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Introduction
NAFTA and Labor Transnationalism

Globalization arrived full force in North America in the form of a free trade agreement. While the economies of the United States, Canada, and Mexico had been integrating for decades, the process largely remained beneath the radar, inspiring little reaction from political pundits, the media, and the general public. Mexico’s 1986 entry into the General Agreement on Tariffs and Trade (GATT) produced little public criticism, and resistance to the negotiation of the Canada-U.S. Free Trade Agreement (CUFTA) in the mid-1980s largely remained within Canadian borders. Talk that the George H.W. Bush Administration was considering an idea proffered by President Reagan in the 1980s to create a free trade zone extending across the Americas raised the hackles of free trade opponents.¹ But no one could have predicted the groundswell of grassroots opposition that occurred across the continent upon the North American Free Trade Agreement’s (NAFTA) formal announcement in September 1990.

The public reaction to NAFTA was unprecedented. Politicians, presidential hopefuls, media personalities, and organizations representing interests as diverse as consumers and peasants entered the fray. The

¹ In his State of the Union Message delivered to Congress in January 1988, President Ronald Reagan proclaimed: “Next month I will be traveling to Mexico where trade matters will be of foremost concern. And, over the next several months, our Congress and the Canadian Parliament can make the start of such a North American accord a reality. Our goal must be a day when the free flow of trade – from the tip of Tierra del Fuego to the Arctic Circle – unites the people of the Western Hemisphere in a bond of mutually beneficial exchange; when all borders become what the U.S.-Canadian border so long has been – a meeting place, rather than a dividing line.” *New York Times*, January 26, 1988.

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overwhelming response led many observers to proclaim that NAFTA was responsible for repoliticizing trade politics and for ushering in an era of antiglobalization activism that would be felt from Seattle to Montreal, from Genoa to Mumbai.² NAFTA's most vocal critics warned of its potential effects on U.S. jobs and industries. Ross Perot memorably proclaimed that a "giant sucking sound" would be heard as jobs left the country. Many on the Left worried that by pitting workers against each other for jobs, the agreement would generate antagonism among North American unions and intensify economic nationalism.³ They cautioned that NAFTA would undermine any possibility for cross-border cooperation among labor unions in the United States, Mexico, and Canada. Some suggested that the inevitable job losses north of the Rio Grande would generate a backlash against Mexican workers and immigrants. That in NAFTA's wake North American labor movements would be able to overcome geographic, linguistic, cultural, and ideological differences to create interests in common seemed improbable.

A Historic Shift

But, contrary to expectations, that is exactly what happened. Far from polarizing workers, this much hated neoliberal free trade agreement actually brought them together. NAFTA's effects on trilateral coalition and relationship building were unprecedented. Labor unions' participation in anti-NAFTA coalitions that included organizations devoted to many different issues reflected a significant shift in the history of union relations in North America. For the first time, and practically overnight, North American labor unions engaged in an active struggle not only with environmental and other progressive organizations but also with their counterparts across the continent. And some unions even began to build formal relationships with their counterparts that transcended coalitional goals.

NAFTA – the concrete embodiment of globalization in North America – had the unanticipated consequence of catalyzing labor transnationalism, defined as ongoing cooperative and collaborative relationships among Mexican, U.S., and Canadian unions and union federations.⁴ After years of struggle against free trade, North American labor unions, which for

² Evans (2002). See Rupert (1995) and O'Brien (1998).

³ See Davis (1993), Neal (1993), and Farrell and Putzel (1993).

⁴ Here I focus on labor unions and not other labor advocacy organizations such as NGOs, worker centers, etc.

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decades had been isolated and estranged across national boundaries, emerged with new ties of cooperation and networks of protest. But NAFTA's effects went far beyond catalyzing labor transnationalism. The trade agreement also stimulated significant organizational changes within unions and union federations. Union leaders realized that in order to survive the vagaries of regional economic integration, they needed to create departments and positions to deal with trade, amend official policies to promote internationalism, and chip away at racist attitudes against Mexicans and immigrants that permeated their organizations. Thus, for many North American unions, NAFTA began to erode policies and discourses rooted in racism and economic nationalism.

The rarity of labor transnationalism makes its emergence extremely significant. Since the formation of the International Workingmen's Association (or First International) in 1864, workers and labor unions have articulated the need for a global working-class movement, yet the goal remains elusive. Labor scholars point to the multiple geographical, cultural, and political obstacles to labor transnationalism, while some economists insist that the interests of labor unions in developed and developing countries are antagonistic and therefore preclude cooperation (Bhagwati 2000). The Cold War exploits of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) in Latin America created significant distrust and alienation among unions in North America.⁵ And northern unions' tendency to discriminate against Mexicans and immigrants also did little to build trust with Mexican counterparts. For decades unions employed racialized rhetoric not only to respond to competition from immigrants at home but also to deal with competition from foreign factories and imports. Some U.S. and Canadian labor leaders responded to the threat of job loss by blaming foreign workers for "stealing" jobs and undercutting nonimmigrant workers by accepting lower wages. Racial scapegoating amounts to a racialized "foreign worker myth" that is often married to racist rhetoric about the abilities of foreign workers (e.g., foreign workers do not produce high-quality products and are not as skilled, productive, or capable as the workers from whom the work was "stolen"). Northern unions' international policies, dictated by Cold War politics, and their domestic policies, clouded by racism, combined to form a weak foundation for transnationalism. As a result, a lack of trust and permanence characterized contacts among North American unions prior

⁵ See Cantor and Schor (1987), Spalding (1992), Morris (1967), and Herod (1997).

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to NAFTA through various international and regional organizations.⁶ Union interactions were not equitable, lacked long-term goals and programs, and rarely involved grassroots participation.⁷

The interactions that emerged in NAFTA's wake among North American unions stand in stark contrast to the sporadic and formal contacts that preceded them. Unions began to build and nurture relationships of a certain nature and quality. If the interactions in the pre-NAFTA era were like noncommittal dating, those after NAFTA were marriages. Most were written commitments to permanent, consistent interactions based on joint action and grassroots participation. But the most important characteristic of these nascent relationships was their unprecedented rootedness in equality and collective interest. And, although the process of chipping away at stereotypes was not uniform across the continent, divisive attitudes that blamed foreign workers and immigrants for potential NAFTA-related job loss north of the Rio Grande surfaced infrequently among labor leaders in the United States and Canada – and were frequently censured when articulated by the rank and file. The shift from Cold War era interactions was therefore quite striking.

The end of the Cold War, however, was not responsible for the emergence of transnational relationships among North American unions. There was a significant lag time between the end of the Cold War and the reconfiguration of the AFL-CIO's priorities and institutional structures. Although some changes did occur beginning in the early 1990s, more significant changes came after John Sweeney was elected president of the AFL-CIO in 1995. Sweeney reorganized the international department and eliminated the controversial American Institute for Free Labor Development (AIFLD) in 1997.⁸ Many Cold War era staffers were replaced or left the federation, undermining its Cold War strategy. Thus the effects of the end of the Cold War within the AFL-CIO came years after initial transnational relationships were forged in the early 1990s.⁹ According to

⁶ Such as the World Federation of Trade Unions, the International Confederation of Free Trade Unions (ICFTU), and international trade secretariats (now called global unions, or global union federations, GUs and GUFs).

⁷ For a discussion of the history and limitations of international labor organizations, see Stevis (1998) and Boswell and Stevis (1997). I characterize union relations in the pre-NAFTA era as similar to what Tarrow (1998) terms "contingent political alliances," which are based on ephemeral transnational "relays" or exchanges between social activists.

⁸ Critics argue that AIFLD helped the U.S. government oust radical Left labor leaders, unions, and regimes, particularly in Latin America. For more on AIFLD, see Chapter 2.

⁹ Some critics argue that the Cold War strategy has not died completely because a few influential Cold War era staffers remain, and the Solidarity Center continues to accept funds from the U.S. government.

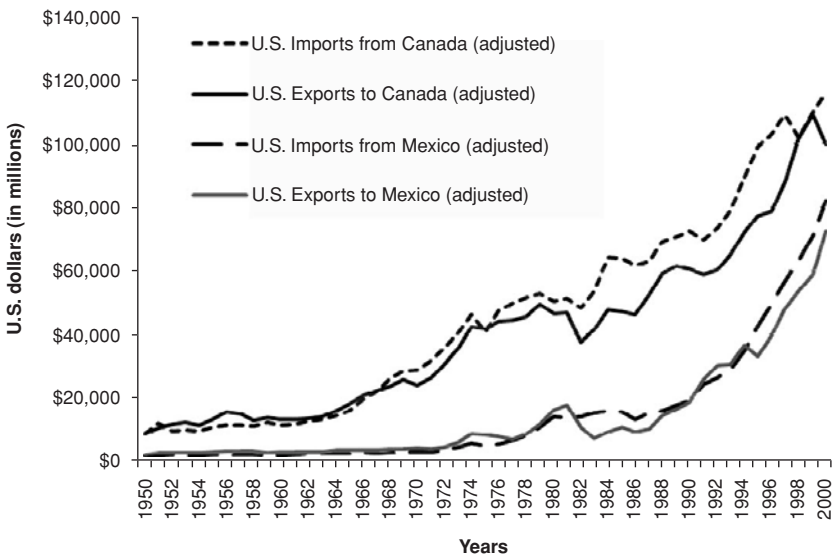


Figure 1.1. North American Trade, 1950–2000. The trade data come from the “Direction of Trade” dataset compiled by the International Monetary Fund and have been adjusted by the U.S. Consumer Price Index (1982–1984=100) to correct for inflation. The following discussion is based on these data.

AFL-CIO officials, NAFTA actually helped to undermine the federation’s Cold War priorities by forcing leaders to deal with the threats posed by regional economic integration. And, ironically, it was NAFTA itself that helped unions across the continent define and develop collective “North American” interests.

NAFTA as Catalyst? Alternative Economic Explanations

What, then, was unique about NAFTA? Some critics argue not much, and offer an economic explanation for the emergence of labor transnationalism in its wake: it was not NAFTA per se that catalyzed transnational relationships but rather the increased trade and market openings it stimulated. This explanation is problematic because although trade and investment have characterized the relationships between North American countries for decades, labor transnationalism has not. As Figure 1.1 shows, the long-term trend in North America is toward increased trade.

In 1950, U.S. exports to and imports from Canada were at parity; each figure hovered at just over \$8 billion (all dollar figures in U.S. dollars). By 1980, U.S. exports to Canada reached almost \$47 billion and U.S. imports from Canada reached approximately \$50 billion. In

1950, Mexican exports to the United States were at \$1.6 billion, and U.S. exports to Mexico were at \$1.9 billion. In 1965, the Mexican government decided to boost the economy by introducing an export-oriented assembly industry program, which stimulated tremendous growth in trade. Mexico further solidified its commitment to export strategies in 1986 when it joined the General Agreement on Tariffs and Trade (GATT, which later became the World Trade Organization, WTO). Between 1970 and 1990, Mexican exports to the United States increased more than sevenfold from \$2.6 billion to \$19 billion, and U.S. exports to Mexico rose from \$3.9 billion to more than \$18 billion. Increasing trade has also characterized the relationship between Canada and Mexico. Between 1950 and 1990 Canadian exports to Mexico rose from \$55.2 million to \$336 million, and Mexican exports to Canada surged from \$72.1 million to \$653 million.¹⁰

If market openings alone are responsible for generating transnational relationships, we would expect to see a surge in transnationalism at critical historical moments of market expansion such as after Mexico implemented its export program or joined the GATT. But these openings did not generate transnational labor relationships, and neither did neoliberal state policies intended to stimulate trade and investment. As Table 1.1 shows, privatization and deregulation have proceeded at a gallop in North America since the 1980s, and although many unions opposed and fought these policies, they did not coordinate their opposition as a united transnational labor movement. Nor did they direct their ire against North American neoliberalism, which seemed to be sweeping the continent. Rather, they focused inward and tried to influence their respective states.¹¹

NAFTA’s Effects on Transnationalism

The emergence of labor transnationalism in North America therefore presents compelling sociological and political puzzles. First, how did

¹⁰ Because these lines hover on the *x* axis, I do not include them in Figure 1.1.
¹¹ Moreover, many privatization and deregulation strategies were implemented in the mid-1990s, years after transnational labor relationships emerged. And, the majority of transnational relationships that emerged in the early 1990s occurred among unions that were not subjected to privatization or deregulation efforts. There is one exception, however. The breakup of the Bell system in 1984 forced the CWA to create ties with its Canadian counterpart in order to deal with increasingly recalcitrant management policies. The transnational relationship, however, did not include the Mexican telecommunications union (STRM) until NAFTA became a significant threat in the early 1990s.

Table 1.1. *Privatization and Deregulation in North America*

	United States	Canada	Mexico
Telecommunications	1984 (deregulation)	1998 (deregulation)	1989–1991 (privatization)
Airlines	1978–1986 (deregulation)	1988 (Air Canada)	1988 (Aeromexico) 1989 (Mexicana) (privatization)
Electric utilities	1992	varies by province; unions currently fighting efforts at deregulation and privatization	unions currently fighting efforts at privatization
Road transportation			1989 (trucking)
Rail industry	1976–1980 (deregulation)	1995 (privatization)	1997–2000 (privatization)
Banking	late 1970s, early 1980s (deregulation)		1989

NAFTA catalyze labor transnationalism? And, why did some unions more readily engage in transnational collaboration and embrace internationalism than others? Although the evidence supporting an economic explanation for NAFTA’s effect is not terribly convincing, that for a political explanation is quite compelling. The answers to these questions about NAFTA’s effect on labor transnationalism lie not simply in what NAFTA symbolized to North American labor activists – the concretization and institutionalization of neoliberal economic policies and the downward harmonization of wages and labor standards across the continent – but rather in what NAFTA *created*. NAFTA, an emergent “multilateral regime,”¹² a particular kind of global governance institution, catalyzed labor transnationalism by creating two new transnational institutional arenas through which North American labor activists could engage each other.¹³ These new arenas were critical because they provided a space to mobilize collective action while constituting as transnational actors the very activists that would engage that space.

¹² For a discussion of multilateral regimes, see Krasner (1983) and Ruggie (1993).
¹³ NAFTA is more accurately a regional governance institution, but for simplicity and consistency with the term used in the literature, I will refer to it as a global governance institution.

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Here I refer to these new arenas as fields, defining a field as a “local social order”¹⁴ of actors “who take one another into account as they carry out interrelated activities”¹⁵ and *that is characterized by an orienting principle or goal* (Evans and Kay 2008).¹⁶ The first new institutional field NAFTA created in 1990 was a transnational trade-negotiating field in which state officials and labor representatives in the United States, Mexico, and Canada hammered out the nature and scope of the substantive trade agreement and ultimately the labor side agreement. Although dominated by trade and business officials, the negotiating field also included labor representatives who participated directly through advisory committees and indirectly through allies in the U.S. Congress with access to negotiators. This new institutional field was critical to stimulating labor transnationalism during NAFTA’s negotiation because it provided labor activists with a concrete target of engagement and protest that straddled the borders of North America. Labor unions in Canada, the United States, and Mexico, which for years had been isolated and estranged, could target not only nation-states and the general public but also a new and viable transnational institutional field.

During the prepassage contestation over NAFTA, activists’ ongoing interactions in this field helped constitute them as transnational actors and enabled them to forge collective interests. NAFTA stimulated this process by serving as a collective threat to North American unions, which began to see their futures as linked, bringing them into contact and helping coalesce their interests, and compelling them to define and defend what they considered to be North American labor rights. During all stages of NAFTA’s negotiation, unions worked in trinational coalitions lobbying their individual nation-states and mobilizing popular support to demand that the agreement have teeth.¹⁷

Debates over fast-track reauthorization provided an early opportunity for unions to mobilize politically, as well as for members of Congress to signal their demands to trade negotiators. Granted by Congress, fast-track privileges enable the president to negotiate trade agreements while restricting Congress’s ability to amend them. Although fast-track extension was accepted in May 1991, labor activists working with sympathetic members of Congress forced President George H.W. Bush to develop an

¹⁴ Fligstein (2001, p. 5).

¹⁵ McAdam and Scott (2005, p. 10).

¹⁶ See also DiMaggio and Powell (1991) and Fligstein (2001) for discussions of fields.

¹⁷ As will be discussed, official Mexican unions such as the CTM, however, supported NAFTA.

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action plan to deal with labor concerns.¹⁸ When substantive negotiations concluded in August 1992, they were profoundly disappointed by the enormous 900-page document that included no labor rights protections and primarily reflected business interests. Both House Ways and Means Chair Dan Rostenkowski and House Majority Leader Richard Gephardt discussed the possibility of renegotiating the agreement because its passage appeared unlikely. The timing of the final negotiations catapulted the issue of free trade into the 1992 presidential election campaign and presented a problem for presidential candidate Bill Clinton. Whoever won the election could renegotiate the agreement, or would have the arduous task of garnering congressional support for it. But Clinton knew that labor and other anti-NAFTA activists would vigorously resist the agreement as negotiated by his predecessor and that without more stringent labor and environmental protections Congress probably would not ratify it.

Under intense pressure from labor and environmental activists, Clinton announced on the eve of the election his support for supplemental labor and environmental agreements. In November 1992, Clinton was elected president, and under his administration environmental and labor side agreements were negotiated to salvage NAFTA beginning in March 1993. Although they had pushed him to commit to stronger labor protections, many labor activists did not support a side agreement because they feared a political bait and switch; the administration could codify – before the outcome of supplemental negotiations would be determined – unacceptable policies in the primary agreement that would be difficult if not impossible to amend (Kay and Evans unpublished ms.)

Clinton, however, stirred unions' hopes that the labor side agreement would have teeth, proclaiming in a 1992 speech that a commission "should be established for worker standards and safety. It too should have extensive powers to educate, train, develop minimum standards and have similar dispute resolution powers and remedies. We have got to do this. This is a big deal."¹⁹ Persuaded by administration officials who promised to address their concerns and heed their input, some unions – including the AFL-CIO and many of its affiliates – waited until side agreement negotiations had almost concluded to pass judgment. When the final agreement was unveiled in August 1993, they expressed their outrage over its inadequacy, and at their betrayal by a president they had helped elect.

¹⁸ The action plan also addressed environmentalists' concerns. See Evans and Kay (2008).

¹⁹ Clinton (1992).

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Despite unions' efforts to kill the agreement, President Clinton cobbled together enough votes to secure its passage. An underlying distrust, however, characterized labor leaders' relationship with the president and the NAALC for the next eight years.

When NAFTA went into force on January 1, 1994, it created a second transnational institutional arena for activists to engage – a transnational legal field. This field consisted of nascent legal mechanisms, including the North American Agreement on Labor Cooperation (NAALC, NAFTA's labor side agreement), and National Administrative Offices (NAOs) in each of the three NAFTA countries. These new institutions were critical to stimulating new transnational relationships and nurturing existing ones because they enabled labor activists collectively to invoke and demand protection for newly defined North American labor rights claims. The NAALC created eleven North American labor principles or rights recognized by the three countries and established new rules, procedures, and venues to adjudicate complaints of labor rights violations in North America. But most significantly, by requiring submitters to file complaints outside of their home countries, the NAALC forced labor activists to seek assistance from counterparts in another NAFTA country and thereby catalyzed transnational relationships that had not previously existed.

The transnational institutional arenas NAFTA created were unprecedented, and so were their effects. But their potency lies in their constitutive functions: in the political mobilization period during NAFTA's negotiation, transnational interests and actors were created, and during the period of NAFTA's implementation, actors and rights claims were legitimized. The NAFTA story, then, is about how political-institutional fields serve as new transnational political opportunity structures for emergent transnational social movements. Faced with a trade agreement that could potentially undermine labor rights and standards in North America, labor unions entered these new political-institutional arenas to mobilize. Through their interactions, they began to develop not only a collective strategy and agenda for changing the rules of regional economic integration but also a sense of their collective interests as North American workers.

Variations in NAFTA's Effect

Despite the strength of NAFTA's effect, not all unions developed transnational relationships in its wake. The NAFTA story, then, has a sequel. The first part of the story centers on how NAFTA's institutional structures