NAFTA’s 10 Year Failure to Protect Mexican Workers’ Health and Safety
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Executive Summary

The year 2004 marked the 10th anniversary of the North American Free Trade Agreement (NAFTA) and its “labor side agreement,” the North American Agreement on Labor Cooperation (NAALC). More than two dozen anniversary reports have analyzed the agreement’s results for Mexico, which have been variably characterized as “not enough” for sustained economic growth (World Bank) to “broken promises” for broad social development (Joseph Stiglitz).

The NAALC has been a particular failure for Mexican workers, who were told that the NAALC would “protect, enhance and enforce basic workers’ rights.” The balance sheet of the NAALC’s impact in Mexico is, precisely, that it failed to protect, let alone enhance, Mexican workers’ right to a safe and healthful workplace.

The workplace health and safety complaints filed under the NAALC illustrate that Mexican government agencies systematically failed to enforce their own regulations and did not ensure compliance by the U.S.-based transnational corporations who took full advantage of NAFTA to expand operations to more than 3,700 “maquiladoras” (foreign-owned assembly-for-export plants) employing 1.3 million Mexican workers at their peak in 2001.

None of the labor rights of maquiladora workers – from the right to organize independent, member-controlled unions to adequate workers compensation to safe and healthful workplaces – were protected by the NAALC due to inherent weaknesses of the agreement, a lack of political will to implement either the letter or the spirit of the agreement, and the economic disincentives for Mexico in enforcement of labor rights that would “discourage foreign investment.”

During 10-year history of NAFTA, there have been 28 complaints submitted to the NAOs of the three NAFTA countries. Eighteen of these were accepted and investigated by the National Administrative Offices (NAOs) and 12 submissions went to the second step and were “resolved” by Ministerial Consultations. No NAALC submission has gotten beyond the second step of the seven steps, and it has taken several years for each complaint to reach that point.

The resolution of submissions to date have all stopped at reports, seminars, conferences, websites, and outreach sessions. Not a single illegally fired worker was reinstated, not a single independent union has been established and bargained collectively, not a single workplace hazard has been corrected as a result of NAFTA and the NAALC.

This NAALC record contrasts sharply with the “investor protection” provisions of Chapter 11 of NAFTA. Chapter 11 allows corporations to sue the NAFTA governments whose laws or policies, such as those to protect environmental health, the corporations believe have limited or prevented corporate profits. Since 1994, forty-two Chapter 11 suits have been filed by transnational corporations (TNCs) and the results of these complaints have been dramatic.

There are several causes for the failure of the NAALC to ensure, let alone enhance, enforcement of Mexico’s health and safety regulations. These include the failure to recognize and address Mexico’s economic context, which directly undermines the necessary political will, limits government resources, and fuels corruption. The procedures of the NAALC itself lack transparency, worker and public participation, and accountability.

For Han Young and Auto Trim/Custom Trim workers and co-petitioners who filed two of the NAALC complaints, the entire process of protecting workplace safety has been one of secrecy and exclusion. The Mexican Labor Department (STPS) conducted inspections – if their records are to be believed – of the three plants without any of the workers becoming aware of the presence of the inspectors, or of the hazard correction orders issued by them and reportedly implemented by their employers.

During the NAALC process, the workers and supporters were not informed of the content or progress of the Ministerial Consultations, and they were not asked for their opinions and ideas for the resolution of their submissions. Their consent or agreement for the terms of the agreements that terminated their submissions was never sought. In fact, the Han Young and Auto Trim/Custom Trim petitioners were not even formally notified of the ministerial agreements that extinguished their cases.

The Tri-National Working Group formed in 2002, while abandoning the NAALC framework, has continued the secretive and exclusionary nature of NAALC activities. Workers and co-petitioners have not been allowed to attend any of the Working Group meetings, which are held behind closed doors to the media and public as well. Nor have the workers and co-petitioners been able to participate in any of the sub-groups, despite repeated requests and proposals by the Auto Trim/Custom Trim submitters.

Nonetheless, there have been limited positive developments in the area of occupational safety and health in Mexico since the NAALC submissions have been filed.
These gains include greater awareness of occupational health and safety issues in some Mexican workplaces, broader knowledge of government regulations and enforcement procedures among some Mexican workers, and unprecedented cross-border solidarity and joint activities between workers, unions, women’s groups, environmentalists and occupational health professionals.

It is notable that these advances were generated neither by the NAALC nor by government agencies such as the NAOs or Labor Departments, but rather by the workers themselves and supporting non-governmental organizations (NGOs) that have attempted to use the publicity and political pressure surrounding NAALC submissions as a means to enhance and protect workers’ health and safety.

Labor rights protection in future international treaties must recognize the crippling effect of massive foreign debts and debt servicing on enforcement of occupational and environmental health regulations. Without significant debt restructuring, outright forgiveness, moratoriums of debt payments, and provision of adequate financial resources for regulatory activities, protection of workers’ health will always come second to economic necessities.

The goal of future labor rights protections should be to create an “upward harmonization” of workplace safety regulations and practices. There should be an international “floor” based on the conventions and recommendations of the tri-partite International Labor Organization that rises over time to incorporate the “best practices” of industry and latest technologies of science. The ILO’s “Declaration on the Fundamental Principles and Rights At Work,” the ILO’s “Declaration of Principles Concerning Multinational Enterprise and Social Policy,” and the “Declaration and Decisions on International Investment and Multinational Enterprises” of the Organization for Economic Cooperation and Development (OECD) should also be planks in this floor of international standards.

Future trade and investment treaties should include provisions for complaint mechanisms and enforceable sanctions that apply not only to any government’s persistent failure to enforce, but also to the employers (small, large and international) who permit unsafe and unhealthy conditions to exist in their workplaces. Protection of workers’ health and safety must have at least the same level of rapid, enforceable sanctions against employers and governments that the protection of copyrights and patents always enjoy.

The process of defining and establishing these international standards and enforcement mechanisms cannot be a unilateral one imposed by developed nations onto the developing world. In addition to governments, negotiations for treaties and their labor rights protection clauses should include civil society – worker, community-based and non-governmental organizations – and the timetables for the upward harmonization of standards must be step-wise and feasible.

### Introduction

“Mexican officials regarded the outcome of the side deal negotiations as a bit of a joke. You know how the side deal works? There are consultations – you can complain about anything. If there is no agreement, there is a committee to evaluate complaints…In the event of reiterated noncompliance, which causes unfair competition (that is, reduced costs), this can be penalized, but only if a comparable norm exists in the other country. The system is not worth a damn. It is a forum for complaints, and at the end of the day everyone says, ‘Nice to talk with you, good luck.’ Basically it is to be used by the US against Mexico. But themes of unionism cannot go to the panels, only consultations. Lots of public discourse, nothing more. This is the result we wanted.”

— Mexican government negotiator of the NAFTA labor “side agreement” as quoted in The Making of NAFTA, How the Deal Was Done

The year 2004 marked the 10th anniversary of the North American Free Trade Agreement (NAFTA) and its “labor side agreement,” the North American Agreement on Labor Cooperation (NAALC). More than two dozen anniversary reports have analyzed the trade agreement’s results for Mexico, which have been variably characterized as “not enough” for sustained economic growth (World Bank) to “broken promises” for broad social development (Joseph Stiglitz).

While the reports are unanimous in describing transnational corporations (TNCs) as the “winners” of NAFTA, almost all of them also identify the “losers” of the agreement to be the workers, family farmers and small businesses in all three countries, and the social and ecological environment on the U.S.-Mexico border (see Table 1 for a select bibliography).

The labor side agreement, NAALC, has been a particular failure for Mexican workers, who were told that the NAALC would “protect, enhance and enforce basic workers’ rights.”

The balance sheet of the NAALC’s impact in Mexico is, precisely, that it failed to protect, let alone enhance, Mexican workers’ right to a safe and healthful workplace. The workplace health and safety complaints filed under the NAALC illustrate that Mexican government agencies systematically failed to enforce their own regulations and did not ensure compliance by the U.S.-based TNCs who took full advantage of NAFTA to expand operations to more than 3,700 “maquiladoras” (foreign-owned assembly-for-export plants) employing 1.3 million Mexican workers at their peak in 2001.

None of the labor rights of maquiladora workers — from the right to organize independent, member-controlled unions to adequate workers compensation to safe and healthful workplaces — were protected by the NAALC due to inherent weaknesses of the agreement, a lack of political will to implement
either the letter or the spirit of the agreement, and the economic disincentives for Mexico in enforcement of labor rights that would “discourage foreign investment.”

Understanding the results of the NAALC process is important because the NAALC experience has become a model for “labor rights protections” in subsequent trade and investment treaties that have already been signed or that are currently in negotiation between the United States and its trading partners around the world.

Economic, Social and Environmental Effects of NAFTA on Mexico

In economic terms, NAFTA has been a great success for expanding trade and investment by the U.S.-based transnational corporations. Mexico’s exports almost tripled between 1993 and 2002 ($67.5 billion to $187.4 billion) and foreign direct investment (FDI) totaled more than $124 billion in the same period.6 FDI from the U.S. jumped 240% in this period.7

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Table 1: Selected Bibliography of NAFTA 10th Anniversary Reports

- “NAFTA’s Legacy — profits and poverty;” David Bacon; San Francisco Chronicle, January 14, 2004; available at: www.sfgate.com
- “NAFTA: Ten Years of Cross-Border Dialogue;” David Brooks and Jonathan Fox; Americas Program, Interhemispheric Resource Center; March 4, 2004; available at: www.americaspolicy.org
- “NAFTA’s Labor Side Agreement: Fading Into Oblivion? An Assessment of Workplace Health & Safety Cases;” Linda Delp, Marisol Arriagua, Guadalupe Palma, Haydee Urita and Abel Valenzuela; UCLA Center for Labor Research and Education; March 30, 2004; available from Linda Delp at: ldelp@ucla.edu
- “NAFTA at 10: Where Do We Go From Here;?” Jeff Faux; The Nation, February 2, 2004; available at: www.thenation.com
- “Free Trade and the Environment: Mexico, NAFTA and Beyond;” Kevin P. Gallagher; Americas Program, Interhemispheric Resource Center; September 17, 2004; available at: www.americaspolicy.org
- “International Trade: Mexico’s Maquiladora Decline Affects U.S.-Mexico Border Communities and Trade; Recovery Depends in Part on Mexico’s Actions;” General Accounting Office, Report #03-891, July 2003; available at: www.gao.gov/cgi-bin/getrpt?GAO-03-891
- “NAFTA — 10 Years Later;” large series of articles posted on the website of Inter-Press Service (IPS) on a wide range of subjects; December 2003 forward; available at: www.ips.com
- “Seven Myths About NAFTA and Three Lessons for Latin America;” Alejandro Nadal, Francisco Aguayo and Marcos Chavez; Americas Program, Interhemispheric Resource Center; November 17, 2003; available at: www.americaspolicy.org
- “The Ten Year Track Record of the North America Free Trade Agreement;” extensive series of reports by Public Citizen’s Global Trade Watch; December 2003 forward; available at: www.tradewatch.org
Labor productivity in Mexico has risen 45% since 1995. Mexico’s economy has become completely interlocked with its northern neighbor, as 65% of Mexico’s imports come from the U.S. while 89% of exports go to the U.S.  

As a model of development — Mexico’s promised ascension to the “First World” via NAFTA — the agreement has failed completely. The per capita gross domestic product of Mexico was the same in 2003 as it was in 1980. The GDP growth rate during the NAFTA years (1994-2003) averaged 1%, well below the 3.4% growth rate experienced in the 1945-1980 period. Only 4% of the inputs for maquiladora production in 2002 were of Mexican origin, meaning little or no growth of domestic industry, and more than 40% of the U.S.-Mexico trade is actually from Mexican origin, meaning little or no growth of domestic industry, and more than 40% of the U.S.-Mexico trade is actually intra-corporate trade within divisions or subsidiaries of the same company. 

Both the absolute and relative levels of poverty have grown in Mexico since NAFTA went into effect. Of the 104 million Mexicans, 54 million live in poverty (less than $2 a day), while 21 million live in extreme poverty (less than $1 a day). There are 10 million more Mexicans living in poverty today than 20 years ago. 

The real minimum wage has declined in value 25% since NAFTA took effect, and the average manufacturing wage (40% higher than the average maquiladora wage) has fallen 12%. The number of workers subsisting in the informal sector, without set wages or benefits, is between 35% and 60% of the economically active population, depending on whose set of statistics are used. 

In December 2002, Mexico’s Labor Department reported that 75% of the economically active population had incomes below that needed to meet the basic necessities of life — the equivalent of five minimum wages. Most maquiladora workers earn between two and three minimum wages. 

In the environmental arena, NAFTA has led to the explosion of urban areas in the fragile desert ecology of the U.S.-Mexico border. Border cities have doubled and tripled in size without any urban planning and with little or no provision of basic services like electricity, potable water, sewage, paved streets, schools and health clinics in the newly populated areas.

The Mexican government’s statistics agency reported in 2001 that since 1994 municipal solid waste had increased by 108%, water pollution by 29% while urban air pollution had increased by 97%. Between 1990 and 1999, the land area covered by forests declined from 32% to 28%, and carbon dioxide emissions per capita had risen from 3.7 metric tons to 3.9 metric tons. In the 1994-2001 period, government spending on the environment actually declined 45%. The total costs of environmental degradation since NAFTA took effect, including rural soil erosion, urban pollution and municipal waste, was calculated to be 10% of the gross domestic product, or $56 billion. 

NAALC Provisions, Procedures and Practices

The stated objective of the NAFTA labor side agreement, signed by Canada, Mexico and the United States, was to “protect, enhance and enforce” 11 major “labor principles.”

The eleven NAALC principles are:

- Freedom of association and the protection of the right to organize.
- The right to bargain collectively.
- The right to strike.
- Prohibition of forced labor.
- Labor protections for children and young persons.
- Minimum employment standards, including minimum wages and overtime pay.
- Elimination of employment discrimination on such grounds as race, religion, age, sex or other grounds.
- Equal pay for men and women.
- Prevention of occupational injuries and illnesses.
- Compensation in cases of occupational injuries and illnesses.
- Protection of migrant workers.

The NAALC established a system where complaints could be submitted about the “persistent failure” of one of the three governments to enforce their existing regulations related to any of these 11 labor principles. National Administrative Offices (NAO) in each of the three countries were set up to receive submissions, investigate the allegations, and issue reports and recommendations. Submissions against non-enforcement of labor rights can only be filed with the NAO of another country, which decides whether or not to accept the submission for investigation.

The possible remedies for governmental failure to enforce the 11 labor provisions were a complex set of seven steps in three distinct “levels of treatment,” that are different for each labor principle (see Table 2). Four of these steps have time limits or specific deadlines, while three (including the first two steps) have no deadlines.

Complaints about non-enforcement of freedom of association, the right to bargain collectively and to strike could only go the first and second steps: initial acceptance and investigation by the NAO (step #1) and “Ministerial Consultations” (step #2), that is, meetings between the labor secretaries of the country where the complaint was filed and the country whose failure to enforce was at issue.

A second group of labor principles — prohibition of forced labor, non-discrimination, equal pay and migrant worker protections — could go through two of the three levels of the NAALC sequence. This involves the formation of an “Evaluation Committee of Experts” (ECE) from a pre-selected group of experts in the area of the dispute from each country. Once the ECE has conducted its investigation and issued recommendations (step #3), then the “NAALC Council” of the
A first group of labor principles — freedom of association, right to organize a union, right to bargain collectively, and right to strike — are the only ones that can go through all seven steps of the three levels, leading to fines or suspension of NAFTA benefits (step #7). Step #5 is yet another Ministerial Consultation after the NAALC Council (labor secretaries of the three countries) has reviewed the ECE report and recommendations. Step #6 is the formation of an third-party Arbitral Panel to review the case and set penalties for non-compliance (step #7) with the terms of the resolution proposed by the ECE and NAALC Council.

The NAALC submissions must be based on the “persistent failure” of one of the three governments to enforce its existing laws regarding the 11 labor principles. Submissions contending that a given country’s existing laws are inadequate or inferior to those in the other NAFTA countries are disallowed. The sole purpose of the NAALC was to ensure effective enforcement by government agencies and it was not designed to address, in any manner, the activities of employers in North America.

After the submission of complaints, leading to the first step of NAO review and report, workers or other petitioners have no access to the NAALC enforcement mechanisms. All procedures are in the hands of the governments, which decide on a negotiated resolution of the submission. Even the ECE’s report (step #3) consists of only non-binding recommendations to government officials.

There are several “escape clauses” to prevent the application of penalties against a government judged to have persistently failed to enforce its own regulations. The NAALC allows reduction or elimination of trade sanctions for the non-enforcement when taking into account:

- “the pervasiveness and duration of the [country’s] persistent pattern of failure to effectively enforce;”
- “the level of enforcement that could reasonably be expected of a [country] given its resource constraints;”
- “the reasons, if any, provided by the [country] for not fully implementing an action plan;” and
- “efforts made by the [country] to begin remedying the pattern of non-enforcement.”

There are no remedies or compensation for workers who suffer from violations of national laws due to non-compliance by their employers. There are no enforceable judgments against employers whose workplaces violate safety regulations. The employers cannot be ordered to reinstate unjustly fired workers, cannot be ordered to make whole underpaid or unpaid wages, cannot be ordered to correct unsafe working conditions in violation of national laws. Workers have no mechanism to even participate in NAALC proceedings beyond submission of their complaints, and they have no standing or means to correct illegal practices by their employer anywhere in the NAALC process.

A succinct description of the NAALC’s scope and purpose was provided by Arnold Levine, Deputy Under Secretary for International Affairs of the U.S. Department of Labor in a May 14, 2004, letter to submitters of the Auto Trim/Custom Trim complaint: “The NAALC does not envision and does not give the U.S. Department of Labor or the U.S. National Administrative Office (NAO) the authority to adjudicate or remedy individual worker complaints.”

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The Mexican government was forced to pay $16.7 million to the U.S.-based Metalclad Corp. in 2000 for blocking the siting of a hazardous waste dump in an ecologically sensitive area in Mexico. The following year, the Canadian government was forced to pay $13 million to the U.S.-based Ethyl Corporation for banning the ground polluting and human-health hazard gasoline additive MBTE. Meanwhile Canada’s Methanex Corp. has a pending lawsuit against the state of California seeking $970 million in “lost profits” resulting from California’s phasing out of MBTE.5, 20, 29

Case Studies: Han Young and Auto Trim/Custom Trim

Of the 28 cases submitted to the NAOs, seven of them have involved, in part or as the sole issue, allegations of non-enforcement of occupational safety and health regulations. Two of the most developed cases were U.S. NAO Submission 9702 — Part II, concerning the Han Young de México plant in Tijuana, and U.S. NAO Submission 2000-01 concerning the Auto Trim plant in Matamoros and the Custom Trim/Breed Mexicana #2 plant in Valle Hermoso.

Both submissions dealt exclusively with occupational health and safety issues, and detailed chronologies of the cases are outlined in the two accompanying case studies. Although the plants are in states on opposite ends of the 2,000-mile U.S.-Mexico border, there are many commonalities between these two NAALC cases.

In all three plants there were significant health and safety hazards to workers. At Han Young there were malfunctioning cranes that would drop one-ton truck trailer chassis without warning, and damaged 480-volt electric welding cables snaking through pools of rain water from energized, operating welding machines. At Breed Technologies Inc.’s two plants (Auto Trim and Custom Trim/Breed Mexicana #2) there were uncontrolled exposures to chemical adhesives and solvents, and serious ergonomic hazards from repetitive, forceful motions and continuous awkward postures. In all three plants, the required plant-wide safety programs either did not exist at all, or were not effectively implemented.19

These hazards existed despite the fact that Han Young was a monitored subcontractor of the giant Korean Hyundai corporation, and the Breed Technologies was a Fortune 500, Florida-based firm with 57 facilities in 13 countries, including the two directly operated Mexican plants. Both of these resource-rich, transnational corporations had the experience, personnel and capacity to reduce or eliminate these hazards on site, and to establish and implement effective safety programs.

Worker Efforts To Improve Conditions

In all three plants, the workers persistently sought to improve working conditions. The workers alerted plant supervisors and management, filed detailed complaints with various state- and Federal-level agencies with workplace safety responsibilities, and conducted plant-wide work stoppages and mass marches to government offices, all in an effort to correct hazardous and illegal conditions. The workers did not file the NAALC complaints until they had exhausted every avenue within Mexico.

In all three plants, the Secretaría de Trabajo and Previsión Social (STPS), the equivalent of the U.S. Occupational Health and Safety Administration, conducted inspections of the facilities. Some of the inspections were pro-forma. Others were more comprehensive and actually identified and described significant hazards and ongoing violations by the employers. At Auto Trim in Matamoros, the Director General of Occupational Health and Safety for the Federal STPS made a plant visit in 1995 and wrote managers a detailed letter with recommendations on how to control hazards and to comply with Mexican regulations.19

But despite all these government inspections, as detailed in the two reports of the U.S. NAO and the National Institute for Occupational Safety and Health (NIOSH) in the case of Auto Trim/Custom Trim, the conditions at the plants did not significantly improve over the course of years.

The activity of the STPS, Mexican Social Security Institute (IMSS) and Department of Health (SSA) in all three plants had common characteristics as well, as documented by the NAO reports. There was a lack of transparency in government agency activities with workers being unaware that STPS inspections had occurred, let alone observing any results of these inspections. There was a lack of worker participation in every inspection.

There was a lack of compliance by the government agencies with their own internal regulations. The STPS, IMSS and SSA all deny even having received hand-delivered complaints from
the workers at Auto Trim and Custom Trim in 1999. Despite repeated verification by its own personnel that Han Young and Breed Technologies failed to correct identified violations and hazards, the Mexican agencies did not collect the legally required fines for employer non-compliance with hazard abatement orders.19

Whether the STPS inspections were pro-forma or relatively competent and comprehensive, the net result on the plant floor was the same: no increased compliance with Mexican regulations by the employers. Subsequent STPS inspections discovered the same hazards and violations. Even the direct intervention of head of the STPS in 1995 did not lead to lasting improvements in ergonomics at the Auto Trim plant, as documented in the 2000 inspection by the NIOSH experts.

**NAALC Complaint “Resolution”**

With both submissions, the U.S. NAO confirmed the existence of significant hazards in the workplace and the failure of Mexican agencies to effectively enforce Mexican regulations.

In both submissions, the U.S. NAO recommended Ministerial Consultations and, months or years later, ministerial agreements were reached to close both NAALC complaints. But in both cases, the “resolution” of these NAALC submissions failed to address either the immediate or the underlying causes of Mexican government agencies’ regulatory non-enforcement.

In the two-part Han Young case, the freedom of association and union rights submission (Part I) was closed with a ministerial agreement to conduct a one-day conference on workers’ rights under existing Mexican law. At the conference held at a hotel in Tijuana in June 2000, two dozen Han Young workers, who had filed the complaint that prompted the meeting in the first place, were physically assaulted inside the auditorium, driven through the hotel lobby and into the adjacent parking lot. The meeting continued after the beatings of the Han Young workers as if nothing had occurred, and then the labor rights complaint of the beaten workers was terminated.20

The resolution of the health and safety submission (Part II) of the Han Young complaint was a ministerial agreement calling for a government-to-government meeting on occupational health issues. If any such meeting was ever held, the Han Young workers and co-petitioners were never informed of it.

In the Auto Trim/Custom Trim case, the workers and co-petitioners called in December 2000 for the formation of an “Evaluation Committee of Experts” (ECE), the next step in the NAALC sequence, after the Mexican government failed to act on the March and April 2001 reports from the U.S. NAO and NIOSH, and a detail set of immediate and long term corrective actions proposed by the workers in July 2001.18

In May 2002, 35 members of the U.S. House of Representatives wrote to the U.S. Labor Secretary Elaine Chao urging her to follow-through on the NAALC procedures and convene an ECE in the Auto Trim/Custom Trim case.18

On June 11, 2002, Secretary Chao and her Mexican counterpart Carlos Abascal announced a ministerial agreement in the Auto Trim/Custom Trim submission to form a “Binational Working Group on Occupational Health and Safety.”21 The formation of the Working Group, which became tri-national when Canada joined several months later, represents the abandonment of the NAALC process by the three NAFTA governments.

Instead of forming a panel with outside experts to identify causes and solutions to the persistent failure of the Mexican government to effectively enforce its own regulations at Auto Trim/Custom Trim — as set forth in the side agreement — the governments circumvented the NAALC to form a body of government functionaries. This group meets behind closed doors two or three times a year, and involved no non-governmental organizations until 2004.23

As a study by the UCLA Labor Center noted: “The governments’ failure to take any of the well-documented safety cases to the next level is an indication that they themselves have effectively abandoned the side agreement as a process to resolve violations of worker health and safety regulations.”22

The Tri-National Working Group created four sub-groups to discuss generic occupational health and safety issues, such as information technologies (websites), voluntary protection programs, best practices in various industries, inspector training, and handling hazardous substances. None of the sub-groups are addressing the problems actually encountered by Mexican workers trying to get their employers to obey the law and to get the Mexican government agencies to enforce their own regulations.23

**Continuing Failure**

The continuing failure of the NAALC process to ensure effective enforcement and protection of Mexican workers’ health and safety is evident not only in the handling of the Han Young (filed in 1997) and the Auto Trim/Custom Trim (filed in 2000) cases, but also in the latest complaints submitted from Mexico.

Workers at the Matamoros Garment plant in Izúcar de Matamoros, Puebla, and at the Tarrant Ajalpan garment plant in Tehuacán, Puebla, filed submissions with both the U.S. and Canadian NAOs in September and November 2003. The complaints involve occupational health and safety issues as well as a host of other labor rights violations.19

In April 2004, workers from the Tarrant Ajalpan plant testified at a U.S. NAO hearing in Washington, D.C. Their testimony once again confirmed the existence of serious workplace hazards in factories operated on behalf of transnational corporations, and the persistent failure of Mexican regulatory agencies to enforce Mexican laws in an effective manner.19

In August 2004, the U.S. NAO issued its report on the Puebla submission confirming the workers allegations regarding the violation of their right to organize an independent union. The NAO could not draw any conclusions regarding failure to enforce workplace safety regulations because “the U.S. NAO
requested specific information from the Government of Mexico concerning occupational safety and health complaints, inspections and/or reports at Matamoros Garment and Tarrant, but no specific details have been provided to date. 19

The U.S. NAO called, yet again, for Ministerial Consultations to resolve the complaint.

The Puebla case is a perfect illustration of how the NAALC has failed to alter or improve the enforcement of workplace safety regulations in Mexico. After 10 years of NAALC submissions and NAO investigations, the Mexican government refused to even respond to the inquiries of the U.S. NAO. If the STPS will not provide simple information to its counterpart in the powerful U.S. government, its response to requests for action from humble maquiladora workers can be imagined.

Despite NAALC complaints by workers over a ten year period, the same situation existed at the end of the decade as before: continued workplace hazards, continued employer non-compliance, and continued government non-enforcement.

Limited Positive Gains

Nonetheless, there have been limited positive developments in the arena of occupational safety and health in Mexico since the NAALC submissions have been filed.

These gains include greater awareness of occupational health and safety issues in some Mexican workplaces, broader knowledge of government regulations and enforcement procedures among some Mexican workers, and unprecedented cross-border solidarity and joint activities between workers, unions, women’s groups, environmentalists and occupational health professionals.

This cross-border solidarity was the source of the only real victory for labor rights and workplace safety in the maquiladora sector — the Kukdong case. Kukdong, now MEXMODE, is a Korean-owned garment manufacturer that has produced for Nike, Reebok and other international brands selling in the U.S. market. In 2001, workers at Kukdong began organizing an independent union and experienced all the obstacles placed in the path of workers in Mexico — illegal firings, widespread intimidation, “production layoffs,” threatened and actual violence. 24 The workers were able to survive because of a “perfect storm” of pressure exerted on the Korean operators and Mexican government by U.S. student organizations and anti-sweatshop groups; “third party” monitoring groups like the Fair Labor Association, Workers Rights Consortium and International Labor Rights Fund; and by Nike and Reebok. As a result of this unprecedented, multifaceted campaign, plant management and local government officials recognized the independent union. Management also improved plant safety, and actually signed a contract with the union. A second, improved contract was signed in 2004. 25

It is notable that these advances were generated neither by the NAALC nor by government agencies such as the NAOs or Labor Departments, but rather by the workers themselves and supporting non-governmental organizations (NGOs) that have attempted to use the publicity and political pressure surrounding NAALC submissions as a means to enhance and protect workers’ health and safety.

Causes of the NAALC’s Failure and Underlying Obstacles to Regulatory Enforcement in Mexico

There are several causes for the failure of the NAALC to ensure, let alone enhance, enforcement of Mexico’s health and safety regulations. These include the failure to recognize and address Mexico’s economic context, which directly undermines the necessary political will, limits government resources, and fuels corruption. The procedures of the NAALC itself lack transparency, worker and public participation, and accountability.

Lack of Political Will

Perhaps the biggest obstacle to regulatory enforcement and implementation of the NAALC is the lack of political will generated by Mexico’s financial situation. Mexico, like many developing countries, is heavily indebted to international financial institutions like the World Bank and International Monetary Fund, as well as to private sector lenders. In 2003, this debt totaled almost $160 billion (see Table 3).

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<td>Total External Debt</td>
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<td>159.0</td>
<td>166.5</td>
<td>150.3</td>
<td>145.7</td>
<td>141.3</td>
<td>159.3*</td>
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<td>External Debt Service Payments</td>
<td>21.9</td>
<td>26.8</td>
<td>40.4</td>
<td>41.7</td>
<td>29.1</td>
<td>35.3</td>
<td>58.8</td>
<td>47.9</td>
<td>43.5</td>
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<td>Debt Payments — Interest Alone</td>
<td>9.2</td>
<td>11.2</td>
<td>11.5</td>
<td>11.1</td>
<td>11.1</td>
<td>12.0</td>
<td>14.0</td>
<td>12.6</td>
<td>10.9</td>
<td>11.2*</td>
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<tr>
<td>Total Foreign Direct Investment</td>
<td>10.9</td>
<td>9.5</td>
<td>9.2</td>
<td>12.8</td>
<td>11.9</td>
<td>13.1</td>
<td>16.1</td>
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* = Estimated as of August 2004.
Source: World Bank
Foreign Direct Investment (FDI) is essential to Mexico to pay the interest, let alone the principle, of these accumulated debts. In 2003, Mexico paid out $11.2 billion in interest payment on the external debt, while attracting only a $10.8 billion in FDI, which has been in decline since 2001. In the three and a half years of the Vicente Fox administration in Mexico, the country has made $52.8 billion in debt interest payments while receiving $51.68 billion in foreign direct investment during the first three years.\(^{26, 27}\)

The World Bank’s “Global Development Finance 2004” report indicates that Mexico’s total external debt represents 75% of its total exports and 24% of the Gross National Income.\(^5\) In the period of January-June 2004, Mexico paid out $8.38 billion in interest payments on this debt, more than the $7.88 billion it received from remittances from Mexican workers in the U.S., the $6.0 billion it earned in oil exports, and the $5.56 billion it gained in tourist revenue.\(^26,\ 27\)

Any governmental policy that “discourages foreign investment” — such as active enforcement of occupational or environmental health regulations — is economic suicide and a political impossibility for Mexico. As a result there is no political will to enforce Mexico’s workplace safety regulations, which are roughly equivalent to those in the United States and Canada.

A lack of political will is evident in the inadequacy of resources devoted to workplace regulatory enforcement. The budget of the STPS has not increased during the 10 years of NAFTA, even though the number of maquiladora facilities on the border and in the interior of the country tripled during this time period.\(^30\) In August 2004, the Fox government announced budget cuts for public administration in Mexico amounting to $5.92 billion.\(^31\) The STPS will continue to have critical shortages in financial, technical and human resources for the foreseeable future.

A lack of political will is also evident in the failure to address corruption in the regulatory process, which is believed by workers and NGOs working in Mexico to be endemic. A serious effort to eliminate the bribery associated with pro-forma inspections would either result in more rigorous (and politically unacceptable) inspections and fines, or in a decline in the number of formal inspections (which would also cause political problems).

This lack of political will has remained constant under national and state governments of both the long-ruling Institutional Revolutionary Party (PRI) and the right-wing National Action Party (PAN), which has held state and municipal offices on the border for a decade and which took the national presidency in 2000.

Unless and until this economic context and its political consequences are recognized and effectively addressed, no enforcement of national workplace safety regulations or international treaty obligations will be successful.

**Lack of Transparency**

Moreover, the specific procedures of the NAALC process also lacked transparency, openness and participation. After the initial submission of a complaint to one of the NAOs, workers and co-petitioners play no further role in the process, except if the NAO decided to hold a hearing as part of their evaluation and report (step #1 of the seven steps). Workers do not have direct access to any government enforcement mechanism and have no way to eliminate hazards in their workplace or hold their employers responsible.\(^4\)

After the issuance of the NAO report, all remedies are conducted outside the public arena and without the participation of the submitters. None of the 12 Ministerial Consultations conducted in response to submissions have been open to the petitioners, let alone the public. These consultations can go on for months and even years (as in the Han Young case), and the agreement announced at the end of these talks terminates the submission, whether the petitioners believe their confirmed allegations have been “resolved” or not.

None of the 28 NAO submissions have gone beyond the Ministerial Consultations phase (step #2 of seven steps), but the petitioners actually have no more rights to participate in the later levels either.\(^4\)

For the Han Young and Auto Trim/Custom Trim workers and co-petitioners, the entire process of protecting workplace safety has been one of secrecy and exclusion. The STPS conducted inspections — if their records are to be believed — of the three plants without any of the workers becoming aware of the presence of the inspectors, or of the hazard correction orders issued by them and reportedly implemented by their employers.

During the NAALC process, the workers and supporters were not informed of the content or progress of the Ministerial Consultations, and they were not asked for their opinions and ideas for the resolution of their submissions. Their consent or agreement for the terms of the agreements that terminated their submissions was never sought. In fact, the Han Young and Auto Trim/Custom Trim petitioners were not even formally notified of the ministerial agreements that extinguished their cases.

The Tri-National Working Group, while abandoning the NAALC framework, has continued the secretive and exclusionary nature of NAALC activities. Workers and co-petitioners have not been allowed to attend any of the Working Group meetings, which are held behind closed doors to the media and public as well. Nor have the workers and co-petitioners been able to participate in any of the sub-groups, despite repeated requests and proposals by the Auto Trim/Custom Trim submitters.

In April 2004, the Tri-National Working Group announced that it would, after more than a year of discussions, incorporate “business and labor stakeholders” into the Working Group sub-
committees. But as of December 2004, no list of the participating “stakeholders” had been publicly announced, and none of the worker or NGO petitioners in any of the health and safety NAO submissions have been included.23

Lack of Accountability

Finally, the NAALC process has failed because of a lack of accountability. The NAO reports in the Han Young and Auto Trim/Custom Trim cases identified serious and ongoing deficiencies in the enforcement of workplace regulations by the STPS and other agencies. At the request of the U.S. NAO, the Auto Trim/Custom Trim petitioners in July 2001 submitted a detailed list of immediate and longer-term measures to correct hazards in those two plants, and the enforcement of existing Mexican regulations generally.18

However, the ministerial agreements that closed these two cases did not include any of the Auto Trim/Custom Trim petitioners’ proposals. They did not include any measures that would address the economic and political restraints on enforcement, nor the lack of adequate resources, nor the lack of procedural transparency and participation by workers, nor correct the hazards in the plants described in submissions and confirmed by the NAO.

The lack of concrete results from the NAALC submission process stands in sharp contrast to the very tangible outcome of the NAFTA Chapter 11 “investor rights protections” cases, which resulted, for example, in the Mexican government paying $16.7 million of Mexican citizens’ taxes to the U.S-based Metalclad Corporation.

Labor Rights Protections in Future Trade and Investment Treaties

The first step in developing effective protections of labor rights, including workplace health and safety, in international trade and investment agreements is a thorough and open evaluation of the NAALC experience to identify the obstacles to effective enforcement and what remedies are needed to overcome these.

In actuality, the NAALC is a “bad example” rather than a “positive model” for future trade and investment agreements. The NAALC failed because it did not take into account Mexico’s economic and political context and was deliberately saddled with inadequate, prolonged procedures that excluded the participation of workers and the responsibility of their employers.

Labor rights protection in international treaties must recognize the crippling effect of massive foreign debts and debt servicing on enforcement of occupational and environmental health regulations. Without significant debt restructuring, outright forgiveness, moratoriums of debt payments, and provision of adequate financial resources for regulatory activities, protection of workers’ health will always come second to economic necessities.

The goal of future labor rights protections should be to create an “upward harmonization” of workplace safety regulations and practices. There should be an international “floor” based on the conventions and recommendations of the tripartite International Labor Organization that rises over time to incorporate the “best practices” of industry and latest technologies of science. The ILO’s “Declaration on the Fundamental Principles and Rights At Work” should also be a plank in this floor of international standards.32

Given the absolutely dominant role of transnational corporations in the global economy, the “floor” for upward harmonization should also include the spirit and provisions of the ILO’s “Declaration of Principles Concerning Multinational Enterprises and Social Policy” and the “Declaration and Decisions on International Investment and Multinational Enterprises” of the Organization for Economic Cooperation and Development (OECD).33

Future trade and investment treaties should include provisions for complaint mechanisms and enforceable sanctions that apply not only to any government’s persistent failure to enforce, but also to the employers (small, large and international) who permit unsafe and unhealthy conditions to exist in their workplaces. Protection of workers’ health and safety must have at least the same level of rapid, enforceable sanctions against employers and governments that the protection of copyrights and patents always enjoy.

The process of defining and establishing these international standards and enforcement mechanisms cannot be a unilateral one imposed by developed nations onto the developing world. In addition to governments, negotiations for treaties and their labor rights protection clauses should include civil society — worker, community-based and non-governmental organizations — and the timetables for the upward harmonization of standards must be step-wise and feasible.

Part of the global context for any effective set of labor rights protections in future treaties should be “compliance assistance” from the advanced economies to the developing world, including financial resources, technology transfer and technical assistance, and cross-border solidarity. One source of financial assistance could be the proposed “Tobin Tax,” a .25% tax on international currency transactions that would generate an estimated $250 billion a year.34

In the arena of workplace health and safety, perhaps the most positive aspect of NAFTA-NAALC experience has been the growth of cross-border solidarity in North America. Virtually all of the NAO workplace health and safety cases were jointly submitted by union, community, women’s, environmental and human rights organizations from the three NAFTA countries on behalf of some of the most vulnerable and isolated workers on the continent.
Conclusion

The 10-year experience of NAALC submissions indicates a failure of this agreement to protect, let alone enhance, workers’ health and safety on the job. The NAALC procedures themselves did not result in the correction of any health and safety hazards in workplaces where the worker submissions arose, and the NAALC ministerial agreements did not produce any discernable improvements in the effectiveness of government regulatory enforcement in Mexico.

This failure was due the lack of political will on the part of the Mexican government and the overwhelming economic disincentives for effective regulatory enforcement; and structural weaknesses in the NAALC procedures themselves, including a lack of transparency, openness and participation as well as a long sequence of steps, most of which have not even been activated to date.

The failure of the NAALC raises questions about the utility of including NAALC-like provisions in future trade and investment treaties. Future agreements will only be able to protect and enhance labor rights including workplace safety if they recognize and address the economic context of the parties to the agreements, and include provisions for “upward harmonization” of standards, enforceable sanctions against employers as well as governments, and financial and technical “compliance assistance” to lesser developed countries and sectors in the global economy.

U.S. NAO Submission No. 9702 — Part II
Han Young de México

Han Young de México in Tijuana, Mexico, was a subcontractor to the Hyundai Corporation’s truck assembly plant in Baja California. Korean-owned Han Young produced trailer chassis for trucks and for metal shipping containers. Approximately 120 workers, primarily welders, crane operators and mechanics, worked in the Han Young plant. Hyundai closely monitored Han Young’s production quality and returned chassis not meeting the product specifications. The Han Young plant is now closed as Hyundai brought the subcontracted chassis work back “in house” to its own Baja California facilities.

April 1997: Workers at Han Young begin organizing an independent union with workplace health and safety representing a key issue for plant workers.

June 16, 1997: Following a two-day strike by workers over health and safety issues, the Secretaría de Trabajo y Previsión Social (STPS) conducts a workplace inspection at Han Young. The STPS issues a report listing 41 violations of Mexico’s regulations, including the lack of a plant health and safety committee, lack of a health and safety plan, lack of employee training, lack of controls of hazards such as noise and welding fumes, and lack of “lockout/tagout” procedures to prevent electrocutions and amputations.

July 23, 1997: Five weeks after the inspection, the STPS issues abatement orders for hazards identified in June with three to five week completion deadlines.

September 5, 1997: The STPS conducts a follow-up inspection and discovers at least six of the violations identified in June were uncorrected, including failure to assess fire hazards, failure to determine welders’ exposures to airborne fumes, and failure to install ventilation. The STPS gave Han Young another two weeks for abatement. The STPS did not assess the monetary fines required by Mexican regulations for employer non-abatement.


Mexican Labor Board official (left) outside the Han Young plant conducting a union representation election where workers are required to declare verbally in front of their supervisors and employer (behind the table) whether they vote for the independent union or for a government-dominated union which had a previously unknown “protection contract” with Han Young. The independent union won the election, but the labor board and Han Young management refused to recognize it or to open bargaining for a new contract. Tijuana, Mexico, October 1997. Credit: David Bacon.
January 27 and 28, 1998: Following another work stoppage at Han Young and a march by 45 workers to the STPS office in Tijuana, the STPS conducts another inspection of the plant. The job actions occurred after two near-fatal accidents involving malfunctioning cranes in the plant earlier in the month. The STPS issues a report documenting that at least 36 of the corrective actions order in June and September 1997 have not been completed, or were again in violation of the law. In addition, the STPS listed nine new violations not previously identified.

The STPS report describes two life-threatening “imminent hazards:” malfunctioning and poorly maintained cranes that drop their one-ton loads without warning; and damaged welding cables carrying 480 volts of electricity running through “lagunas” (lakes) of rain water to energized welding machines in use. The STPS report notes these hazards can easily have “fatal consequences.” The STPS fails to order immediate action to correct these the imminent hazards, gives Han Young a month to correct long-identified violations, and again fails to assess the required monetary assessment for employer non-abatement.

February 9, 1998: Han Young workers, joined by two U.S. workplace safety organizations in addition to the original four U.S. and Mexico groups, file a 23-page addendum to Submission 9702 (called Submission 9702-Part II) charging that Mexico had “persistently failed” to enforce its own workplace health and safety regulations. After at least 11 STPS inspections since 1993, Han Young lacks even the most basic health and safety programs and operates numerous pieces of machinery and equipment that regularly malfunction and/or are in a dangerous state of disrepair. The STPS itself has failed to enforce corrective action where hazards have been identified, including failing to order correction of life-threatening imminent hazards. The agency also failed to follow the law requiring monetary penalties for employer non-abatement of identified violations.

February 18, 1998: The U.S. NAO holds a public hearing in San Diego, CA, on Submission 9702-Part II. Twenty-seven Han Young workers testify at the hearing, as do seven U.S. and Mexican experts on Mexican law and occupational health and safety. The Mexican government announces that it has issued fines of $9,000 to Han Young, but the U.S. NAO was never able to verify when or whether the fines had actually been paid.

April 28, 1998: The U.S. NAO issues its report on Submission 9702’s freedom of association issues, confirming the allegations in the Han Young workers’ submission. The NAO proposes “Ministerial Consultations” between Mexican and U.S. labor department secretaries, which is first and only remedy under the NAALC to “resolve” failure to enforce freedom of association laws.

August 11, 1998: The U.S. NAO issues its report on Submission 9702-Part II on the health and safety issues, confirming the workers’ allegations. The report states “information from expert witnesses, workers and inspection reports is consistent and credible in describing a workplace polluted with toxic airborne contaminants, strew with electrical cables running through puddles of water, operating with poorly maintained and unsafe machinery, and with numerous other violations and omissions of minimum health and safety standards.”

With regard to the performance of the STPS, the U.S. NAO report states “of immediate concern to the NAO is the effectiveness of the inspections and sanctions process in Mexico to enforce compliance in regard to workplace health and safety…The company in question was subjected to thorough and repeated inspections by Federal and state authorities. Nevertheless, a number of questions have been raised with regard to the efficacy of inspections. Further, despite these efforts, serious hazards continued unabated at the plant.”

The U.S. NAO report recommends Ministerial Consultations on the Han Young health and safety submission.
December 1998: The owners of Han Young move the facility, including the malfunctioning cranes, to another location in Tijuana. The original Han Young workers, who went on a two-week strike again in May 1998 over union organization and safety issues, were fired and replaced by a new workforce.

May 18, 2000: Twenty-one months after the U.S. NAO report, the Mexican and U.S. governments sign a “ministerial agreement” to close the Han Young submissions with a public forum on freedom of association issues and a government-to-government meeting on health and safety issues, to be held in connection with Submission 9702-Part II and 9703 (ITAPSA) which also concerns workplace health and safety issues. This agreement “resolves” the two-part Submission 9702.

June 22, 2000: A meeting on Mexico’s freedom of association laws is conducted at the Camino Real hotel in Tijuana, Mexico, with four representatives of the U.S. NAO present. Two dozen Han Young workers, attending the resolution of their own NAALC submission, are physically attacked in the meeting by members of Mexico’s “official unions,” and driven from the room, through the hotel lobby and into the adjacent parking lot. The meeting is suspended for 20 minutes after the attack, but then continues for another two hours as if nothing had occurred, and it is characterized as a “success” by the U.S. and Mexican governments.

September 2004: No meeting to implement the May 2000 ministerial agreement on the workplace health and safety issues raised by Submissions 9702-Part II and 9703 (ITAPSA) has ever been held. Or if such a meeting was conducted by the two governments, its content and results have never been reported to the organizations and individuals who filed Submission 9702-Part II.

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U.S. National Administrative Office (NAO); “Agreement on Ministerial Consultations, U.S. NAO Submissions 9702 and 9703, Joint Declaration;” May 18, 2000; posted at: www.dol.gov/ilab/media/reports/nao/minagreement9702-9703.htm

U.S. NAO Submission No. 2000-01
Auto Trim de México and Custom Trim/Breed Mexicana #2

Auto Trim de México (AT) in Matamoros, Mexico, and Custom Trim/Breed Mexicana #2 (CT) in Valle Hermoso, Mexico, were two auto parts facilities owned by Breed Technologies, Inc. of Lakeland, Florida. The two plants had a combined workforce of approximately 1,500 employees who assembled and sewed leather covers for steering wheels and gear shift knobs for major U.S. and European automakers. Workers were exposed to a variety of adhesives and solvents, as well as ergonomic hazards arising from intensive repetitive motions.

In February 1997, Breed Technologies bought the AT and CT plants from the Canadian Custom Trim Ltd. corporation for 570 million. In 1998, Breed Technologies had more than 11,000 employees working in 57 facilities in 13 countries, and reported a profit of $183 million. In September 2003, Breed Technologies changed its name to Key Safety Systems, Inc., and is now a part of the Key Automotive Group based in Sterling Heights, MI, which reported $1.7 billion in sales in 2002.
September 5, 1995: The Confederation of Mexican Workers (CTM), an “official union” of the then-governing party in Mexico, files a complaint with the Secretaría de Trabajo y Previsión Social (STPS) about chemical exposures and ergonomic hazards at the AT plant.

September 14, 1995: The Director General of Occupational Health and Safety of the Federal STPS, Dr. Juan Antonio Legaspi, makes an unusual consultation visit to the AT plant. On September 22nd, Dr. Legaspi sends a letter to AT management with recommendations for the reduction of ergonomic risk factors, industrial hygiene monitoring for chemical exposures, and installation of local exhaust ventilation systems in chemical use areas.

December 1996: Workers at the AT plant provide a document describing workplace health and safety hazards to officials of the Canadian Steelworkers Union Local 1090 who were visiting the AT/CT workers.

February 1997: Breed Technologies, Inc., buys the AT and CT plants from Custom Trim Ltd. of Canada.

May-June 1997: AT and CT workers concerned about workplace safety and stalled contract negotiations conduct strikes at the two facilities. On June 2nd, 28 workers at the two plants are fired and the workers file illegal dismissal complaints with the government Conciliation and Arbitration Board, Unit #8, in Matamoros.

September 17-18, 1997: The STPS conducts an inspection of the AT facility. It issues a report indicating six minor violations of Mexican regulations. A follow-up inspection is conducted on November 24, 1997, to verify abatement of the six items.

December 16-18, 1997: The STPS conducts an inspection of the CT facility. It issues a report indicating 23 violations of Mexican regulations were observed on site, including lack of required safety programs and medical exams, training deficiencies and physical hazards.

May 19, 1998: Workers at the two facilities travel to the state capital, Ciudad Victoria, to file a detailed complaint with the STPS and seeking an inspection of the facilities. The workers had not been informed of the previous STPS inspections, the issuance of violations or any correction action orders.

December 1998: Eighteen months after the June 1997 firings, the Conciliation and Arbitration Board, Unit #8, orders the reinstatement of the 28 workers illegally fired from the AT and CT plants. The reinstatements never occur and Unit #8 does not enforce its order.

April 14-15, 1999: Workers from the AT and CT plants again travel to Ciudad Victoria to file detailed complaints about health and safety hazards with the Mexican Social Security Institute (IMSS) and a complaint with the Department of Health (SSA), as well as a second complaint with STPS. In addition to STPS, both IMSS and SSA have responsibilities for evaluating and protecting worker health.

August 12-13, 1999: The STPS conducts an inspection of the AT plant. It issues a report indicating 26 violations of Mexican law were observed on site, including lack of programs for controlling chemical exposures, communicating hazards to employees, handling of hazardous substances, crane safety, adequate lighting, and control of electrical and fire hazards. The STPS makes no evaluation of reported abatement of the violations identified in September 1997. Workers at the AT plant are unaware of the STPS inspection and any corrective actions taken by AT management.

June 30, 2000: AT/CT workers and 21 organizations from Canada, Mexico and the U.S. file a 119-page complaint with the U.S. National Administrative Office (NAO). The complaint describes the occupational hazards in the two plants, primarily chemical exposures and ongoing ergonomic injuries, and the repeated efforts of the workers to get the STPS, IMSS and SSA to enforce their own regulations. The submission was the first one to have an exclusive workplace health and safety focus and the first to name Mexican agencies other than the STPS.

August 11, 2000: The STPS makes an inspection of the AT plant. It issues a report indicating 15 violations of Mexican law were observed on site, including continuing lack of safety programs related to chemicals, noise, fire and electrical hazards; inadequate ventilation; and inadequate emergency action planning. The STPS makes no evaluation of reported abatement of the violations identified in August 1999. Workers at the AT plant are unaware of the inspection and any corrective actions taken by AT management.

Workers at the Auto Trim and Custom Trim plants put leather covers on steering wheels sent to U.S. automakers. Chemical adhesives are used to glue leather covering onto the metal steering wheels, and then solvents are used to remove excess adhesives. The work involves repeated, forceful motions in awkward positions for the entire eight-hour shift. The workers first worked in a linear assembly line configuration, but were later organized into cell formations of 6-8 workers who completed all operations of the previous assembly line. Production quotas for the cells were also raised increasing chemical exposures and ergonomic hazards. Auto Trim plant, Matamoros, Mexico, 2000. Credit: Coalition for Justice in the Maquiladoras.
December 12, 2000: The U.S. NAO holds a public hearing on Submission 2000-01 in San Antonio, TX. Twelve AT/CT workers testify at the hearing, as do five U.S. and Mexican experts on Mexican law and occupational health and safety.

March 7, 2001: Following a two-day visit to the AT and CT plants in January 2001, a two-person team (an industrial hygienist and an occupational physician) from the U.S. National Institute of Occupational Safety and Health (NIOSH) issues a report on their plant inspections.

Regarding ergonomic hazards on site, the NIOSH report states: “The company had an ergonomic assessment done by an outside contractor in 1996 and subsequently improvements were made. However, the followup audit by the consulting company commented on several recommendations that had not yet been implemented. In particular, the operation continues to be as repetitive, and in fact the production rate has even increased following some of the redesign changes.”

Regarding chemical hazards on site, the NIOSH report states: “Workers have exposures to potentially hazardous solvents and glues by skin contact and inhalation. The LEV [local exhaust ventilation] system in both plants was not functioning effectively due to a combination of design and maintenance issues: poor balancing of duct branches, poor inlet (hood) design, excessive friction losses, and/or inadequate exhaust fans. Many of the worker health complaints mentioned in Submission 2000-01, such as respirator and dermal irritation and central nervous system effects, are consistent with overexposure to these substances.”

The NIOSH reported noted that STPS visits are “announced inspections. According to Breed officials, the company typically gets one to two days notice from STPS prior to an inspection.” The report concluded that “STPS has conducted routine inspections at both plants for at least the past several years. These inspections follow a checklist format and were primarily focused on a review of company documents regarding their safety and health program and identification and abatement of safety hazards. When the inspectors attempt to validate the existence of the company’s training programs, they use nonconfidential worker interviews which may be unreliable. There is no evidence that STPS made special inspections as a result of the specific written ergonomic and chemical exposure complaints submitted by the workers. There is no evidence that STPS has addressed prevention or reduction of risk factors for musculoskeletal injuries in compliance inspections.”

April 6, 2001: The U.S. NAO issues its report on Submission 2000-01 confirming the workers’ allegations.

The reported states: “Workers offered credible testimony about the unwillingness of medical staff at the facilities to send workers to IMSS and of IMSS doctors to diagnose injuries as work-related. Certain physicians apparently work for both employers and IMSS, which creates a concern about conflicts of interest and a physician’s credibility in report, diagnosis, and valuation of work place injuries and illnesses. An appearance of impropriety created by potential conflicts of interest impacts workers’ perception of the fairness and transparency of the process.”

“Mexican law, as reflected in LFT [Federal Labor Law] Article 132 and RFSH [Federal Regulation on Safety and Health]...
Article 102, encourages an ergonomically sound work environment and requires employers to take ergonomic practices into account in the workplace. Inspection reports examined by the U.S. NAO do not include specific information or references to ergonomic conditions, which leaves it unclear as to how the Government of Mexico enforce the principles enunciated in LFT Article 132 and RFSH Article 102.

“There is evidence that STPS responded to a request for an inspection from the Auto Trim union in 1995 and the submitters’ petition for inspection in 1998. However, there is no indication that STPS officials ever communicated their efforts to the workers who submitted the 1998 petition despite numerous inquiries by the workers and their representatives. With regard to the 1999 petitions to the STPS, IMS, and SSA, the Government of Mexico indicated that it has no record of their receipt. This contrasts with credible information gathered by the U.S. NAO that indicates all three agencies received the petitions.

“The failure of the Government of Mexico to communicate to the workers about its efforts undertaken in response to the 1998 petition, the lack of records on the 1999 petitions, and the failure to respond to workers’ inquiries about the petitions are inconsistent with the Government of Mexico’s obligations under the NAALC,” the U.S. NAO report concluded. The NAO recommends Ministerial Consultations on Submission 2000-01.

July 6, 2001: The AT/CT workers and co-petitioners submit to the U.S. NAO a detailed list of immediate and long-term remedies for the health and safety hazards at the AT and CT plants, and for improving the performance of the STPS, IMSS and SSA. The letter was sent in response to a request from the NAO.

November 20, 2001: The AT/CT workers and co-petitioners send a letter to the U.S. NAO protesting the lack of action on the April NAO report and the corrective actions proposed in their July letter,

December 12, 2001: The AT/CT workers and co-petitioners send a letter to U.S. Labor Secretary Elaine Chao proposing the formation of an “Evaluation Committee of Experts” (ECE), as established in the NAALC as the next step in seven-level complaint resolution process.

February 4, 2002: Secretary Chao replies refusing to convene an ECE.

March 20, 2002: The AT/CT workers write to Secretary Chao protesting her refusal to convene an ECE and again propose following the procedures of the NAALC.

May 7, 2002: Thirty-five members of the U.S. House of Representatives, led by Congressman George Miller (D-CA) write to Secretary Chao and “strongly urge [Chao] to consider” forming an ECE in Submission 2000-01.

June 11, 2002: Secretary Chao and Mexican Labor Secretary Carlos Abascal issue a “Joint Declaration” and a “Joint Statement” establishing a “binational working group” of government officials “tasked with discussion and review of issues raised” in Submission 2000-01, and “the formulation of technical recommendations for consideration by governments, the development and evaluation of technical cooperation projects on occupational safety and health for improving occupational safety and health in the workplace, and the identification of other occupational safety and health issues appropriate for bilateral collaboration.”

Canada joins the group shortly later, leading to the announcement of a “Tri-National Working Group of Occupational Safety and Health” consisting exclusively of government officials from the three countries. The formation of the Working Group terminates all three outstanding NAALC submissions involving workplace health and safety, including Submission 2000-01. The formation of Working Group, and refusal to convene an ECE as per the NAALC, represents the abandonment of the NAALC process by the three governments.

August 23, 2002: U.S. Senators Edward Kennedy and Paul Wellstone send a letter to Secretary Chao calling the formation of the Working group an “insufficient response” to the issues raised in Submission 2000-01, calling for inclusion of AT/CT workers and co-petitioners into the Working Group, and calling for the formation of an ECE in one year if the issues raised by the AT/CT workers have not been resolved.

September 6, 2002: The AT/CT workers and co-petitioners send a letter to Labor Secretaries Chao and Abascal asking to participate in the Tri-National Working Group.

November 27, 2002: Thomas Moorhead, Deputy Under Secretary for International Affairs of the U.S. Labor Department replies refusing to include the AT/CT workers and co-petitioners in the Working Group, stating that it would not be “appropriate” because it is a government-to-government activity which “necessitates careful, deliberative negotiation between government officials.” Levine’s letter also states that the three governments are considering the inclusion of “labor and business organizations” in Working Group subgroups sometime in the future with each government deciding how this will be done in each country.

October 7, 2003: Noting the passage of almost a year since their last communication, the AT/CT workers and co-petitioners send a letter to the Labor Secretaries of Canada, Mexico and the U.S. renewing their request to participate in the Tri-National Working Group. The workers and supporters Secretaries propose the formation of a fifth subcommittee of the Tri-National Working Group to specifically evaluate the results of the NAALC process, and which would include nongovernmental organizations and individuals from the three countries, including AT/CT workers.
December 15 and 18, 2003: U.S. Labor Department Deputy Under Secretary Arnold Levine and Canadian Labour Minister Claudette Bradshaw write back to the AT/CT workers and co-petitioners denying the request to participate in the Working Group. The governments again raise the possibility of “stakeholder participation” in the Working Group at some future date in a manner to be decided by each national government.

March 15, 2004: The AT/CT workers and co-petitioners send a letter to the U.S. and Canadian Labor Secretaries again proposing the formation of a fifth Working Group subcommittee including the participation of the workers and co-petitioners as well as other non-governmental organizations and individuals.

May 14, 2004: U.S. Labor Department Deputy Under Secretary Levine replies refusing the proposal for a fifth subcommittee of the Tri-National Working Group. Levine suggests any evaluation comments could be submitted under the NAALC’s “eighth year review” process in 2004 (almost two years late), but the period for any such comments was closed three months before the letter was sent.

August 2004: The Tri-National Working Group has met in government-only gatherings in July 2002 in Mexico City, October 2002 in San Diego, and April 2004 in Toronto. Several technical workshops and “best practices” seminars in construction and manufacturing have been held. Two training courses for STPS inspectors have been conducted. An internet website with information from the three labor agencies has been established.

No evaluation of the NAALC submissions has occurred and none of the submitters of the seven health and safety-related NAALC complaints filed since 1994 has been incorporated into the Tri-National Working Group or any of its activities.

References


Copies of the correspondence cited above are posted on the website of the Maquiladora Health and Safety Support Network: www.igc.org/mhssn

Tri-National Working Group of Government Experts on Workplace Safety and Health; website posted at: www.naalcosh.org/workgroup.html


