modern corporatism as a system of representation of interests where the elements are hierarchy organised by the state. The state gives to each category a differentiated function and a monopoly of representation with regard to other categories. In exchange these organised interests accept constraints on their selection of leaders, articulation of demands and mobilisation of supports (Schmitter,1974:94).

demands. For the labour movement this means that corporatism embraces top down control and demobilisation but also bargained concessions for organised labour. The integration of economic actors is central to such a corporatist system, but conflicts over the terms of corporatism are likely to centre on the subordination of labour (Panich 1986).

In this research I have sought to provide more than just a broad historical explanation of corporatism and nationalism, as I have explored the historical specificities of developments in each of my case-studies. On this basis I have tried to build a theoretical conceptualisation of nationalism and corporatism at specific historical moments, and their relation to distinctive class and gender orders. Thus in this chapter I analyse how nationalism has involved specific historical and social formations involving specific language, religion and values, but has also subsumed other sources of differentiation such as class, gender and age through institutionalised corporatism. In this sense the idea of the nation was built to assimilate heterogeneous collective groups in one identity called the 'Mexican nation'.

Such a conception of the nation did not exist before and immediately after the Spanish colony. However, nationalism started to be used as an instrument by political elites to promote solidarity and political cohesion among groups of diverse social origin, race, ethnicity, gender and age. The liberals of the nineteenth century conceived the essence of the Mexican nation, stressing that

the population shared some important values and cultural features from the Spanish and indigenous past (Avila 2007). They invented or imagined the Mexican nation in a form where later on the corporatist system based its ideology. The function of nationalism was to motivate loyalty among social collectivities to the Mexican nation as a political norm, over against the mobilisation of other social interests. In the literature we find a positive evaluation about this Mexican nationalism in such terms as "... far from serving as a justification for domination or aggression, Mexican nationalism has been a search for a national integrity and social consensus" (Turner 1968:308). In this sense, "Nationalism stresses the cultural similarities of its adherents and by implication it draws boundaries vis-à-vis others, who thereby become outsiders. Nationalism is defined by its relationship to the State. A nationalist holds that political boundaries should be coterminous with cultural boundaries" (Eriksen 1993:8).

Implicit in this characterisation is recognition of the political function of nationalism in minimising the social conflicts generated among diverse social groups when these are assembled together in a homogeneous way, though the extent to which this effect is achieved remains contentious when competing interpretations of nationalism remain in play. Similarly, corporatist forms of state regulation are intended to coordinate and control competing interests in the national interest, but this role of corporatism has become increasingly contested.

Today this nationalist identity is mobilised in opposition to a globalising impulse operating through the economy. In this context international dominance has been identified with international corporations, foreign capital, privatisation, and international interventionism in national concerns, all rooted in dependence. Privatisation of the 'national patrimony' reinforces discourses against foreign capital, and this gives contemporary nationalism an important meaning. All of this increases the ethnic nationalism on which the state bases its legitimacy through an appeal to historical justification, even as state policies may seek to reconstruct or circumvent the constraints of this 'national patrimony'.

Historically, concepts of race have also been important underpinnings of many variants of nationalism. However, specifically racialised categories and identifications have been largely marginalised by the dominance of a *mestizo* narrative of Mexican nationalism<sup>54</sup>, while ethnic categories have largely been

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<sup>54</sup> The main explanation of this argument is that race differentiation, understood initially just as a biological concept, was explained and used to justify the Spanish supremacy and social order during colonial times. After Mexican independence from Spain such racialised differentiation has been less important because the ruling *criollo* group promoted one standard race category, *mestizo* as a response against the old Spanish colonial system based on race inequality. In consequence, the majority of the population see themselves as coming from a *mestisation* of diverse ethnic groups (Zea 1996:99). The concept of *Mestizo* emphasises that Mexicans embrace their descendants positioned between Spanish and indigenous origins and the subsequent combinations with diverse ethnic groups. Thus Mexican identity has been the product of cultural hybridity as a foundation of the official discourse of nationalism and the Mexican national identity (Lomnitz 2002). *Mestizos* reject being classified in racial terms because this brings the memories of Spanish colonialism. *Mestizo* has been the identity of Mexicans as a *mestizo* nation and when doctrines of race inferiority were replaced by equal rights among Mexican (*mestizos*), race as a category became less significant than ethnicity and social class.

subsumed to class relations within the rubric of this nationalism, so that racial distinctions and identities do not themselves have a clear presence in these case studies as an evident factor of differentiation.

Mexican literature about nationalism has had little to say about the analysis of race, gender and age relations as important elements of the social ordering of the nation. The mobilisers of the hegemonic discourse of nationalism have proclaimed the permanence of uniform social characters that support the nation. Nevertheless an analysis that attends to intersectionality helps us to understand the process of *mestisation* and the intersections of race, gender, age and class that were implicated in the construction of hegemonic Mexican nationalism.

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There is, however, a tendency among various indigenous groups to refuse the homogeneous *mestizo* culture and life-style and especially the adoption of Spanish as the main language. However, historically, cultural assimilation of indigenous groups is explained fundamentally in terms of their Hispanicisation. The adoption of the Spanish language is a key element in the understanding of indigenous integration to *mestizo* group. The linguistic criteria to identify and differentiate indigenous and *mestizo* population come from two sources. On the one hand, from the beginning of the Mexican Census (1895), language has been the measure to identify indigenous and *mestizos* (CDI, 2006). On the other hand, approximately 87 percent of the population see themselves as *mestizo* (Mexican Census Data, CONAPO 2000) rather than indigenous. The indigenous population in Mexico is estimated in 12.7 million that represents the 13 percent of the national population (INEGI 2002). *Mestizo* culture has broad boundaries where all ethnic groups are included if their members speak Spanish. Even though the linguistic principle is insufficient to define the boundaries between ethnic groups, it is true that language is one of the most important criteria to define their ethnic identity. In Mexico there are 62 indigenous languages (CDI, 2006). There are other cultural features more subjective and difficult to identify than the language (Hawkins,1990). Thus from the vantage point of an ethnicity paradigm, race is not a category that helps to identify the Mexican nationality, but to be Mexican is to belong to an ethnic group, in which its members come from the *mestizo* group and speak Spanish. This has produced a marginalisation of indigenous groups from the *mestizo* nation as well as segregation in the labour market. This could be the main reason that explains why workers from both case studies do not find either race or ethnicity a significant category of differentiation at work, because the former is not seen as relevant while the latter is for them a mark of homogeneity rather than difference. Workers understand *mestizo* ethnic group as a part of culture and race homogenisation developed during the last five centuries in the construction of the Mexican nation. In this research I have found that ethnicity is invoked as a central element of shared Mexican identity.

The liberal project of nationalism was opposed to the highly stratified social structure promoted by the Spanish colonial system. Liberals promoted a socially homogeneous system represented by just one male category: *mestizo and Mexican citizenship*. Thus civic nationalism<sup>55</sup> in Mexico embraced a hegemonic masculinity from its origins in the nineteenth century, characterised by male dominance in the political sphere, while women, certain age groups and the indigenous were excluded. Indigenous conceptions of masculinity were displaced, first by colonial masculinities and then by Mexican masculinity.

This new national project claimed to finish with the injustice and inequality of the colonial system. However, the new standardised system in fact created different forms of social marginalisation. The identities of both women and the indigenous peoples were represented in an ambiguous way and effectively marginalised within the *mestizo* and Mexican citizenship categories. The *criollo* elite believed that a heterogeneous ethnic population could impede the creation of national unity. The priority was to build a nation in a way which subordinated other social differences to promote an homogeneous nation. In the project of Mexican nationalism the hegemonic elite tended to define Mexican citizenship in masculine terms and to whiten racial/ethnic classification as Spanish language was made the requirement to embrace diverse indigenous and age groups in the category of *mestizo*.

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<sup>55</sup> Cusack (2000) has argued that “civic nationalism has been represented as a masculine prerogative, and the modern model of the civic nation, since the late eighteenth century, has taken men as the norm for making of citizens (Cusack 2000:543)

The hegemonic elites represented by the *criollo* group used the common history of the nation to legitimise their interests and identity against the Spanish ('*peninsulares*'). *Criollos* supported the social movement of national integration and nationalism. However, this did not mean that the *criollos* elite that promoted the *mestizo* identity as the base of nationalism identified themselves with this characterisation. The *criollos* used this new discourse to reinforce a new hegemonic nationalism. The analysis provided by this nationalism and the construction of the Mexican nation by the hegemonic elites represented by the *criollo* group was also important in defining the positions of marginalised groups. Race, gender and age were subsumed within this hegemonic nationalism as a project of national cohesion which was represented by just one standardized ethnic group and had a strongly masculine character. These different aspects of inequality were subsumed in different ways.

Within nationalist discourse the heterogeneous populations and complex intersectional groupings represented by gender, age and racial/ethnic differentiation have been similarly marginalised as active social groups through a naturalised biological characterisation. On this basis women, for example, supported the claims of the hegemonic ideology of nationalism against foreign intervention by accepting their role as receptacles and protectors of the national patrimony, territory and natural resources as a part of their Mexican identity.

In the analysis of nationalism, nationalism is often identified with traditionalism, where women are victims of disadvantaged gender relationship and women do not have much room for contestation or criticism, to escape from being victim or resist becoming accomplices of nationalist projects. Yuval-Davies (1989) and Cockburn (1998) explore the relation between gender and nationalism, the ways the nation is gendered and females participate in nationalist projects as primarily as reproducers, across a variety of political contexts. They emphasise that theories of nationalism and ethnicity (Anderson,1983; Gellner,1983; Hobsbawm,1990; Smith,1986) have relegated gender relations to the margins in the study of nationalism (Nadje Al-Ali, 2000), but argue that this is a major deficiency of such theories.

In this case study, we found that nationalist ideas and nationalism as a social movement have been influential throughout different stages in the history of the enterprises and unions, during the restructuring, modernisation and privatisation processes. However, during the period of this research, there has been no indication that female workers have developed a feminist orientation or movement against nationalism or identified different goals or alternative agendas for the nation. I have not found evidence in the SME and STRM unions and companies that Mexican women challenge the project of nationalism. Rather these female workers have found an accommodation in the context of nationalism. However, they have nevertheless achieved some political goals in ways that are embedded in and qualified by class-based union

strategies. In this case study I see nationalism is a point of intersection of diverse gender, class and age groups. Their participation has been organised in ways that support this ideology because nationalism has been an element of worker's class identity, while social class has been the most representative factor of female and male workers' national identity.

On this basis, ethnic and civic components of nationalism have promoted continuity, cultural homogeneity and an assurance that gender, age and class relationships associated with a corporatist class compromise will remain relatively unchallenged. In turn this reinforces the current gender order where men are mainly the active subjects and women either represent passive, defensive subjects or just objects of nationalist ideology without the capability to take any initiatives. Where they are seen as active subjects they nevertheless help to produce and reproduce male patterns of domination.

In this study, I have shown that the ways in which restructuring, modernisation and privatisation processes have been experienced, and their impacts within the union organisations have contributed to change some elements in the balance of gendered power (see ch.4). In TELMEX the restructuring process helped to put men and women together and women seemed more accepted among male workers. Male hostility declined when women adapted to the traditional manly space, time and context or demonstrated their capability to perform new job profiles (see ch.3-4). These processes also affected the dynamics of age and

class relationships in the company and the union. However, elements of daily life and male cultural domination are still hindering women's and young workers' initiatives to collaborate in a more egalitarian way at work and in the union in both companies. Differences among female and male workers, young workers and white-collar workers, active workers and pensioners contribute to fortify marginalisation in the context of male dominance. Consequently women and young voices have been denied a space in the public context in the unions. Women's and young workers' interests are subsumed in the whole homogeneous process of the reaffirmation and protection of class interests because this is inherent in the construction of Mexican nationalism. Thus an understanding of the nation and nationalism that recognises its gendered character has occupied a tangential position in both unions' organisational projects, and gender and age issues remain marginalised.

*The SME and STRM: competing or integrated ideologies of nationalism*

In both of my case studies, unions espouse myths of common origin based on their union and labour movement history. They build their identity and ideology as a union in part by making themselves distinctive one from the other. Against this background they have constructed during the last thirty years their own ideologies and union strategies that identify their own union as different from the other, SME as opposed to STRM and visa versa.

In the first case, that of the SME, worker participation in the union is rooted very clearly in the idea of Mexican nationalism and patrimony, which sustains a self-identification with members of the wider society in these terms. This nationalism includes in a homogeneous way the relationships of gender, social class, age and politics within the nation, because all groups and both women and men belong to the same nation. However, they are subsumed into nationalist discourse in different ways, and in particular this gives a primary and privileged role to class actors. It is on this basis that SME unionists see themselves as a political unit, a culturally homogeneous group identified with elements such as Mexican ethnic nationalism. In this case the SME has the motivation to support the existence and the continuity of a Mexican nationalism connected to the sovereignty of the state as the dominant political representation.

In the SME union there is a strong linkage between a conception of class organisation and representation and corporatist nationalism, so that the project of class representation is strongly lodged within such a nationalist project. Furthermore, this has a communal and kinship dimension as members consider themselves as being culturally distinctive from members of other groups, as their social identity as workers and union members is based not only on the workplace but also on family roots, and associated with local communities. Thus workers and union members have a common origin that is based in a specific national space or territory, and is also strongly influenced by a specific

period of their national history. The main arguments used by these actors invoke “national sovereignty” and “national patrimony”. The SME and its members believe that they are the guardians of the national energy resources, and this role of the State companies is directly linked to working class rights which are rooted in community and kinship relations and the related sense of attachment to a particular nation.

This fusion of class, community and nationalism tends to subsume gender and age identities, in that they are seen as secondary sources of differentiation within a broader class identity and project. Men and women, young and old, are primarily construed as having interests as workers or as the dependents of workers. There is little scope for women to think of themselves as active agents who can contest the dominance of male workers in union affairs or articulate distinctive interests in the workplace. Similarly, younger workers are seen to have common interests to those of established workers, as they will become part of this establishment in time, while older and retired workers have gained a distinctive identity and role, especially as the defence of state ownership is linked to the defence of their pensions.

As noted above an emphasis on shared mestizo ethnic identity is also part of this form of nationalism. In this union, however, ethnicity may be defined more specifically as a social identity based on family roots, linked to a common social class and local communities. Here ethnicity refers primarily to collective

aspects of the social relationships between people who consider themselves as being socially and culturally distinctive from members of other groups in ways which relate to their locality and kinship connections, beliefs that influence the creation of their social identity.

In the second case, of the STRM union at TELMEX, ethnic nationalism plays a much more complex role, as the union defines itself against this traditional corporatist model. Thus, during almost two decades of TELMEX Company privatisation, the STRM has developed a new strategy of participation in national politics where civil society takes an important role (this topic will be analysed later in this chapter). This participation through civil society has been seen as an alternative to corporative state-union linkages because it involves political participation in diverse social organisations and operates outside the old corporative system, far away from government surveillance but at the margins of the State. From this vantage point, phone workers look forward to being the subjects of their own history, in opposition to the old corporative system which they see in terms of the union and workers being treated as homogeneous and defensive social actors, just as objects of their history. Phone workers see themselves as representatives of renovation and change in opposition to the defensive ethnic nationalism sustained by the SME (ST34). Thus the STRM has been involved in wider forms of organisation in their communities: “we [the STRM] have helped other groups with less chance to be organised and trained than us, groups of women exposed to violence [...] or

workers from unorganised sectors with a minimum of information about their rights (ST26) In this way the STRM links such heterogeneous groupings to the urban working class. All of these historical elements add to a civic interpretation of nationalism, where civil society takes on new importance in the phone union strategies. At the same time, however, it should also be noted that the STRM rescues elements of the past, for example that unionised workers keep their prerogative to recruit their families (T11), and these features also have implications for union and community politics.

The STRM embodies the modernist, rational and civic side of nationalism, while the SME symbolizes the ethnic variant of nationalism. Actually, however, the differences between these unions should not be overstated, as they represent two aspects of one ideology of modern nationalism. Civil nationalism, industrialisation, change and individualism as well as ethnicity and nationalism are themes that interplay together because both belong to the same rationality of modernity<sup>56</sup>. These two viewpoints are part of the same logic, as Friedman has argued, “ethnicity and cultural fragmentation and modernist homogenisation are not two arguments, two opposing views of what is happening in the world today, but two constitutive trends of global reality” (Friedman, 1994:311). Both cases are part of the same broad rationality of modernisation but the STRM

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<sup>56</sup> Modernity was a conception set up by nineteenth century liberals who identified nationalism and social development as components of the process of modernity. Nationalism was a necessary condition for economic development as well as cultural homogeneity. “One of the major features of modernity which has had a particularly powerful impact with respect to nostalgia is undoubtedly the homogenising requirements of the modern nation state in the face of ethnic and cultural diversity” (Robertson,1995:49)

represents or stress the modern side and change from a corporatist-state centred nationalism while the SME represents greater continuity. Both case studies in practice include elements of each orientation. However, they are different in the way they perceive themselves as social actors. As I mentioned before, the phone union has developed a proactive participation where they conceive themselves as subjects of their history. In contrast, the SME union assume themselves as defensive actors that confine their strategies to their past, traditions and union regulations of their own history. They find their collective action constrained inside the boundaries of their social movement history, Collective Labour Contract and statutes. The SME workers believe that they have to support the policy of continuity to be consistent with their social class interests and history of union mobilisation.

### **III Hegemonic projects and intersectionality**

In this section, I will elaborate on my cases by using an intersectional analysis and relate this to associated patterns of hegemonic nationalism to understand how specific historical conditions play important roles in the construction of diverse identities and labour cultures in the workplaces and unions I studied.

#### ***Intersectionality and differentiated interactions of power relations***

Intersectional analysis does not pretend to assume that one category operates identically across different contexts as it addresses the varied interaction of

class, gender, ethnicity and age relationships in specific social contexts (Hancock 2007:66). From the perspective of intersectional analysis, these categories are not just regarded as additive on the basis of a uniform relevance across settings, but may differ in salience and in the ways in which they are combined in different historical and organisational contexts. As Weldon argues

...many scholars have pointed out instances in which social phenomena are importantly raced and gendered and classed. And some problems and experiences are particular to certain gender-race-class groups. But this does not necessarily mean that all problems and experiences, or all social phenomena are gendered and raced and classed. In other words, the observation that social structures *sometimes* interact does not mean that they *always* do. It has become a commonplace that every person is raced, gendered and classed. But this does not mean that race, gender, class and other aspects of social identity are equally salient in all circumstances. Indeed, it seems that in some circumstances, one or more of these identities is more important than the others. (Weldon 2005:13)

In this research, intersections fluctuate in their form in each case study following different patterns according to different contexts, both in the context of power relations and through historical time. Domains of power could be described where various categories of difference interact, take relevance and play different roles in the specific historical contexts where power relations operate. The forms of class identity that have been dominant in both these

unions have emphasised unity based on union solidarity, a shared labour culture, common historical experiences and shared hegemonic ideology. However, the associated logics of homogeneity and uniformity have created gender and age marginalisation, because class, community and nationalism tend to subsume gender and age identities as subordinate and sometimes even unrecognised features. In this sense intersectional analysis examines the limits of the associated unions' strategies and company initiatives by attending to diverse gender, age, ethnicity and class issues.

Intersectionality criticises the marginalising effects of such forms of unification because, as Hancock argues, "intersectionality has emerged as a compelling critique of this group unity equals group uniformity logic" (Hancock, 2007:65). In this research, what I have shown is that the effect of homogenisation affected fragmented categories of class, gender and age, marginalising their plurality and heterogeneity. This situation reinforced one sort of dominant masculinity as hegemonic, whether that was most strongly associated with ethnic or civic nationalism. Hegemonic masculinity and nationalism are linked to each other and it is difficult to distinguish their effects. Nevertheless, a central concern in the literature about the link between nationalism, patriotism and masculinity is that it helps us to understand the male dominated character of society. At the same time it is important to understand that nationalism, and traditions of patriotism are not only defended by men. Female workers often support this tradition, and not just as coerced victims. Male and female workers have both

been active agents that have helped to produce and reproduce distinctive patterns of domination.

Practical routines and values at work, and their associated inequalities, are legitimised by hegemonic practices that include or exclude individuals and groups from power, with distinctive implications for the intersectional constitution of experience and identities. The concept of hegemony is central to analyse how these identities and inequalities are understood, legitimised and challenged. If hegemony is understood as an historical process (Gramsci in Hoare, 1971) this helps us to understand the relationship between dominant and subject groups.

I will now explore the differences between the two unions in more detail. In so doing I will also give attention to the distinctive ways in which they position these different categories of workers. Firstly, the ways in which the two unions draw upon and interpret these hegemonic discourses are not identical and involve substantial differences of emphasis. Secondly, drawing upon such hegemonic discourses also involves legitimating specific forms of hierarchy and subordination that integrate different groups of members (young and old, men and women, skilled and less skilled) in distinctive ways. This also involves an analysis of the internal organisation and external context involved in the formation of conflicting and complex collective and individual identities based on class, age and gender characteristics in each union.

*Implications of distinctive hegemonic organisational models for labour cultures and diversified identities*

Each company and union has their particular organisation and culture of labour which is closely related with the situation of the industrial sector, company policies, union practices, historical events and the relations among workers, while I have also shown that the latter vary according to occupation, gender and age relationships.

On the basis of my research, firstly, it is evident that the labour culture in public companies such as the LyFC Company has been linked with the nationalist historical project and public service. In the LyFC, as a state-owned company, the labour culture and associated worker identity have been strongly related to both national energy sector policies and the dynamics of internal political activities in the union. In the SME, the change of union leaders and the recomposition of the executive are constant and systematic (Sanchez, 1990:202). This process of active political participation in the union has generated a specific union identity among workers, and this has been more associated with resistance than cooperation. These collective activities in the SME union allow the reproduction of notions of the representativeness and legitimacy of their leaders<sup>57</sup>, in a way which is quite distinctive in comparison with dominant forms of Mexican unionism (ST28). In turn this sense of

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<sup>57</sup> This study does not centre its analysis on the dynamics of representation, legitimacy and elections in the SME union, as other authors (Melgoza, 2001) have explored this as a central feature of their researches.

legitimacy bolsters the long-standing union critique of privatisation and celebration of the role of workers in protecting the national patrimony.

The nationalist movement against privatisation, to which SME is wedded more strongly than STRM, politicises and tends to subordinate other relationships such as gender and age, as well as channelling different political views into a homogeneous position in favour of nationalisation or against privatisation at different historical moments (see chapter 2). The SME presents nationalism as a central component of an earlier process of modernity, rather than contemporary developments, and identifies this with 'patriotism', sovereignty on natural resources, tradition, continuity and the nation's history. In this context the rhetoric of recent modernisation is then associated more with change, international investment, intervention, and privatisation, so that, today, nationalism and contemporary modernisation are represented as opposite ideologies. This contrasts sharply with the perspectives of the STRM.

Secondly, in private companies such as TELMEX, the notion of the modernisation of labour culture is associated with restructuring, deregulation and privatisation. TELMEX provided the framework within which new management initiatives could be advocated and legitimated. In TELMEX the new ethos has been closely related with the concepts of 'modernisation', 'competition', 'globalisation', and permanent change. The recurrence of slogans such as "modernisation" and "efficiency" has represented a strategy

designed to acclimatise workers to new circumstances in the process of restructuring. This provides the framework that has facilitated periods of fast change and a new mentality of competition in the company.

Phone workers have argued that the company policy involved the union and workers in the process of restructuring and modernisation. This tendency in the company was to favour the advance of a proactive union, especially in the joint commissions on technology, modernisation, productivity, training, culture, and health and safety at work since 1987 (Ortiz and Garcia, 1990). This union's active participation promoted a new organisational culture through the joint commissions. However, such restructuring had important implications for the distribution of work among groups and individuals differentiated by gender and age. It is therefore important to consider how these different groupings actually experienced this management-orchestrated but union-facilitated process of reorganisation and cultural change, and how far they embraced, negotiated or resisted the hegemonic claims that sought to legitimise this process.

For TELMEX management, labour culture is seen as a factor that may be controlled by managers to improve productivity and increase quality through flexibility. At the same time the STRM accepted the importance of changing their labour practices as a way to confront competition. TELMEX managers planned to change the organisation and culture of labour through the promotion of new attitudes and practices at work among managers and workers (T12). A

manager in the HR department, who had experienced the restructuring process and had worked on the training programme, reported that the company used the recasting of the culture of labour as an instrument to carry on their productivity plans (T11). In this sense, the labour culture in TELMEX was addressed as a factor that could be controlled and transformed by the management. As well as the manager's opinion mentioned above, a union official involved with the training programme shared a similar perception, noting that "Managers designed the quality model to stimulate workers and employees to participate more in the workplace, and this was supported by union initiatives" (ST22). In this organisational context, both workers and management at TELMEX were involved in shaping new practices, values and language to generate a more integrative labour culture that involved workers and managers together.

The total quality model also introduced a new job structure through "the job profiles" that reduced the jobs levels in the hierarchy and promoted more horizontal organisation. This new set of relationships associated with the new productive model gave workers some limited space to take decisions in the course of technological change. At the same time this form of organisation reduced departmental union delegates to a secondary position and gave the union committee and hegemonic group the power of negotiation within their workplace (ST29). In consequence, after more than a decade, the company policies have weakened little by little the collective organisation.

Indeed my research suggests that the interaction between company initiatives and the active reorientation of the union largely overcame the anxieties of the workforce, and laid the basis for this new labour culture. This process was reinforced by the new opportunities afforded by the changing occupational structure of the firm, especially for women workers. However my research also shows that this was not a simple or uniform process, as there was some sense that the leverage of the union was diminishing, while new sources of grievance (especially those of the young recruits to the call centre) led to more diffuse dissatisfactions that were not clearly addressed by the union. Thus the hegemony of modernising civic nationalism within the union had quite complex consequences for different components of the workforce. On the one hand it allowed some renegotiation of gender relations in the workplace and the union, so that women workers actively gained a more secure position in the company and in union affairs, though men and masculinity remained dominant overall. On the other hand it facilitated developments which increased the fragmentation of the workforce, both by nurturing greater individualism in older areas of work and by generating a marked generational divide between workers in those areas and those in the new Tecmarketing subsidiary.

#### **IV Limits and possibilities of union strategies**

Over their longer histories both the SME and the STRM have oscillated between two forms of bilateral relationship with management and the state, between collaboration and resistance. Firstly, both unions established a resistant

relationship against their companies from their foundations (the SME union from 1914 and the STRM from 1950) when both were unions of private enterprises. In this early period, these unions were looking to consolidate their fundamental collective labour rights at work by organising to challenge management.

Secondly, during the nationalisation of telephone and electricity industries (1960s), both unions established alliances with the state and sustained the government policies of nationalisation to their mutual benefit. On the one hand, unions supported the government in a corporatist system to consolidate the national industry. On the other hand, the government recognised workers' labour rights in their Collective Labour Contracts to improve their labour conditions at work. Both the SME and the STRM unions' strategies were characterised as collaborative at their respective companies during the nationalisation of the electricity and phone industries, and this involved alliances of interests to build a strong national economy and favour unions to organise workers in the strategic industries (see ch.2). This accommodating relationship in the corporatist system allowed the STRM and SME unions to consolidate their union organisations in bilateral negotiations to promote union membership, to achieve some fundamental social rights at work and consolidate their collective labour contracts.

Initially during the 70s and the early 1980s, both unions followed analogous strategies of resistance to preserve union privileges and workers' rights. This was a response to the structural crisis aggravated by a crisis of industrialisation and the unprecedented boom in petroleum exports at the end of the 1970s and beginning of the 1980s. The consequent economic crisis caused falling employment (CIDE, 1982:11) and the government started its deregulation policy after the financial and energy crisis of 1982. This motivated the consequent union movement radicalisation of the SME and STRM unions against the initial deregulation government policies.

Both companies as public entities were affected similarly by the deregulation policies taken by the government during this period. However, the two unions, though they were responding to similar state policies, operated in rather different contexts in terms of corporate structure, industrial sector and geographical scope and this had important implications for their increasingly divergent union responses to restructuring.

On the one hand TELMEX as a telecommunication company operates not just in the national territory, but has internationalised as the sector has developed globally (Elgea, 1994). On the other hand the LyFC locates its services in the central states of Mexico (see ch.2) including Mexico City. Thus the LyFC is a local company, in contrast to TELMEX which is a national company with some international operations. The local focus of LyFC and the politics of service

provision in Mexico City encouraged the SME to radicalise its position after the 'Public Service of Electrical Energy Regulations Reform (1986), leading to a strike in the following year. However, in the STRM case, the union's participation passed from a militant relationship during 1975-1985 to a more concerted relationship between union and company throughout the modernisation phase, which made the privatisation process easier. As management and union collaborated together, workers' ideas were taken in account to build the new organisational system.

Thirdly, global factors related to competition motivated managers to change the previous bargaining and organisational agreements with unions. Throughout the period of modernisation and introduction of the new technologies, however, the two unions established distinctive relationships with their companies. As a result, the SME and the STRM followed two different routes of participation in the companies' restructuring and privatisation processes, based on different perceptions of the role of the State in regulating social policies, natural resources and public companies. Thus, the STRM and the SME unions have come to represent two competing viewpoints of labour relations. However, both cases complement each other because both have moved through partnership and organising phases as features of their labour relations trajectories.

Thus it can be argued that the distinctive political economies of the two sectors, and especially the global contrasted with the local nature of these industries and

companies, motivated unions to follow different collective strategies to protect their collective interests. While TELMEX can be seen as playing the role of a national champion, LyFC is seen as more parochial and in some respects marginal to state strategies. Against this background the following two sections analyse the complex trajectories of the two union strategies in more detail.

*The SME's union strategy: an emphasis on resistance and the defence of national ownership*

In the earlier development of the LyFC Company, the union and company had followed an alliance that produced mutual gains. However, after the peso crisis in 1982, the government found it difficult to sustain public companies and started the process of restructuring analysed in chapter 2. While the LyFC Company looked to solve the economic crisis through partnership in such restructuring, the SME rejected collaboration with managers and fortified the union in a resistant position.

In 1990 the Electricity Industry Law was approved and in pursuit of its strategy the SME gained more power of negotiation in relation to the implementation of government policies. De la Garza argues that there were two important reasons that favoured this bilateral relationship between the managers and the union. Firstly the creation of a mixed commission on productivity between company and union promised to improve productivity. Secondly, the company and the

SME constituted a joint commission to supervise the constitution of a renewed State-owned company (Garza de la, 1990).

In response to the LyFC modernisation project (1994) and privatisation policies promoted by the government (1999), the SME radicalised its position, combining two strategies as a part of the same logic to reinforce unionism. Firstly the SME kept its strategy of resistance intended to protect labour rights. Secondly, the SME looked to develop a more proactive position collaborating to gain influence in the LyFC Company's policies. The SME as a union of a public company argued that it was within its rights to take part in management decisions, both to protect the collective labour contract and to participate in national plans to provide an alternative to privatisation and reinforce the nationalised status of the electricity companies. The SME has demonstrated their fear of the most recent experiences of privatisation that have caused unemployment and labour insecurity in other privatised companies in Mexico and Latin America (SME, 1999). In this context, the SME has attempted to have an active role to collaborate in the elaboration of the LyFC company policies. In this approach, the SME has, for example, proposed the decentralisation and restructuring of public electricity companies with the creation of six regional zones to coordinate developments in the national electricity industry in a way that preserves its own patrimony and legal personality (Sanchez, 1990:225).

At the time of this research, the SME emphasized continuity in management strategies to negotiate restructuring and consequently strong union resistance in collective bargaining. They identified the main collective interest and union ideology in terms of the defence of the electricity company as a national patrimony. However, this strategy of resistance has been constructed very much in terms of established male workers as the core defenders and beneficiaries of the national patrimony. This reflects the way in which male middle aged workers and pensioners have had the most important political role in the union. However, my research has shown that, in developing this strategy, the union has not taken seriously the collective demands of some groups, such as women and young workers. Young workers have been conceptualised as passive members of the union, who will inherit the advantages defended by older workers (see ch.5). Meanwhile female participation and representation through the union is almost non-existent. At SME a traditional inflexible model of participation based on '*majority rule*' has not allowed women to reach political positions in the union committee or develop a culture of female participation across diverse groups in the union (see ch.5). The union logic of workers' solidarity comes from a principle of social class as a single category of identity and this tradition has attached union members to a homogeneous political position. In the SME union "*majority rule*" as a model of democracy has motivated an institutionalised marginalisation of female groups in the union.

***STRM: new unionism and partnership***

The TELMEX and STRM union experience of labour relations shows six different moments in the character and implications of collaboration and resistance in different historical circumstances over time.

**a)** Initially, during the nationalisation of the telecommunications industry, partnership gave the STRM union the possibility to reinforce collective organisation, increasing levels of membership participation in union activities and mobilisation. Consequently, the union gained an important representation through delegates at the workplace. Managers recognised this representation and their rights in collective bargaining, and the union's representatives developed a channel to learn of workers' grievances to be addressed in collective negotiations.

**b)** The government started its deregulation policy after the financial and energy crisis of 1982 and consequent increasing unemployment (CIDE, 1982). The STRM union response was to follow a resistance strategy to maintain their collective rights as mentioned above.

**c)** During the late 1980s, as we have seen, the STRM changed its relationship with the TELMEX Company, from a militant resistance to partnership. The STRM collaborated with managers to put into operation new

programmes of workers' participation, such as quality circles, which prepared workers for the new conditions resulting from privatisation (see ch.3).

**d)** After the TELMEX privatisation, the STRM gained influence in the organisation of workers all through the relocation phase, covering the training system, new technologies and labour conditions. Meanwhile TELMEX management stressed collective aspects of employment policies through analysis groups and joint commissions, designed to create more worker identification with the company goals. The union's stance in relation to such management initiatives moved from a militant position before privatisation to a more collaborative relationship. There were clear moments of 'win-win', where union, managers and workers had mutual benefits. In this context the STRM adopted *partnership* as a union strategy to reduce conflict with the company while keeping its autonomy during the first stage of privatisation. There were, however, costs in this approach as well. Thus in discussing the union participation in the process of privatisation, an operator argued that

The direction of the union was very weak to negotiate the Collective Contract and the union faced an important political cost. The [collective] contract lost sections that favoured workers. The delegates were weakened and little by little they were losing their political presence in the workplace (ST30)

**e)** In the fifth phase these costs of cooperation became more evident. The role of local representatives changed, losing influence in their workplace, while the union officers took more control over the workplace. After an initial period

of active collaboration, the consequence was a more flexible worker at work, but a more passive member in the union and less active union direction to develop proposals about technical issues at work. Thus for some activists the STRM cooperation was seen to cost more in lost workers' rights than the gains they had been rewarded (ST30). The same informant argued that these reforms to the labour contract helped to facilitate TELMEX modernisation while undercutting resistance to privatisation. One feature of this was the emergence of contrasting generational experiences and outlooks in regard to both grievances and trade unionism, though gender divisions were reduced somewhat during the participation in modernisation.

Finally, later in this phase, the STRM has begun to reinvent itself to survive as a collective organisation. The fact is that after two decades of co-operative union-company policy, today the union is developing new strategies to recover collective and union strength, because the collaborative relationship has been seen to undermine the awareness of conflicting interests.

In summary, then, the STRM has pursued a very different strategy to SME, though this strategy also faces difficulties and limitations. On the one hand, partnership between TELMEX and the STRM union helped them both to achieve the company targets and the union to preserve their organisation. However, this relationship promoted a detachment of union leaders from unionised workers. As a result, the TELMEX-STRM relationship has been

changing from a cooperative relationship to a more defensive form of participation. On the other hand, the STRM union strategy now combines a collaborative relation with more collective activities based on strengthening new political alliances with diverse social organisations and renewing the old union solidarities at national and international level. In recent years the STRM has been taking a more resistant approach in campaigning against government policies. However this is a recent development and it is too early to analyse how this reorientation will affect the relations between men and women and between different generations of workers within the union.

Therefore, the STRM has been changing to a more mixed relationship between partnership at work and reinforcing new alliances with militant unions and other organisations in the political sphere. As a result, the STRM has joined unions such as the SME to support policies against privatisation of electricity and petroleum industries (ST16).

Both unions have been persuading workers to participate in collective activities as active members, to promote changes that contribute to protect their labour rights. The SME union certainly did not stop enrolling new members and the union never let the company stop recruiting new workers. However, the STRM after privatisation could not enrol new members, as the company stopped recruiting new workers as a part of its privatisation agreement between the new owners and the union.

In response to the union effort to reinforce strong unionism by encouraging workers' interests in collective organisation, TELMEX management followed a dual company strategy. On the one hand, company-oriented collectivism was promoted through TQM, "the analysis groups" and the mixed commissions, intended to involve both workers and managers in pursuing the company targets. On the other hand, the company promoted individualisation through new forms of work and employment relations, especially at Tecmarketing with its new labour culture and productivity methods. Flexibilisation has been increasing especially with new workers. It should be recognised that, despite this impact of the company policy, the union still remained very strong, compared with the rest of the Mexican unions.

This dynamic, where the union strategy oscillated between a partnership and a defensive relationship, shows that resistance is still a fundamental weapon for workers, giving them the capability for collective negotiations in the political field, so that the government listens to their grievances, and legitimating the act of mobilisation against worker injustice.

***Implications of the two nationalisms for unions' strategies and intersectionality***

The two types of hegemonic nationalism I discussed earlier are reflected in two distinctive but complex trajectories of union strategy which can be analysed further with reference to recent debates about union moderation and militancy.

The two cases studied are not represented by just one of two pure models of cooperative or resistance unions' strategies. Both unions have used co-operative and resistance policies according to specific historical moments and interests. Thus, neither union can be classified simply as moderate or militant in the terms defined by such writers as Kelly (1996:80). Indeed Kelly himself argued that, while militancy and partnership "depicts two polar types, it is clear from the continuous nature of the goal and method components that militancy and moderation are best understood as two ends of a continuum" (Kelly, 1996:81). In this research, militancy and partnership can best be seen to exist as a part of a cyclic process of union activity and transformation.

In both cases, partnership is practiced in specific historical moments. The TELMEX-STRM experience suggests that partnership is not a stable or static feature that can be said to equate with unionism in a specific historical period of globalisation or cause a uniform outcome for company labour relations. Both partnership and organising relationships with employers have been evident in both unions' labour relations during the periods of nationalisation of telecommunication and electricity industries, during the later modernisation and through the TELMEX privatisation. As Heery has said "partnership and organising can complement one another in a combined strategy for renewal" (Heery, 2002:31). Both partnership and organising have been manifest in the SME and the STRM strategies of relationship with employers. The strategy of both unions has been reshaping labour relations over time in a kind of cyclic

transformation that shows periods of workers' and union empowerment and phases of weakness. Thus, both unions have practiced those strategies at different times but not necessarily in a linear progression. As Heery suggests, "another way in which partnership and movement may be combined is sequentially through some kind of 'representation cycle' in which organising precedes partnership or vice versa" (Heery, 2002:32).

Both unions have been developing new strategies, and sometimes these cannot exactly be associated with just partnership or militant models to revitalise or strengthen participation of workers in different labour conditions. In different ways both unions have constructed an independent voice from the company, even in periods of partnership or traditional corporatist unionism.

These unions have also been using the technology of communication characteristic of globalisation to open new channels to make alliances to protect their labour rights, by developing new national and international unions and by mobilisation to confront the new scenario with different strategies to protect the permanence of collective organisations. In this way, the STRM and the SME have not only made new alliances with national unions. They have also been involved in renewed international union confederations that have been redefining unionism<sup>58</sup> to fight against multinational corporations and

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<sup>58</sup> There is a clear evidence of the international unionism is renewing its strategies. The new International Trade Union Confederation (ITUC) formed on 1 November 2006 will comprise the affiliated organisations of the former International Confederation for Free Trade Unions (ICFTU) and the World Confederation of Labour WCL "together with eight other national trade

globalisation policies. In this sense they have participated in a process through which international unionism has been renewing itself to maintain alive the principles of working class organisation and solidarity among unions. At the same time they have also renewed more traditional political alliances with diverse national political parties, feminists groups, students and pensioners associations.

However, there are still outstanding challenges in relation to the internal life of these unions. Among these challenges are those that relate to the heterogeneity of the workforces and union memberships in the two companies, and the ways in which specific gender and age groupings develop different interests and demands. In this regard one of the issues is that both unions' strategies are focused on interests defined in class terms and as a homogeneous organisation, in ways which pay limited attention to specific gender and age issues. The concept of intersectionality underpins a criticism of this logic of group unity because it creates multiple marginalisations by gender and age that at the same time generate a political stratification of individuals.

This analysis explores the limitations of union strategies by attending to gender, age and class diversity at work. On the one hand, the marginalisation of

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union organisations that will for the first time affiliate to a global body. [...] The ITUC represents 166 million workers through its 309 affiliated organisations within 156 countries and territories" (ICFTU, 2006). Thus, "the international trade union movement is adapting in order to remain a key player in an economic climate that is creating more losers than winners. The imbalances of economic globalisation are having a devastating effect, on millions of workers" (ICFTU, 2006).

plurality and masculinisation of certain values such as nationalism and patriotism are mainly reproduced in the SME. The SME's form of unionism has not developed a broad union participation where female workers could be seen representing their interests. Despite this tendency, there are two groups (*Brigada Femenina* and *Frente Femenino*) involved in the most important attempts of female workers to challenge male dominance. On the other hand, in the STRM male and female workers developed a more equalitarian relationship than in the SME because women played a central role during the social movements and in the process of privatisation and restructuring of the TELMEX Company. Also, men and women share more spaces at work and in the union. However, even though the STRM had a proactive union strategy, the union has developed only a limited capacity to embrace diversity among young workers and female workers.

In both cases, the implications of age-class intersections play a central role in union strategies. Age relations among young, middle aged and pensioners are understood, defended and challenged differently in the two cases, because the labour market advantages and disadvantages affect age groups differently in each case. Firstly inter-generational cooperation has played a role in each union. It helped negotiations between the STRM union and managers in a partnership relationship, and in the SME, the growing SME pensioners group have used its influential political position in the union to support the wider union strategy against privatisation. Secondly, as this second example shows,

generational identification has helped some groups to gain power and authority in the union.

Thirdly, however, different age groups in the union have generated inter-generational clashes among groups. For instance, this is the case in relation to Tecmarketing. The character of employment relations and the responses of the employees at the Tecmarketing call centres pose a particular challenge and difficulty for the union, but also some possibilities to reshape union strategies. The union has not identified effective ways of organising and involving workers in the specific organisational culture and managerial style of the call centre. The identities of these young workers have been related more with student organisations and their political practices than with trade union activities. Meanwhile among other workers the youngest workers are underestimated as inexperienced in political activities in the union because they do not behave like the oldest members habituated to develop a ‘disciplined participation’.

Thus I would argue that there is not a deliberated anti-union strategy amongst young workers that would explain the conflict between Tecmarketing workers and TELMEX workers in relation to union activities. Instead I would suggest that one of the reasons for this conflict is that they have not been taken as equals and in consequence their interests have not been represented in the union. There are a variety of features of the experience of these workers that set

them apart from the other TELMEX workers. Firstly, these young workers have had more experience of relatively non-hierarchical activism among students, in 'flat' student organisations, not only at the university but also in their experience at work in Tecmarketing. Also, they more than older TELMEX workers have been more habituated to work and to share spaces in mixed gender environments. For these reasons, the union confronts diverse questions about their internal democratic system of representation and their role in relation to new more skilled and informed workers with different grievances and professional aspirations. The SME case is different because there the young workers have initially identified with their own generation but they have developed relationships across generations (with middle aged workers and pensioners), especially on issues related to the nationalist ideology.

At the same time these younger age groups are not homogeneous, they are intersected by social class and gender differentiation. The unions' strategies that support a homogeneous hegemonic system of nationalism do not properly recognise these gender and age differences. In both cases, gender and age are secondary elements of differentiation framed in and subordinated to a broader class identity and nationalist project. At the same time it should be recognised that this homogeneous ideology of nationalism is often supported by both male and female workers, though it produces and reproduces the same patterns of masculine domination.

## **Overview**

This chapter developed an examination of power relations by developing an analysis in terms of intersectionality and hegemony to understand the construction of Mexican nationalism as an hegemonic principle in two contrasting enterprises and unions. The concepts of intersectionality and hegemony in this analysis are addressed firstly to approach the complexities of power relations in the two case-study, and secondly to establish the patterns of hegemony in both cases to understand the changeable interconnected dynamics of social class, age, ethnicity and gender intersections in the workplace.

In this chapter I have argued that it is important to see nationalism as a fundamental principle, because this ideological pattern is reproduced in both case-studies as a hegemonic ideology at work. Contemporary nationalism in Mexico promotes solidarity and political cohesion, where the corporatist state plays an important role in the hegemonic discourse. In this context ethnic and civil nationalism are two competing interpretations of nationalism that emphasise different components of one ideology of modern nationalism, though in practice both coexist and interplay within the same framework of modernity. In this study I have argued that the SME embodies the ethnic variant, while STRM represents the modernist and civic side of nationalism. The main difference between the two nationalisms is the basis on which workers of each enterprise and union identify themselves as a collectivity and understand their participation in their enterprise and union.

My comparative analysis of two forms of nationalism in two different enterprises and unions shows how a hegemonic dynamic of cultural homogenisation and unification is central as a principle of national identity that subordinates or marginalises other social differentiations such as age, ethnicity and gender differences. Analysis in terms of intersectionality allows us to characterise workers' identity in relation to the structure of power inequity and to criticise the marginalising effects of such forms of unification. Intersectionality helps us to understand how power can be constructed through the interplay of gender, age and class differences at work. In this case study, intersectionality contributes, on the one hand, to the analysis of the historical process of masculine *mestisation*, with the intersections, assimilations and marginalisations of ethnicity, race, gender and age that were involved in the creation of the hegemonic Mexican nationalism. On the other hand, this analysis explores the limitations of the strategies developed by unions by attending to gender and age divisions and diversity at work. The marginalisation of plurality and masculinisation of certain values such as nationalism and patriotism does not mean that all women are opposed to this masculinisation. Female workers in both case-studies supported this tradition not just as coerced victims, emphasising that both men and women are active subjects in the construction and reproduction of patterns of domination.

This chapter shows how ethnic and civic nationalism involves specific historical formations of language and values around *mestisation* that

standardises the citizens to be included in the Mexican corporatist state. However in the construction of the nation it has subsumed other sources of differentiation through institutionalised corporatism. Mexican nationalism is an element of workers' class identity while social class is one of the most central features of both male and female workers' national identity. For this reason, nationalism cannot be easily challenged by other social legacies such as those associated with race and ethnicity, gender or age distinctions among those who belong to the same nation.

In this context the first case, that of the SME union, represents the continuity of Mexican nationalism linked to the sovereignty of the state as the dominant political actor. The SME workers believe that they are the protectors of the national energy sources and the LyFC's role as a state company is associated with working class rights rooted in community and kinship relations. After the privatisation of TELMEX the STRM developed a different strategy of participation that signifies an alternative to corporatist trade unionism, framed on the margins of the State and away from government surveillance.

In the last section of this chapter I analysed the unions' strategies of participation during nationalisation, and in the process of privatisation that involved deregulation, restructuring and relocation. The STRM and SME followed two contrasting patterns of participation. However, both cases can be seen as facing related difficulties because they have both moved through phases

of partnership and resistance within their distinctive labour relations trajectories. Thus strategies of participation and resistance are not static entities or and attached just to one kind of unionism. These contrasting strategies of participation appear to coexist and interact, as unions respond to changing circumstances and seek to keep or recover their strength, reshaping labour relations over time in an apparently cyclical process of union renovation.

## *Conclusions*

The aim of this study has been to address some major questions about the changing experiences of work, employment and industrial relations associated with the privatisation of major state enterprises in Mexico. In particular I have examined the participation of workers in their work process and in their trade union in two privatising/privatised companies in Mexico. Thus the focus of this research has been a comparative study of two companies of two different key sectors, electricity (LyFC) and telecommunications (TELMEX) and their trade unions (SME and STRM). These cases have been empirically explored in a similar historical, institutional and social context during the same time period.

I have analysed how privatisation and different patterns of restructuring have transformed the organisation and activity of trade unions as political organisations and the participation of workers in the workplaces in both enterprises. In this circumstance it has become necessary to consider not only the role and influence of workers and unions as a whole, but also how workers have been in different ways affected by social class, gender and age relations in differentiated spaces of participation and associated processes of resistance and accommodation. In this sense, I have analysed the social significance of the particularities, differences and similarities at work in terms of class (construed

in terms of occupational categories), age and gender during the process of privatisation.

This thesis combines two approaches to the analysis of these features. On the one hand it seeks to unpack the distinctive ways in which work relations, workplace participation and union activity are experienced and engaged in by different groups of workers, informed by the concept of intersectionality. But on the other hand it seeks to analyse the dynamics of power in an integrated way to understand the diverse forms of participation of workers in both companies strategies, by using the concept of hegemony to illuminate the dominant features of the power relations between workers and employers and between different categories of employees.

The Mexican labour market is structured in terms of multiple inequalities. Analyses of intersectionality provide a framework capable of capturing the complexity of historical contexts, multiple dimensions of experience of marginalisation and the changeable dynamics of power. The intersections of class, age, ethnicity and gender identities are aspects of power relationships which are embodied in patterns of social inequalities that involve both coercion and consent and involve actions that can sustain or challenge these inequalities.

The formation and exercise of power is central in all these dimensions. Thus, the concept of hegemony is used to consider how these identities and

inequalities are understood, legitimised and challenged, not simply as discrete dimensions but as aspects of linked social relationships. Therefore, this analysis takes Gramsci's concept of hegemony as an historical process which helps to constitute the relationships between dominant and subject groups. On this basis, inequalities, values and practical routines are legitimised by hegemonic practices that help to include or exclude individuals and social groups from power, with distinctive implications for the intersectional constitution of experience and identities.

### ***Summary of main results***

In my comparative analysis I have drawn out similarities and contrast between developments in the two companies and unions, and have used these comparisons to identify key features of the dynamics of employment relations in enterprises undergoing privatisation in recent years in Mexico.

### ***Inequalities and intersectionality***

This analysis takes into account both *inter-categorical* and *intra-categorical* approaches to develop an understanding of the complexity of intersections of class, age and gender relations which avoids simplification and allows an integrated approach to intersectionality. The intra-categorical approach analyses the texture of experience inside groups, while the inter-categorical approach focuses on the relationships between categories.

a) Firstly, I used *inter-categorical* analysis to explore heterogeneous and complex intersectional grouping *across* categories of gender, age and social class differentiation in both companies and unions. I argue that the categories do not always interact and cross similarly in an equally significant way in every situation. In this study, intersections vary in each case following different patterns according to historical time and different context of power relation. These categories of difference that do not always have equal representation, but interrelate and gain significance by playing different roles in different social and historical contexts. For instance, gender identity is represented differently in each case-study: female phone workers have a more clearly defined sense of their distinctive gender identity than the female SME workers.

*Inter-categorical* analysis is important to approach contrasting positions and study individuals and groups that cross the boundaries of existing analytical categories. From an *inter-categorical* approach, women have sometimes managed to renegotiate their position in terms of a combined class-gender identity. Women have recognised that they have a central role at work; this was the case in the switchboard workers movement. Young workers at Tecmarketing and SME pensioners can be identified as specific age-class groups that join together as distinctive groups to protect their interests in their union. However, these categories of class-age or class-gender are represented differently in each union.

Some dimensions of intersectionality are subsumed inside other dimensions, for example, some women think that the primary source of discrimination is gender. However the particular intersections of race, class, or age also provide women with other identities. This is especially clear with female senior managers who do not feel identified with arguments about gender discrimination at work because their primary identification is provided by their occupational and social class identity.

b) Secondly, I analysed the patterns of experience and identity within each company and union through an *intra-categorical* approach to the analysis of gender, social class and age relations. In particular I examined the distinctive implications of technological innovation, forms of work organisation, training and labour conditions for each of these groupings, to understand the differentiated participation of male and female and young and old workers.

In terms of work reorganisation TELMEX has changed the most, and in contrast LyFC is an example of a typical corporatist model that has experienced more modest changes at work. This has also meant that the conditions of participation and dynamics of individualisation have been very different in each case. After the privatisation of TELMEX, both management and the union embraced a TQM approach which promoted a new labour culture based on values of 'excellence' that sought, and to some extent succeeded in reconfiguring the participation of male and female workers at the company. The

STRM promoted changes in the organisational culture on the basis of this paradigm, which equated rationality with modernity, progress and adaptation to change. The TQM model contributed to rebuilding the occupational structure, changing the contents of jobs and positions, and redefining the power relations and the participation of workers

At TELMEX the technological changes caused relocation instead of making the labour force redundant, and this was especially significant for female personnel located in the switchboard occupation. Workforce transfer to traditional male jobs gave female workers more training opportunities to develop different tasks in new areas. It has not only threatened the position of some workers but it has also created some new opportunities, especially for some female phone workers, in the form of new careers, occupations and training where none existed before. New digital technology and more training promoted more equal opportunities for women, changing the perception of female job segregation at TELMEX Company. As a contrast, female electricity workers have not improved their condition substantially, and there is clear evidence of greater and more persistent marginalisation in SME and at LyFC than is experienced by female workers in STRM at TELMEX. In both unions there remains a lack of representation of female workers in the political agenda as well as in the direction of the union. Thus the pattern of changing threats and opportunities, and especially the marginalisation of women has been experienced differently in the two companies and unions I studied.

Despite these differences the work culture in both companies and unions remains based in masculine terms and practices, and in this context women who have accepted the male rules are more successful. Women managers and workers are still living with vertical and horizontal sex segregation in both firms and both unions. At work, especially at LyFC, men dominate in jobs and in political opportunities and women are still segregated in “female occupations” and men in “male jobs”. In these conditions I showed that women often reproduce patterns of segregation against women and reinforce male dominance. Women also have a secondary place or status in union policy making and in gaining political positions in both unions. However, there are some modest changes to these features at TELMEX and in the STRM, so the strongest patterns of gender segregation are to be found at LyFC and in the SME union, where the traditional sexual division of labour is more evident.

Thus women as a social group are still relatively powerless in relation to male groupings within the trade unions. As a consequence there is too much dependence on small political groups or individual women to push women’s concerns. In both of the cases studied there are similar situations with female leaders. They have been working as individuals to get some benefits for women as a collective group. Thus women have not radically improved their marginalised political participation in either union. However, women at STRM have achieved positions in the union, while female workers at the SME have not reached any representation position.

### **c) Intersectionality and Nationalisms**

The conception of hegemony is central to the analysis of the ways in which nationalism, modernisation and privatisation are understood, legitimised and challenged in different contexts and historical moments. The idea of nationalism in Mexico is associated with the construction of the corporatist state, and this has played an important role as a hegemonic discourse. This ideology of nationalism shows how heterogeneous groups come together under the same roof.

Nationalism is a combination of political praxis and popularised ideology that stresses national identity (language, ethnicity, shared common sense and history). Nationalism as a hegemonic principle serves to constitute power structures and identities among groups in a way that reinforces the *status quo* on a daily basis especially when it is challenged by ideological contenders or external influences. This ideology defines principles of national identity, helps to constitute forms of homogeneity and is a point of intersection of gender, age and social class that legitimates or conceals differences. Coerced and coercive groups establish a dynamic relationship that changes over time. In this study it was found that *mestisation* and nationalism contributed to create a homogeneous system where race, ethnicity, gender, age and class heterogeneity were subsumed in different ways in the Mexican Nation. This homogeneity involves diverse forms of marginalisation among heterogeneous populations

and complex groups that share the common characteristic that they are marginalised.

Analytically, nationalism can be characterised as ethnic or civic nationalism. Each represents a different interpretation and form of exercise of nationalism. Civic nationalism is linked with civic or modernist interpretations of nationalism and ethnic nationalism bases its legitimacy on historical justification. The difference between them is the emphasis in which people identify themselves as a collectivity. Implicit in this characterisation is the social function of nationalism that is to reduce social conflict among diverse groups when these are assembled together in a homogeneous way. Ethnic and civic nationalism as hegemonic ideologies subsume class, ethnic, race, gender and age differences in different ways. For instance, the emphasis on a shared ethno-political mestizo identity in both of these variants of nationalism means that racial distinctions and identities do not have a clear presence as an evident factor of differentiation.

The STRM embodies the modernist, rational and civic side of nationalism, while the SME symbolises the ethnic variant. Actually, however, the differences between these unions should not be overstated, as they represent two aspects of one ideology of modern nationalism. Civil nationalism, industrialisation, change and individualism as well as ethnicity and nationalism

are themes that interplay together because both belong to the same rationality of modernity.

Privatisation of the 'national patrimony' reinforces discourses against foreign capital, and this gives contemporary nationalism an important meaning. All of this increases the ethnic nationalism on which the Mexican state bases its legitimacy through an appeal to historical justification, even as state policies may seek to reconstruct or circumvent the constraints of this 'national patrimony'. Privatisation has challenged the hegemonic system and ideology of Mexican nationalism, which was associated with nationalisation as a distinctive basis of modernisation. In the rhetoric of modernisation, privatisation is associated with change, and is identified with restructuring and deregulation.

In this study I found that dominant groups in both cases promote stereotypes of gender, class and age in an hegemonic ideology which legitimates and internalises domination. Dominated groups interiorise these stereotypes and hegemonic ideas as fundamental features of their group. Marginalised female groups, in particular, have contributed to the reproduction of this domination, as we have seen. Such female workers suffer from gender discrimination, but do not perceive that they also contribute to support a homogeneous hegemonic system of nationalism fused with a corporatist class compromise that in the end does not adequately recognise gender differences. However, despite everything, few of these women have developed any project that challenges

masculine nationalism. Similarly, old retired workers dealing with class and age discrimination do not see their own age prejudice against young workers. However, my analysis suggests that the fusion of class, community and nationalism tends to subsume gender and age identities differently in each case study and context. In these case-studies, gender and age are seen as secondary sources of differentiation within a broader class identity and nationalistic project.

Each union established a different approach to privatisation based on a different perception of the role of the State-nation in regulating social policies. On the one hand the SME, wedded to an ethnic nationalism, has been afraid of modernisation, restructuring or any change that has been related with privatisation because they feel their future as an organisation is threatened. On the other hand, workers of the STRM, who embrace a version of civic nationalism, have found that they have able to remake their unionism in association with the privatisation of the TELMEX Company. Privatisation gave the company the opportunity to develop the sector but it also gave workers the opportunity to develop and respond in new ways.

Against this background I analysed the scope and limits of different union strategies of negotiation with management and the state, comparing collaborative and resistant variants of unionism. I developed a comparative analysis about unions' strategies of organisation to pursue collective interests in

the union and company in regard to employment relations, labour conditions, training and technology. Those union strategies have not only grown out of different forms of class relations and organisational cultures, with interrelated forms of gender and age differentiation, but have also helped to remould these features.

In summary I have shown that the SME and the STRM have developed two different routes of participation in the process of privatisation based on different perceptions of the role of the nation-state in regulating social policies, natural resources and public companies. Both unions have had an important participation in the process of privatisation, whether in developing a collaborative activity with the government or to resist privatisation. This suggests that unions are still playing an important role in influencing governmental policies. This opinion has been opposed to the traditional literature that considers unions in Mexico just as instruments of political parties, as this approach has been shown to be inadequate for these two important cases. Recently, both organisations have been looking for their own ways of operating in relation to political parties, sometimes with their own political associations or with national or international social organisations that share similar interests, but in both cases they represent a divergence from traditional corporatist union policies.

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# *Appendix A*

## **Interview schedule**

The objective of the interviews was to listen to different perspectives about the participation of workers, unions and employers in the same historical events. Details were also gathered about individual work histories. The principal aim was to understand different patterns of participation at work and in the union during the historical process of privatisation in TELMEX and restructuring in LyFC. The agenda covered work history and the participation of the interviewee in the company and union during the processes of privatisation, restructuring and governmental reforms of these firms and sectors. These interviews provided the basis for looking at the patterns of similarities and differences in both companies and unions.

The main aim of the seventy-six in-depth interviews was to identify the union and company strategies of negotiation on technology change, training programmes and labour conditions, and to understand their implications for different categories of managers and workers.

The specific employment relations and technical problems were studied to understand the relationships between managers, unions and workers during the

privatisation of TELMEX and the modernisation of the LyFC Company.

Important matters in both companies were taken in account during interviews:

***Technical issues***

- Technological innovation;
- Organisation of production;
- Methods of work: quality circles, work teams, hours
- Training system: contents, programs.

***Employment:***

- Labour rights: collective contracts, regulations of work.
- Employment conditions: recruitment; temporary/permanent; part time/full time; opportunities to women and young worker; tasks, classification
- Wage system and benefits: categories; mechanism of promotion; opportunities to promote women and young workers; incentive system; evaluation; participation in utilities and productivity (men/women, middle, young and retired workers).

I have outlined particular areas of study rather than providing specific hypotheses, which permitted a high degree of flexibility and the maximum collection of data in a form which provided information about the social relations of the workplace. Specific topics used in the interview schedule were:

**a) Participation**

- What was your experience during the process of privatisation?
- If the patterns of participation have changed after privatisation/ reform of the electricity industry, who have promoted those changes?
- Has your interest to participate in union and company issues changed during your working life? Which factors affected the way you participated? At which stage of your life have you participate most?
- Which factors (external/ internal, collective/ individuals) have promoted your participation in the union and company?
- Has your family influenced you to participate in the union and workplace?

**b) Company policies implications**

- Which have been the main issues between the union and administration at different moments? (modernisation/ privatisation/ restructuring) Has the company developed new forms of relationship with the union?
- What has been the union position in bilateral negotiations?
- Have there been any changes in the administration and union relations?
- How has the union participated to design new training methods, new tasks, jobs, etc.?
- Which topics have been most in debate (remuneration, training, technological innovation, company policies...)?

- Has the corporate planning given better employment opportunities to young and female workers?
- How do the recruitment and retirement systems work in this company?
- Who are favoured by the recruitment policies? What is the worker profile to be recruited? Which elements are more important, social group, specific age, gender, race...?

**c) Age and gender relations**

- What is the spatial distribution of men and women within organisations?
- How is the job hierarchies characterised in terms of gender and age relationship in the workplace?
- How were men and women relocated after restructuring of the organisation?
- How are such changes understood in contemporary forms of enterprise and union culture? (Men/women) Implications for the participation of women and men in the union and workplace.
- How have women perceived the historical forms of gendered inequality within organisational hierarchies in the unions and enterprise?
- How do female and male leaders justify their position, pay and privileges? (Gender terms, age, experience, ethnicity, seniority or their ability to carry out certain objectives)
- What is the union doing to promote the participation of young workers and women workers?

- Is the union exploring what young workers want from a collective organisation?
- What implications has the restructuring of the labour organisation had for gender relations?
- Has the union allowed women to participate in more senior positions?
- How are women participating in union and company projects?
- Are there different forms of participation among women?
- Which factors stop women from participating? (themselves, patriarchy, culture or circumstances)
- Are women active members in the construction of new practices at work (technological change, methods of work, training methods...)
- How are men reacting to more participation of women in the company and union? Is there an open competition between genders in the workplace and union?
- Which positions have women achieved in the Central Committee of the union?
- What is the pattern of participation of retired workers in the union? Implications of two retirement systems.

**d) Union and members**

- Which are the main principles of the trade union?
- Would you consider being an active member in the union?
- What are the reasons for joining and participating in the union?

- Do you consider the union representative represents you in your specific (gender/age) demands?
- Leaders make action to conserve and reaffirm union values in the workplace. Who are the guardians of idea of union leadership in the workplace? Are they the true leaders?
- How do leaders develop their practices?
- In which activities are women, pensioners and young workers more involved? How do they participate in the union?
- Are the women's interests represented?
- Does the union represent the interests of men and women equally? Who have more presence in the union activities?
- How has the relationship been between workers and union officials?
- What role has dissident played in the union?
- Does the union leader centralise the power or workers participate actively?

Finally, to approach the theme and the research questions I needed more than one technique of investigation. I have used a combination of observations, interviews with different categories of informants, and documentary analysis to place the interviews with different categories of informants in context.

## *Interviews*

Interview	Date	Occupation	Gender	Age	Interview	Date	Occupation	Gender	Age
<b>T 10</b>	23Apr/02	M	♂	53	<b>L 49</b>	19/Feb/02	M	♂	57
<b>T 11</b>	23/Apr/02	M	♂	50	<b>L 50</b>	25/Mar/02	M	♂	43
<b>T 12</b>	10/Apr/02	M	♀	36	<b>S 51</b>	11/Apr/02	W	♂	53
<b>T 13</b>	08/Apr/02	M	♂	27	<b>S 52</b>	02/Apr/02	W	♂	52
<b>T 14</b>	08/Apr/02	M	♂	38	<b>S 53</b>	15/Apr/02	W	♂	52
<b>T 15</b>	27/Mar/02	M	♂	34	<b>S 54</b>	15/Apr/02	W	♂	41
<b>ST 16</b>	25/Mar/02	W	♂	52	<b>S 55</b>	07/Feb/02	W	♂	54
<b>ST 17</b>	11/Jan/02	W	♀	42	<b>S 56</b>	27/Feb/02	W	♂	53
<b>ST 18</b>	10/Jan/02	W	♀	44	<b>S 57</b>	01/Mar/02	W	♀	50
<b>ST 19</b>	16/Jan/02	W	♀	47	<b>S 58</b>	15/Mar/02	W	♂	60
<b>ST 20</b>	22/Jan/02	W	♀	46	<b>S 59</b>	16/Jan/02	W	♂	58
<b>ST 21</b>	22/Jan/02	W	♀	43	<b>S 60</b>	21/Dec/01	W	♂	40
<b>ST 22</b>	22/Jan/02	W	♀	38	<b>S 61</b>	29/Apr/02	W	♂	18
<b>ST 23</b>	1/Feb/02	W	♀	38	<b>S 62</b>	18/Mar/02	W	♀	22
<b>ST 24</b>	15/Jan/02	W	♀	39	<b>S 63</b>	31/Jan/02	W	♂	49
<b>ST 25</b>	22/Feb/02	W	♂	63	<b>S 64</b>	28/Jan/02	W	♀	38
<b>ST 26</b>	15/Jan/02	W	♂	51	<b>S 65</b>	18/Mar/02	W	♀	64
<b>ST 27</b>	05/Apr/02	W	♀	48	<b>S 66</b>	27/Nov/01	W	♀	65
<b>ST 28</b>	6/Apr/02	W	♀	48	<b>S 67</b>	05/Apr/02	W	♂	67
<b>ST 29</b>	05/Apr/02	W	♀	47	<b>S 68</b>	29/Apr/02	W	♀	21
<b>ST 30</b>	15/Apr/02	W	♀	46	<b>S 69</b>	30/Jan/0	W	♂	74
<b>ST 31</b>	01/Apr/02	W	♀	25	<b>S 70</b>	04/Mar/02	W	♀	48
<b>ST 32</b>	04/Feb/02	W	♂	37	<b>S 71</b>	30/Jan/02	W	♂	50
<b>ST 33</b>	15/Mar/02	W	♀	56	<b>S 72</b>	28/Jan/02	W	♀	37
<b>ST 34</b>	22/Feb/02	W	♂	73	<b>S 73</b>	27/Nov/01	W	♀	60
<b>ST 35</b>	22/Feb/02	W	♂	70	<b>S 74</b>	14/Mar/02	W	♀	50
<b>ST 36</b>	04/Mar/02	W	♀	45	<b>S 75</b>	29/Apr/02	W	♂	18
<b>ST 37</b>	18/Mar/02	W	♀	28	<b>S 76</b>	30/Jan/02	W	♂	27
<b>ST 38</b>	07/Mar/02	W	♀	29	<b>S 77</b>	29/Apr/02	W	♂	32
<b>Tec 39</b>	10/Apr/02	M	♀	35	<b>S 78</b>	07/Mar/02	W	♂	47
<b>Tec 40</b>	18/Apr/02	W	♀	48	<b>S 79</b>	19/Mar/02	W	♀	39
<b>Tec 41</b>	06/Apr/02	W	♀	30	<b>S 80</b>	07/Feb/02	W	♂	45

<b>Tec 42</b>	03/Apr/02	W	♂	22	<b>S 81</b>	04/Feb/02	W	♂	75
<b>Tec 43</b>	02/Apr/02	W	♀	18	<b>S 82</b>	31/Jan/02	W	♂	67
<b>Tec 44</b>	11/Apr/02	W	♂	21	<b>S 83</b>	03/Feb/02	W	♂	51
<b>L 45</b>	27/Feb/02	M	♂	40	<b>S 84</b>	01/Feb/02	W	♂	58
<b>L 46</b>	01/Mar/02	M	♀	49	<b>S 85</b>	28/Jan/02	W	♂	62
<b>L 47</b>	07/Mar/02	M	♀	42	<b>S 86</b>	28/Apr/02	W	♂	26
<b>L 48</b>	14/Mar/02	M	♂	52					

\* **Occupation:** M= Manager / W= Worker      **Gender:** ♂ =Male / ♀= Female

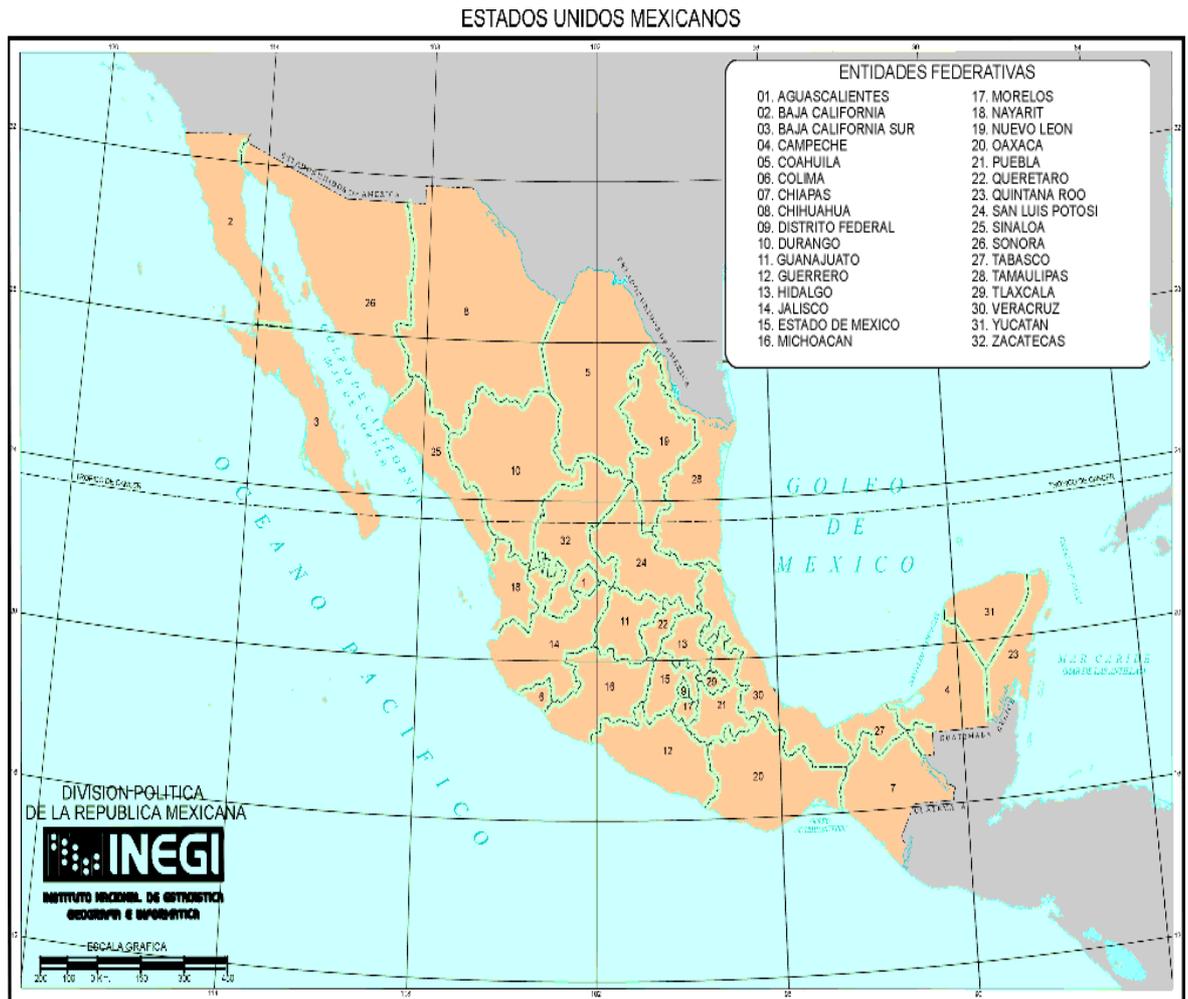
## *Appendix B*

### 2.1 CHRONOLOGY

<b>1905</b>	The Mexican P&L Company was set up in the centre of the country to distribute electricity
<b>1914</b>	SME union was founded
<b>1928</b>	The American and Foreign Power Company was funded at national level
<b>1936</b>	The CTM Confederation of workers and FSTSE were funded Electricity workers strike
<b>1937</b>	Development of unionism in the national electricity industry The state-owner CFE was founded after the American and Foreign Power Company was nationalised Phone and electricity workers strikes Railway nationalisation
<b>1938</b>	The PNR (Revolutionary National Party) changed to PRM (Mexican Revolution Party)
<b>1939</b>	Government proposed new regulations for the electricity industry and new electricity energy tariffs were approved Law on the General Channel of Communication
<b>1940</b>	The Mexican P&L Company decreased its generation capacity
<b>1947</b>	TELMEX was set up as a private enterprise The PRM (Mexican Revolution Party) was refunded as PRI (Revolutionary Institutional Party)
<b>1950</b>	The National Telecommunications Union of Ericsson and the National Union of Workers of the CTTM Company joined to found the STRM (Telephone Union of the Mexican Republic)
<b>1960</b>	Integration of Electricity Industry The government bought the American Foreign Power Company (95.62%) and the Mexican P&L Company (74%) The government founded CLyFC Company to create a national electricity system
<b>1963</b>	The Mexican state participation in telecommunications started The Federal Executive agreement (14 <sup>th</sup> August) gives to CLyFC Company all rights of its goods and subsidiaries.
<b>1966</b>	The CLyFC signed a restructuring agreement with the SME union.
<b>1970</b>	Employment opportunities were increased at the state owned companies
<b>1972</b>	The government unified the CFE unions The state acquired 51% of the telecom company's social capital
<b>1975</b>	Law of Public Service of Electric Energy gave to the CFE

	Company advantages to expand new operation bases and annulling the debt of CLyFC
<b>1976</b>	The government extended TELMEX's monopoly of basic telephone services for 30 years Switchboard strike Telecommunications democratic movement. Hernandez Juarez started as a General Secretary of the STRM
<b>1980</b>	Discussions among phone workers about consequences of new technology for employment at TELMEX Company
<b>1982</b>	National economic crisis. The government starts the deregulation programme.
<b>1983</b>	The privatisation process in Mexico started.
<b>1984</b>	<i>Télefonos de México</i> , S.A. de C.V. emerged as a corporative unit
<b>1985</b>	The Mexico City earthquake destroyed the most important telecommunications infrastructure The government started the privatisation policies in relation to TELMEX.
<b>1986</b>	Public Service of Electrical Energy regulations reform
<b>1987</b>	SME strike
<b>1988</b>	Carlos Salinas (PRI) and Cuauhtémoc Cardenas (the opposition party PRD) contended in the presidential elections
<b>1989</b>	The government and SME signed an agreement to sign the company status The National Plan of Development (1989-94)
<b>1990</b>	The National Programme of Energy Modernisation (1990-94) The privatisation of TELMEX's was completed on 20 December
<b>1992</b>	Public Service Supply of Electrical Energy reform
<b>1993</b>	The Federal government assumed the CL y FC debt acquired with CFE Public Service of Electrical Energy regulations reform
<b>1994</b>	NAFTA The LyFC was formalised instead CLyFC as a decentralised public organisation
<b>1996</b>	It is conformed the current Ly FC Company structure
<b>1997</b>	On 1 <sup>st</sup> of January international competition for the long distance started Female workers from diverse unions included the STRM and the SME organised " <i>Red de mujeres sindicalistas</i> " (Network of Unionised Women)
<b>1999</b>	The initiative to privatise the electricity sector in Mexico was announced on 2 <sup>nd</sup> February

## 2.2 Mexico



#### 4.1 Female workers in LyFC

<b>GROUP / DEPARTMENTS</b>	<b>Total</b>
<b>100% female workers</b>	
Tabulating Department	477
Secretary Group	291
<b>Pensioners</b>	
Women Pensioners	753
<b>Mix gender composition</b>	
Various clerks	413
Building Manager's office	359
Divisions	322
Store to electrical workers	154
<b>Professional group</b>	
Engineering Group	100
Treasurer's office	145
Commercial and services	81
Accountants group	86
None unionised workers. Clause 18- (Directors and managers)	38
White-collar none unionised workers. Clause 19-11 (Middle managers)	72
Operation Networks of Telecommunications distribution	32
Maps archives and Design. Auxiliary Technical group	66
Services deputy manager's office. Archives and mail post	24
<b>Women in traditional male departments</b>	
General Controller Office	24
Personnel that are waiting allocation	10
Industrial Relations. Training Centre	5
Laboratory	4
Commercial deputy manager's office of outside connections	1
Transmission Lines	1
Distribution. Civilian work	1
Electrical maintenance and workshops	1
Department of disability partial or permanent	1
Operation. Underground networks	1
Distribution. Outside lines	1
Network installation and maintenance. Airline	1
<b>TOTAL</b>	<b>3,656</b>

Resource: Gender distribution in LyFC Company, Human Resources Department, week 5, 2002.