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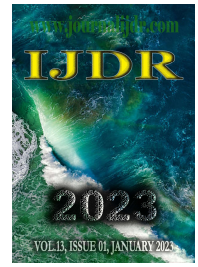
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RESEARCH ARTICLE

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OUT-OF-COURT LABOR AGREEMENTS IN THE MEXICAN LABOR REGULATORY INSTITUTIONS OF THE NEOLIBERAL PERIOD

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ABSTRACT

This paper shows how a legal labor figure, such as the *out-of-court labor agreement* in Mexico, became the first mechanism of working class restraint and domination by the country's representatives of federal and local authorities carried out in labor regulatory institutions. Such legal figure, over the years, became an effective mechanism that efficiently suppressed the large number of cases of workers' conflicts generated by the implementation of new management strategies in the companies of 1995-2018 neoliberal Mexico. It also shows how this worker control mechanism became the perfect complement, in labor matters, to neoliberal economic policies implemented by different federal governments (from the mid-1980s until the end of the 1990s), as well as by local governments, to achieve a new type of industrial development based on low wages, open markets and unfair competition due to the absence of freedom of association.

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INTRODUCTION

This paper shows how a legal labor figure, such as the *out-of-court labor agreement* in Mexico, became the first mechanism of working class restraint and domination by the country's representatives of federal and local authorities carried out in labor regulatory institutions. Such legal figure, over the years, became an effective mechanism that efficiently suppressed the large number of cases of workers' conflicts generated by the implementation of new management strategies in the companies of 1995-2018 neoliberal Mexico. It also shows how this worker control mechanism became the perfect complement, in labor matters, to neoliberal economic policies implemented by different federal governments (from the mid-1980s until the end of the 1990s), as well as by local governments, to achieve a new type of industrial development based on low wages, open markets and unfair competition due to the absence of freedom of association. Clarify the difference between local and federal statistics (the latter was not worked on).

METHOD AND METHODOLOGY

Articulated reconstruction was used for the elaboration of this work. This methodology privileges the data constructed from a concrete historical perspective. In this case, the empirical data acquires meaning from the concrete social relations between those involved in

the problem studied. The data is reconstructed in terms of historical contexts and in the explanation of what were the agreements and conventions that arose between the social subjects involved in the problem. Some of those agreements and conventions led to creating methods to which Mexican workers have been subjected for a long time. Therefore, the objective of the methodology is to achieve an articulated reconstruction (explanatory theory) of the phenomenon as such: the out-of-court labor agreements in the Mexican labor regulatory institutions of the neoliberal period. Regarding the research techniques used to compose this work, the study was based on official statistics published by the National Institute of Statistics, Geography and Informatics of Mexico (INEGI by its name in Spanish: Instituto Nacional de Estadística, Geografía e Informática) from 2017 to present¹, which collected and arranged empirical data from administrative records of the Local and Federal Conciliation and Arbitration Boards (JLCA and JFCA by their names in Spanish: Junta Local De Conciliación y Arbitraje and Junta Federal de Conciliación y Arbitraje).

¹ The information was gathered from INEGI's statistical yearbooks. Indicators on the topic of labor and those corresponding to conflicts in companies: individual, collective, strike summons, and the outbreak of strikes (both at the local and federal level), were only published up to 2018, but correspond to 2017. Apparently, it was by order of the federal executive, allied with INEGI, that these administrative statistics would no longer be published (administrative records that were published since the 80s of the last century.)

Theoretical discussion: The debate on the issue of enterprise conflict is one that immediately refers to the factory floor, specifically in the area of production organization. However, this issue is not only dimensioned at this level of social relations, it can also be taken to other reality levels due to the scope of the quest for control of the capital in the regions. Hence, workers' conflicts in companies will always involve different nuances and concepts that seek to describe them. For this reason, this paper's purpose is to clarify why workers' conflicts are researched locally and nationally. Thus, the task of many theorists is to construct theoretical models of workers' conflicts. Not only to typify those conflicts, but also to understand their scope through the action of various actors and dominant social subjects in different regions of the world. For this reason, the theoretical proposals of those who have dealt with this issue are reviewed. Two of the most prominent theorists of the analysis of workers' conflicts in world productive organizations are P. K. Edwards and Hugh Scullion. Both of them proposed in the 1980s a series of categories that describe workers' conflicts in factories. In their studies, they concluded that there are four categories of worker conflicts in companies at three levels of impact: behavioral, institutional, and structural. The theorists state that, at the first level, *Open* and *Undirected* conflict appear. At the second level, there is an *institutionalized* type of conflict; for the third level, the authors proposed another category called *implicit* conflict (Edwards & Scullion, 1987: 28-32).

The authors' conflict model proposal is characterized by assuming a social, psychological, and anthropological approach (based on behavioral analysis) since there is a concern to explain the phenomenon, from motivational elements to institutional socio-cultural dimensions, in each category. This approach can be perceived when reviewing the categories of *Open* and *Undirected* conflict, the former referring to "cases in which the conflict is recognized by the participants and where an action occurs to express it" (*Ibidem*: 29). The most prominent case of this type of conflict is the strike, which may be filled with frustration from one of the parties involved. "About strikes, ~the two main reasons for going on strike are: to exert pressure...to achieve a collective negotiating objective; and to express frustration about some aspect of the work situation~". This psychological frustration effect is considered by the authors as "a form of open conflict in which participants implicitly connect their actions to the source of frustration." On the other hand, the authors believe that this part of open conflict is connected to another category of the same level: *undirected conflict*. They define this other category as "those cases where there is concrete behavior, but this behavior is not openly conflictive" (*Ibidem*: 30). There is also *institutionalized* conflict at the institutional level. In this case, the authors mention that there could be institutions that regulate undirected conflict, but they refer to those of a socio-cultural type: institutional recognition through formal arrangements (specific institutions that regulate labor life), a customary norm, or what these authors call an accepted practice that has not acquired the status of a norm (which in the case of Mexico is the alleged out-of-court labor agreement) (*Ibidem*: 31).

Finally, there is the *implicit conflict* that happens at the structural level. In this case, *implicit conflict* is understood as those cases in which: "if there is no observable conflict, then the conflict is implicit in the very nature of the employment relationship". In which it is clarified that this type of conflict is not employed to: "analyze the contradictions that appear in the employment relationship, but to ask ourselves why these contradictions manage to manifest themselves in some situations and not in others" (*Ibidem*: 32). What can be seen with such categories is that they do not measure other essential issues in the relationship between capital and labor: at the union level, at the level of corporatism (as in the Mexican case), at the level of industrial relations and the level of industrial public policy (workers' control) and economic policy of a country. The authors do not see it, because their analytical perspective is only implemented at the level of the employment relationship. Therefore, the proposal is incapable of discovering those conflicts that originated from the participation of corporate labor organizations (union corporatism), with the participation of business organizations and the intervention of

institutions regulating labor conflicts in a region, state, or nation, as is the case in Mexico. On the other hand, there is the proposal of Michael Burawoy, who when affirming the existence of two types of capitalism: competitive capitalism and monopoly capitalism, concludes that there is a differentiated action of businessmen on workers. For example, given that in competitive capitalism there are normally market whims [trade unions and workers' organizations such as the Mexican central workers' organizations], businessmen evolve to exercise despotic action in the factory. Whereas, in the case of monopoly capitalism, businessmen normally resort to consent rather than worker coercion (Burawoy, 1989: 236). In both versions, the problem of workers' domination is current, due to such a proposal being dynamic in the sense that capitalisms are in transition: from the competitive to the monopolistic form. The problem here is that, for this author, according to his hypothesis, in the competitive productive sectors of both capitalisms (especially in the monopolistic one), although there are no unions, internal labor markets are created, thus appearing procedures for claims and rudimentary collective negotiating systems. To which the author comes to consider that: "In synthesis, the productive process in the competitive capitalist sector presents features of both the despotic system and the hegemonic system of labor organization" (*Ibidem*: 243). Indeed, Burawoy's proposal is quite coherent in what he calls competitive capitalism, but not regarding monopoly capitalism, since in the latter the only thing that is not accomplished by the capitalists is consent. Adding that in this capitalism, despotic actions are also developed and even more aggravated since the big capitals are always looking for new territories to perform, freely and unilaterally, the decision making both at the level of the productive and labor processes while trying to achieve at all costs and without any obstacle the highest level of profit rate possible. This inevitably leads to the generation of conflicts that are separated by the workers, and that, in some way, must be resolved through direct negotiation (whether or not there is a union) or through the mediation of an institutional body (in Mexico, the JLCA and JFCA). Basically, the theoretical debate on labor conflict at the company level is well represented by these three authors. Particularly, because with the contribution of their categories it is possible to solve the case of what, in Mexico, specifically in its labor regulatory institutions such as the JLCA and the JFCA, is known as *out-of-court labor agreements*². This legal procedure depicts the first moment of resolution for the worker. And it represents, in turn, the first moment of suppression and worker domination performed by labor authorities in Mexico.

RESULTS

Out-of-court labor agreements versus first moment of workers' contention in neo-liberal Mexico. Analyzing the legal figure of out-of-court labor agreements carried out by the institutions of labor regulation in the country (before and after neoliberal Mexico), represents a necessary task to understand the importance it had in industrial developments. Before searching for the aforementioned understanding, we must first clarify what was the social and political logic in which the workers found themselves in labor, union, corporatism, and union corporatism matters throughout the country,

² This is a labor law figure that is widely used by workers in the JLCAs throughout the country and the JFCA when employers have violated the labor rights of workers. It consists of the worker resorting to Mexican labor regulatory institutions when in conflict with the employer and/or employer. The purpose of the visit to labor offices by the worker is that he/she wants a resolution to the employer's labor abuse. In this case, the labor mediators present two options to this social subject: a simple and quick one called out-of-court labor agreement, which consists of the worker receiving only one-third (or less) of what the Mexican labor law stipulates. Implied the fact that the labor mediator recognized that the employer violated the worker's labor rights and that therefore the employer must pay for their illegal labor action. If the employee rejects the offer, he/she can resort to the second option: a labor lawsuit. This other legal recourse implies that the worker hires or is assigned, by the labor mediator, a labor lawyer to handle the case. It is worth mentioning that, ironically, the time it takes to resolve the workers' claims is quite long and tedious for the worker, where typically the final resolution is never in their favor.

since in this way, the data presented below, become relevant to understand the importance of said Mexican labor legal figure carried out by the legal representatives of labor and union life in Mexico: public officials in charge of conflicts between capital and labor (labor secretaries, presidents of Federal and Local Conciliation and Arbitration Boards, among others related to the labor issue in Mexico). It can be said that from the 1980s onwards, when neoliberal economic policies were introduced in Mexico, the country was under a corporatist logic that affected almost all areas of society and that was even performed in trade union organizations: State corporatism in the case of the former and trade union corporatism in the case of the latter³. In the case of state corporatism, it can be mentioned, among other things, that federal and state executives intervened in all areas of society, from the economic to the political and social spheres. Specifically, regarding the economic sphere, it intervened in four areas: production, circulation, distribution and consumption.

Particularly, one could see how the federal government and the various local governments had an entire state apparatus at their disposal to achieve such intervention actions. That is, secretaries of state and their entire secretariats, as well as a large number of federal resources, were made available to achieve a certain level of economic development in the country. The issue was clear: it was necessary to articulate economic policies with local public policies and a type of industrial relations that favored the country's economic development. In the trade union sector (which is the subject of this paper), corporatism was present through workers' centers whose organizations complemented almost perfectly with the logic promoted by the State at the time. That is, the unions were dedicated to performing concrete actions of workers' control in the factories so that capital did not have productive obstacles. It is in this case that the controls reached their most perfect and finished form in the history of capitalism: the simulation of existence of unions in the companies (with the so-called collective protection contracts)⁴ and, in the event of the existence of a union in the company, the simulation of union representations dedicated to protecting the employers from the actions of the workers against them: the so-called protection unions⁵. This type of unionism has, according to national and local circumstances, adapted to political and economic changes since it has survived power alterations at both levels. The point is that union corporatism is still in force and continues to offer its services to national and foreign capitals, which indicates that it will take a long time for this practice to be transformed and made unambiguous.

What has happened to the practice of corporate actions conducted for decades by the State and its rulers? This practice has almost disappeared from the political scene due to the arrival of progressive leftist governments to federal power in 2018 and due to several local governments (also from 2018). Some of these practices persist, since it is precisely the State Secretariats that perform them. It is worth mentioning that as of the administration of President Andrés Manuel López Obrador, institutions such as the JLCA (with the structural labor reform of 2019) would be disappearing. It was concluded that government agencies, in charge of state executives for decades, would cease to perform their role as regulators of workers' conflicts in October 2022⁶ in substitution of a new labor agency: Federal Court of Conciliation and Arbitration (TFCA), and that only the so-called Ministry of Labor and Social Welfare (STPS) would continue to operate. If we refer exclusively to the cases of workers' disputes filed before the JLCA before October 2022, especially those related to the type of labor legal solution known as *out-of-court labor agreements* (only local jurisdiction disputes)⁷, it should be mentioned that these

continue to be a mechanism for the resolution of workers' disputes in the country. In which such labor conflicts are now resolved by the legal mediation of a labor judge through the TFCA. It is on this point where the attention of this research work is focused, due to the fact that the labor agencies of the JLCAs throughout the country, in the period of neoliberalism in Mexico, were the ones that performed the corporative actions of the State (political actions typical of a public policy of workers' control aimed at creating comparative advantages of the different States of the Mexican Republic). It is also known that this action was also implemented at the level of federal jurisdictions by the JFCAs, but that is another topic for another time. Therefore, in order to research the analysis of the way in which the labor authorities of Mexican JLCAs used *out-of-court labor agreements*, following are some maps of the Mexican Republic in order to show the magnitude in which this legal labor recourse represented a legal solution to a large number of individual conflicts in the country's companies. With this compilation of statistical information, the reader will verify how a legal labor instrument created to protect and benefit the Mexican worker became a corporate mechanism for the administration and constraint of labor conflicts in Mexico. One that, attached to legality, made explicit the solution of differences between capital and labor. But it became an efficient mechanism for workers' contention. The following data provide empirical evidence of the homogeneous way in which the labor authorities acted in Mexico (especially the local jurisdiction): labor secretaries and presidents of local conciliation and arbitration boards, among others.

Evolution and intensity of the use of out-of-court labor agreements by productive branches: By analyzing only the legal figure of conflict resolution for workers in Mexico of the alleged *out-of-court labor agreements* in the JLCAs in the neoliberal period from the mid-1980s to the end of 2018, a first important conclusion can be observed. If we look at map 1 of this worker legal recourse to provide a solution to a labor abuse by the employers, corresponding to the year 2005⁸, we see that, in the northern states of the country, a systematic abuse of the labor rights of the workers was performed. Apparently, the number of cases that could be presented per State would be an apparently normal figure. The problem is that the map shows that this behavior of workers is not the same in the southern states of the country.



*Table made by the author based on statistical data from INEGI

That is, in the southern states of Mexico, it can be seen that workers do not resort as much to resolving their conflict by means of an *out-of-court labor agreement*. It is to be assumed that other factors

information to carry out a consistent study.

⁸ This date was chosen to show how, over the course of 12 years, the labor law figure of the *out-of-court labor agreement* became a prevailing resource for the solution of workers' conflicts with their employers.

³ See book "Ascenso y crisis del Estado social autoritario: Estado y acumulación del capital en México, 1940-1976" Colmex. México, DF.

⁴ See book "Corporativismo y contratos de protección en Aguascalientes" UAA

⁵ See book "El sindicalismo en Aguascalientes. En Democracia y cambio sindical en México"

⁶ As of this date, the JLCAs would only resolve those cases that had been admitted at an earlier date, and recent labor disputes would be resolved through the TFCA.

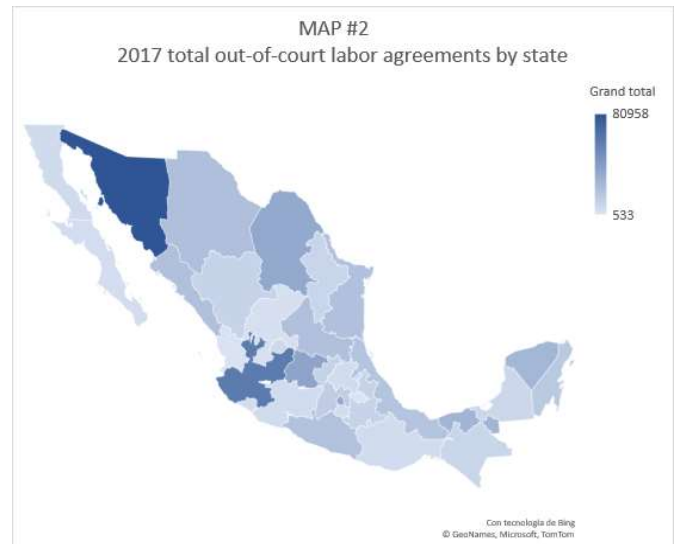
⁷ Note: In this paper, we preferentially expose the labor disputes published in the 2018 yearbook since the National Institute of Statistics, Geography, and Informatics of Mexico (INEGI) has stopped uploading information on labor disputes to its statistics portal. It is also necessary to say that the statistics related to cases of federal jurisdiction are not mentioned because this Mexican statistical institute did not make public enough

influenced this data to behave this way, some of which we do not know as such. On the other hand, there is the case of the State of Jalisco, which presents the most intense blue color. It has the highest number of cases of labor agreements in its JICA, with a total of 12,618 followed by two other states in the center of the country: Guanajuato and San Luis Potosí. In the south-central and southern part of the country, Mexico City, Veracruz, Campeche and Yucatan outstand. On the other hand, the rest of the country, with a faint blue coloration, close to 100 cases, approximately, present an apparently normal behavior in the use of out-of-court labor agreements in the JLCAs. It is mentioned as normal because the data with faint coloration correspond, given the year analyzed, to the behavior of the companies in each state. This indicates, in turn, that there have not been important structural transformations in the industries of these states, which means that there are still no business strategies that violate workers' rights in the factories (See Map 1).

On the other hand, when looking at map 2 and comparing it with the previous one, it can be found that in only 12 years the use of *out-of-court labor agreements* by workers in the JLCAs reached exorbitant numbers at the national level. Going from the maximum number corresponding to Jalisco with 12,618 cases to 80,958 of these in the State of Sonora. That is to say, the State of Sonora showed such industrial dynamism that provoked countless cases of conflicts in the companies that were solved in the JLCAs with the legal recourse of *out-of-court labor agreements* on behalf of the workers. This data is really surprising due to the fact that it is incomprehensible that the labor regulatory institutions in Mexico were able to provide a solution to the amount of cases present in the year of 2017. This last comment is raised in this way due to the fact that in the JLCAs of the country there is neither sufficient infrastructure nor human resources (labor mediators), to cope with the growing demand of requests for out-of-court labor agreements. The reality of the JLCAs in Mexico is so limited that there are currently so many individual and collective unresolved claims accumulated by the authorities of the Mexican labor regulatory institutions (See map 2).

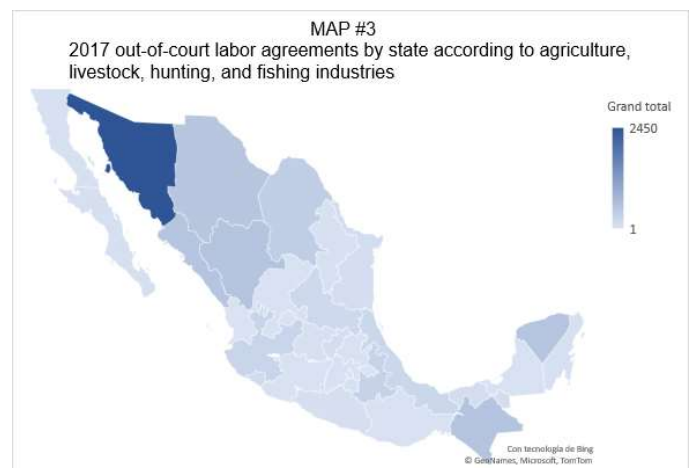
In summary, a new behavior of the labor authorities and public officials was arranged throughout the country in the institutions for regulation of labor conflicts capable of responding to new industrial dynamics carried out in each of the States. Considering the above, we can assume that the State's corporatism was designed to protect the employers' interests, so that they wouldn't have to deal with the conflicts that would arise once the flexibilization processes began in the companies (acts of protest by the employees in the JLCAs). Given that the authorities of the JLCAs always responded to the orders of the state executives until 2022, they were dedicated to restrain and dominate the working class, even in the spaces that should protect them: the labor secretariats, the JLCAs, and the JFCA. Therefore, the labor control and domination mechanism in favor of Mexico's executives as part of an industrial public policy promoted by bosses and governors was transformed and oriented to contain the workers and their conflicts in labor spaces. Such public policy became a new type of industrial relation dedicated to building a new competitive industrial territorial zone. It can be interpreted that the *out-of-court labor agreement* became the first simple legal mechanism of workers' control outside productive spaces in which Mexican employers understood that they had labor authorities in their favor in the matter of workers' conflicts. Therefore, it allowed them to make any decision regarding productive strategy in a unilateral and discretionary manner without the fear that their workers would interrupt the productive activities of the companies. In other words, employers understood, for example, that they could unjustifiably dismiss workers without incurring productive costs. This reality transcended Mexico's borders to such an extent that it was expressed in the attraction of productive investments.⁹

⁹ This is a topic that has been widely explored in areas such as Aguascalientes, Mexico. See book "*La construcción del control obrero e industrialización en Aguascalientes: contribución al análisis de la localización industrial.*" Plaza y Valdés.



*Table made by the author based on statistical data from INEGI

Out-of-court labor agreements by productive sectors: The following section shows the total amount of out-of-court labor agreements in the JLCAs throughout Mexico according to the productive sector of workers who experienced violations of their labor rights by employers. The following statistical data correspond to 2017¹⁰ and exposes in which of the country's productive sectors, by state, workers suffered more violations of their labor rights by their employers (due to the action and use of new managerial strategies in labor relations). With this, by associating the first two maps analyzed so far, the reader will detect, the productive branches in which the entities of greater industrial dynamism for each state were, which had as a result the appearance of workers' demands in the JICA in the form of workers' conflicts. To continue with the interpretation of the maps that group together the category of out-of-court labor agreements of local jurisdiction according to the *agriculture, livestock, hunting, and fishing industries* by Mexican workers carried out by the Local Conciliation and Arbitration Boards (JLCA).

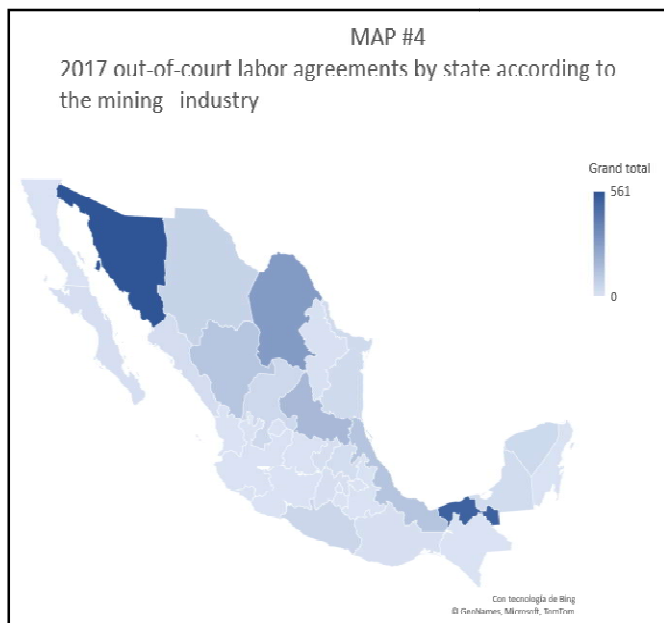


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Due to the use of the labor agreements in the JLCAs to resolve conflicts between workers and employers, the northern border of the country is a significant mark. It is noteworthy that the most considerable accumulated number of conflicts, according to the aforementioned productive activity, is in the north of Mexico. This amount is not very relevant for this study because, in some states, such as Sonora, the number of cases was less than 2,450. This tendency is slighter if the southern part of the map is observed, since there are cases that reach only one workers' conflict in this group of productive activities. The industry involved in these productive

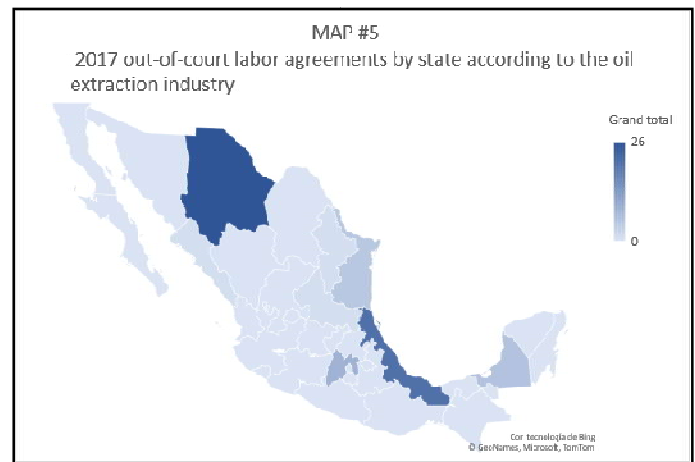
¹⁰ The 2017 cutoff is due to the fact that INEGI no longer publishes data on labor disputes in its statistical yearbooks. Therefore, the last record published by this statistical institute was for 2018.

activities is characterized by its workers having few benefits, some of which almost border on informality. This informality is reflected in how there are few cases of workers' conflicts in the JLCAs and, therefore, few cases of use of the legal figure of out-of-court labor agreement (See Map 3). The following map shows the labor disputes resolved through out-of-court labor agreements by the JLCAs of Mexico in the *mining industry*. Observing the map, the states of Sonora (in the first place due to its accentuated blue coloration), followed by Chihuahua, Coahuila, and Durango in the North are the ones that stand out in the conflicts analyzed in this productive activity. Then, in the South, Campeche is the one that outstands. Followed by Veracruz and San Luis Potosi in the center-west, is where workers resort to the use of out-of-court labor agreements to the greatest extent. On the other hand, when looking at the rest of the Mexican Republic, the labor recourse to settle out-of-court labor agreements is not used by workers because the states in which the mining resource is exploited are few. This leads to less workers' conflicts in the JFCA and, therefore, smaller use of the legal recourse of the out-of-court labor agreement. In this respect, Mexico's official trade unionism during the neoliberal period chose to function closely with the State and its industrial public policy of worker control (especially with the judicial persecution of its workers' leader Napoleon Gómez Urrutia until 2018, who became a Senator of the Republic afterward and retooled the Mexican miners leadership.) Such industrial policies of worker control demanded the restraint of workers and their union workers' struggle, especially for the productivity of the large mining companies. The map reflects and allows the reader to infer several hypotheses in this regard, which is left for further consideration and search for new lines of research by experts. Especially in those states that stand out in blue and indicate that there was greater worker participation in terms of protest before the JLCA and the JFCA to settle their conflict with the employer (See map 4).



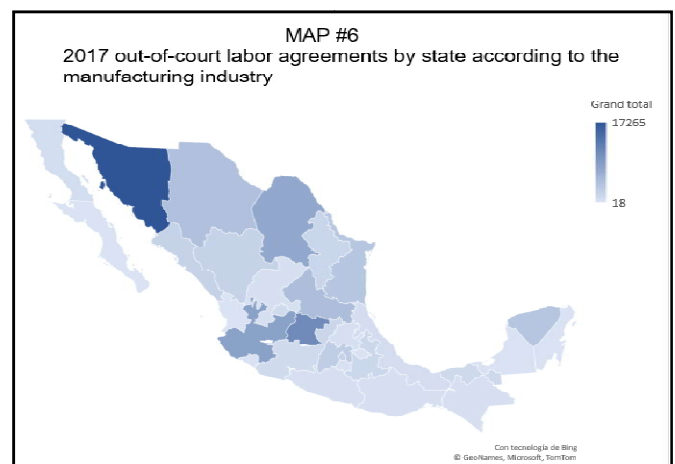
*Table made by the author based on statistical data from INEGI

Furhtermore, there is the *oil extraction industry*. This is a very particular case, since such activity has two determining factors: on the one hand, it is a small activity, which leads to very few conflicts resolved through out-of-court labor agreements; and on the other hand, this productive activity has one of the most combative unions in Mexico, which leads to the fact that it is the union that carries out the task of defending the labor rights of its members and not as an individual act as is the case in other productive activities. Normally, workers are defended, in labor matters, by competent union lawyers in the labor regulatory institutions in Mexico. Because of this, the states with the highest number of cases are mainly Chihuahua and Veracruz, and the rest of Mexico has very few cases of workers' conflicts in the JFCAs according to the intensity of blue coloration (See map 5).



*Table made by the author based on statistical data from INEGI

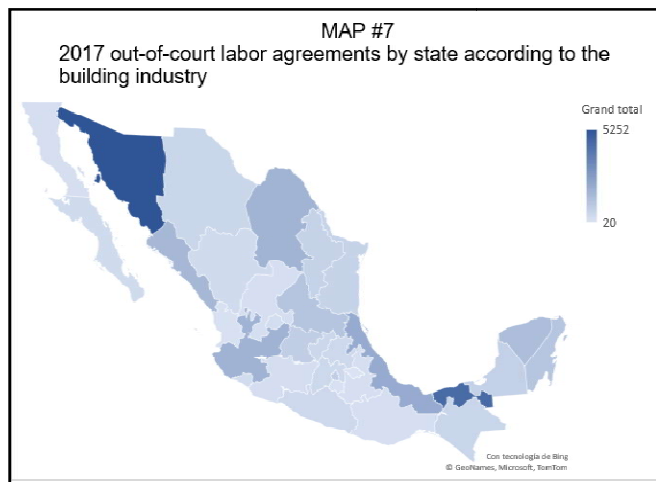
Additionally, there is information on the *manufacturing industry*. The states that are most notable because their workers have resorted to the legal means of the out-of-court labor agreement are the northern states with Sonora at the head with 17,265 cases, and some located in the center-west: Jalisco, Guanajuato, and San Luis Potosí. Finally, in isolation, there is the case of the southern state of Yucatan. The rest of the Mexican Republic registers low data, and there is even a state with only 18 disputes resolved in the JLCA through the out-of-court labor agreement. This map highlights the case of Nuevo Leon as its dim color makes us wonder why many of its workers do not take advantage of out-of-court labor agreements when it is an entity with a great deal of industry and employed personnel, and has a natural result many cases of labor disputes. This should be investigated and explained beforehand by the investigating colleagues of this state (See map 6).



*Table made by the author based on statistical data from INEGI

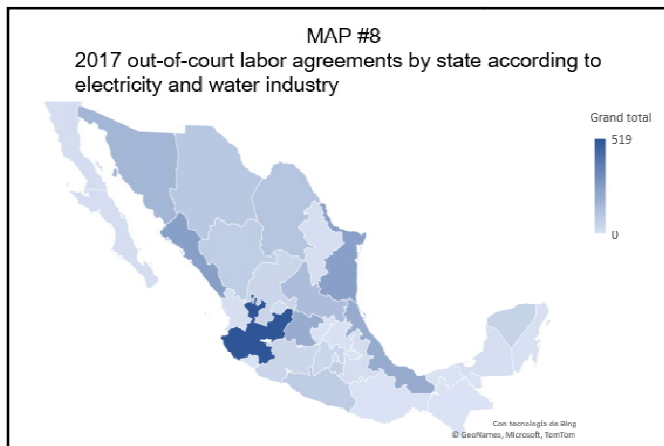
The following map shows the cases of the *building industry*, highlighting the State of Sonora's 5,252 workers' disputes resolved under out-of-court labor agreements and the lower number of just 20 cases), it's possible to notice different behaviors from the previous maps regarding the choice of workers to resort to the JLCAs to resolve their conflicts. Here again, it is the northern states that lead the highest numbers, except for the state of Nuevo Leon being a little low in color tone, and some of the central western states: Jalisco and San Luis Potosi; the interesting thing about the map is that workers in mainly Tabasco, Veracruz, Campeche, Yucatan and to some extent the case of Quintana Roo are the ones that outstand in the region for presenting workers' conflicts resolved in the JLCAs through out-of-court labor agreements. These last states reflect that employers chose to perform productive strategic actions that led them to violate workers' labor rights. Let's remember that in construction sites, works often have a short duration (bridges, highways, and tourist buildings), which leads to a shorter work duration. Therefore, employers usually discreetly dismiss workers without paying them for the termination of the contract, leading to some workers taking their cases to the JLCA

and having their problems resolved through legal labor mediation. (See map 7). The cases related to what led workers to resolve labor disputes in the JLCA will be addressed in the following section.



*Table made by the author based on statistical data from INEGI

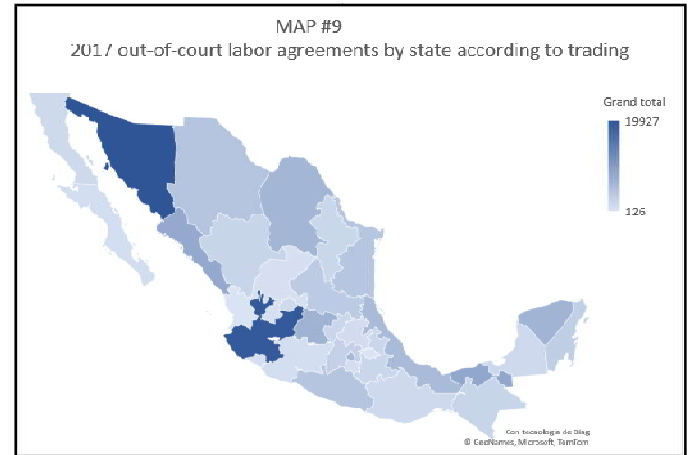
Regarding the following map, workers in this productive sector develop various positions concerning resorting to the JLCAs for conflicts with employers. In this case, it is worth noting that in the *electricity and water industry* different labor conditions of workers with different types of unions are mixed. There are cases, such as Aguascalientes, where the company that provides water services is a private company, which means that there is no union to represent the workers; or cases such as the electricity industry, in which private investments that offer ecological energy to the Mexican parastatal electricity company Comisión Federal de Electricidad (CFE) have recently appeared in some states, where employees do not have unions. This complex situation implies that when workers conflict with their employer, they need to resolve their differences in the JLCAs to mediate their interests. Given the above situation, in the cases registered in 2017, the number of workers who resorted to the JLCAs and chose the out-of-court labor agreement to resolve their labor legal claim before the employer is surprisingly low. That is, the state with the highest number of cases of labor dispute resolution through the legal figure of the out-of-court labor agreement in the JLCAs in the country is Jalisco, with only 519, followed by the Northern states with only a few cases. The rest of the map shows there is an invalidity of this labor action since there are even states with zero labor lawsuit cases in the JLCAs (See map 8).



*Table made by the author based on statistical data from INEGI

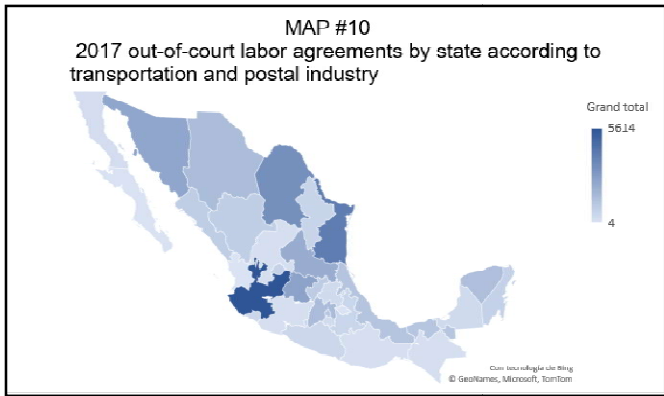
On the other hand, if we look at the map of the *trade activity* in Mexico referring mainly to department stores, chain stores, franchises, warehouses, and everything related to the branch that involves the hiring of workers, the out-of-court labor agreements registered in the JLCAs up to 2017 are numerous. This can be confirmed by the fact that the maximum number of these cases reached 19,927, while the lowest was 126. In general terms, the

configuration of workers' conflict behaviors remains the same as other maps analyzed, except for those particular cases such as Jalisco, which, like Sonora, is one that reaches almost the same number of cases. The rest of Mexico has the same scope record in terms of color intensity. That is, the Northern states outstand from the rest regarding cases of out-of-court labor agreements, with the exception of the State of Nuevo Leon (which is odd since it is a state that has registered a lot of trade activity due to the capital concentration in the territory). This state is followed by Tabasco, Yucatan, Guanajuato, Veracruz, Oaxaca, and states that express low amounts of cases registered before their respective JLCA (See map 9).

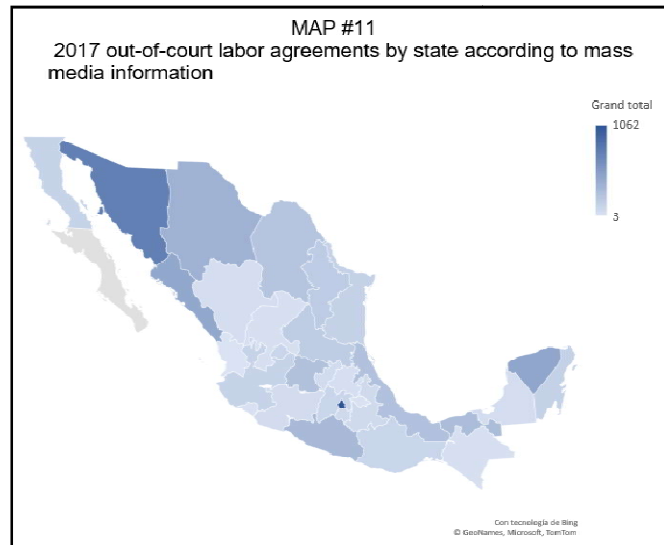


*Table made by the author based on statistical data from INEGI

Regarding out-of-court labor agreements corresponding to *general transportation* and the *national postal institution*, it should be clarified that we are grouping two cases of productive activities, which implies that it is not easy to determine to what extent each activity contributes to the number of cases analyzed. Even so, with the two types of activities mentioned, the behavior of the workers in the different states with respect to this type of labor conflict does not vary at all with respect to the previous map. For example, the maximum number of cases resolved through out-of-court labor agreements in these two activities (transportation and postal services) in the JLCAs of Mexico is 5,614, while the minimum number of cases registered in the entities is 4. That is, the above data show that the public officials in charge of the JLCAs in the country maintain the same idea of action before the workers of any branch of productive activity. Whether it is one case or the other, the strategy of public officials responds to achieve a clear objective: control and domination of workers at the level of industrial relations, as part of a variable that turns the states into those with a great comparative advantage (See map 10). The national idea of worker restraint carried out by public officials working in labor regulatory institutions, by order of state executives (governors) and with the knowledge of Mexico's secretary of labor, who reports to the federal executive, has succeeded in various ways in dominating workers throughout the country. Whether it is worker restraint or discouragement of workers from pursuing labor demands by Mexico's labor officials, both have worked for federal and local governments in the neoliberal period, in promoting their territories for attracting Foreign Direct Investment (FDI) and boosting industry in their territories. Map 11 also shows out-of-court labor agreements in *mass media information* at the national level, and the same behavior of this phenomenon can be seen again, since the coloring, according to its intensity, is distributed in a similar way to the two previous maps. Except for the State of Tlaxcala, which outstands on this occasion, the rest of Mexico presents the same behavior. In some cases, such as Nuevo Leon, a slightly stronger tonality may appear, but the general color distribution remains the same (see map 11). According to the map colors, Mexico's worker restraint, is well defined with respect to where it is performed with greater intensity and what strategies are preferred by public officials in charge of labor problems and conflicts in Mexico: containing and dominating working class conflicts.

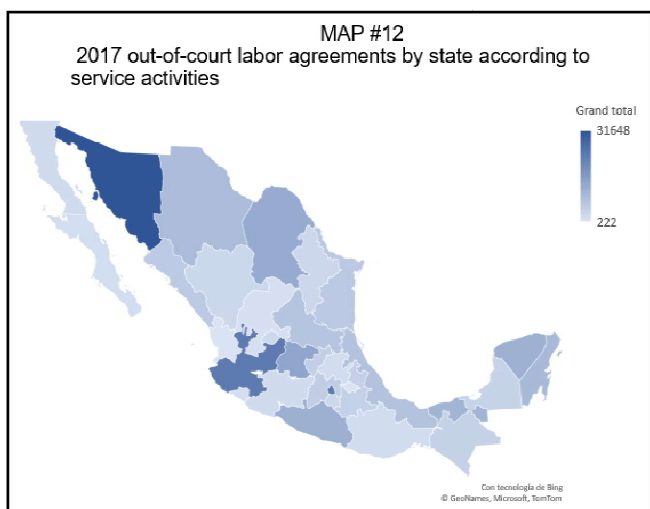


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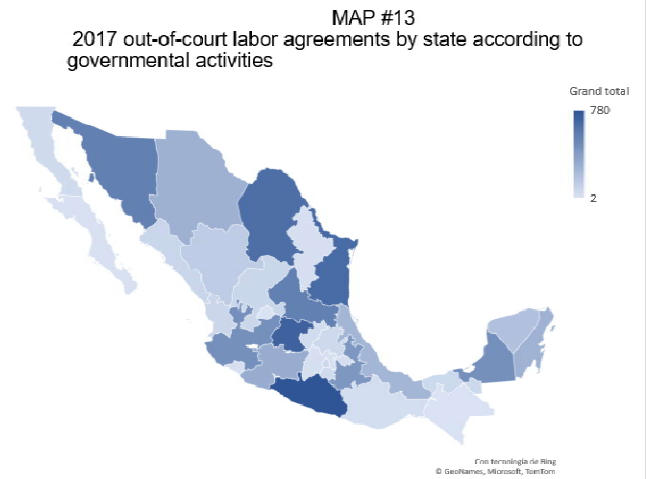
The same occurs in map #12 of this paper. The distribution of the colors representing workers laboring in *service activities* who preferred to resort to the out-of-court labor agreement in the solution of their conflict with the employer remains the same. But, in this case, the only thing that varies is the number of disputes analyzed at the national level. That is, the highest peak is obtained by the State of Sonora with 31,648 cases, compared to a minimum of 222. Apart from that, the distribution of the blue color remains the same in the country. Jalisco maintains the highest intensity, as does Mexico City (See Map 12).



*Table made by the author based on statistical data from INEGI

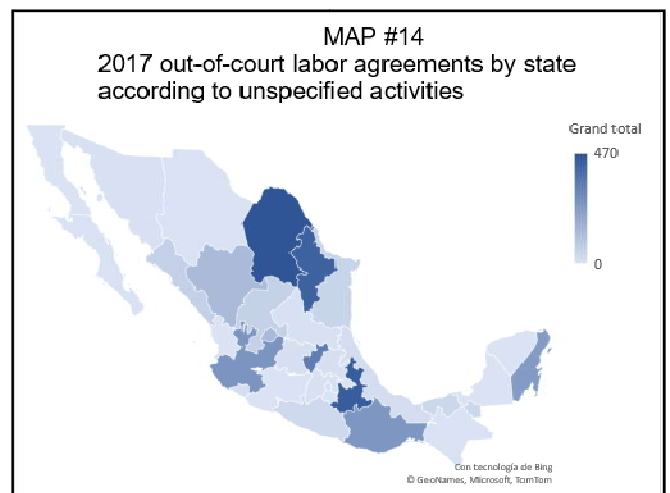
We now present the analysis of the workers' conflicts whose solutions were through the out-of-court labor agreement by *governmental activities* in the country's JLCAs. Several things can be mentioned in

this regard: first, the number of conflicts resolved through this legal figure in the JLCAs is really few, since the maximum was 780 cases and the minimum was 2 cases. Second, the distribution of color intensity by state across the country varied relatively widely. Third, the grouping of workers corresponding to government activity is very general, the exact nature of the worker and their type of motive cannot be determined. It is not even possible to arrive to a close inference in this regard, since the number of agencies for each state varies according to the territory. Therefore, the case of this map and the reflection of its information is only presented because it is necessary to complete the total input of cases of worker disputes resolved in the JLCAs under out-of-court labor agreement (See Map 13).



*Table made by the author based on statistical data from INEGI

The same happens with the last map presented in this section corresponding to the type of activity of *"unspecified" activities*. Here, the configuration of color intensity is completely different from those analyzed. Workers' disputes settled through an out-of-court labor agreement tend to be lost mainly for two reasons: the irrelevant number of cases involved and because of the non-specified workers that went to the JLCAs to settle their dispute with their employer (see map 14).



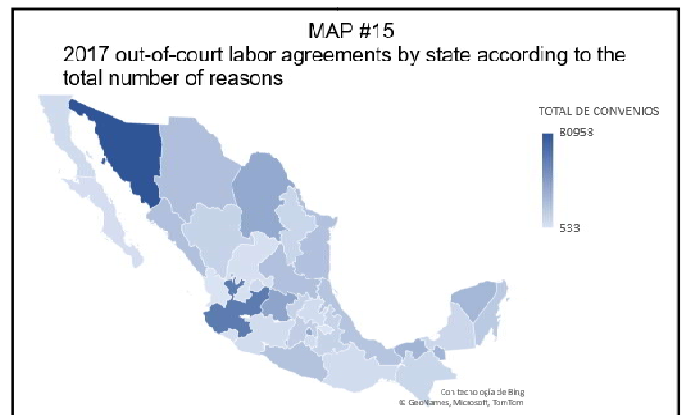
*Table made by the author based on statistical data from INEGI

In summary, the Mexican Republic states in which the labor regulatory institutions (JLCA and JFCA) and their authorities had a greater role of containment and worker domination were identified according to the degree of use of out-of-court labor agreements by the workers. While it is true that the behavior of the Mexican neoliberal period out-of-court labor agreements has been quite intense in recent years, it is also true that this mechanism has been low in more than half of the states. This last case presents two probable hypothetical explanations. The first is related to the fact that local businessmen corporately agreed with state executives that Mexican labor

authorities and all its labor institutions would perform actions of worker restraint and domination as a product of corporate relations. This led to employers discreetly conducting an infinity of irregular and even illegal labor-wise actions in their companies towards their employees without fear of productive costs caused by unjustified dismissal, to mention just one example. The truth is that in the case of the entire northern border of the country, the JLCAs and their public officials so induced the workers to use the aforementioned labor legal recourse that the number of solutions to workers' conflicts bordered on implausible or not very credible mediation actions. This happened, for example, in Sonora. If labor disputes had been resolved as established by the Mexican Federal Labor Law through out-of-court labor agreements, and according to the working days in the country (Monday through Friday, which are the days the JLCAs worked), it would not be possible to provide a formal solution following the law, to so many cases of labor disputes in the local labor boards. Especially in the case of the State of Sonora. That is if we calculate the number of working days that the JLCAs work per year (365 days, minus Saturdays and Sundays, and holidays, gives a total of about 250 working days). And, if we take just the case of the manufacturing activity in map #6 from the State of Sonora: 17,265 and divide it by the 250 working days, we have a total of 69 cases per day. This figure would imply that 8.6 cases of labor disputes had to be solved per hour. This situation is not credible given that the rest of the workers' conflicts in other productive activities should be added to the above figure. This leads us to think that the labor authorities in neoliberal Mexico simulated and contained any individual manifestation of workers' conflicts in favor of the employers. But, for the case of the states with low amounts of use of out-of-court labor agreements, the JLCA mediators of the workers' conflicts had to implement another resolution strategy: they likely suggested that workers resort to formal legal action. In the case of Mexico, such action is a long and tedious process for workers due to the dilatory acts practiced by the labor authorities of the JLCAs. These acts caused workers to dismiss their labor conflict with employers in the JLCAs, and, therefore, lose their case. Both hypotheses must be investigated in depth in another moment to understand the whole process. Furthermore, the following section discusses the reasons that led workers to sue employers before the JLCA. This data clarifies the strategies used by companies to be more competitive. If companies wanted to make workers' salaries more flexible, they would only fire them and rehire them with lower remuneration, forcing workers to decide whether to sue the employer or accept the new employment relationship.

The grounds for the use of out-of-court labor agreements in Mexico's JLCAs: The following section describes the different reasons that led workers to go to the JLCAs to sue employers for a violation of their labor rights. In Mexico's labor law framework, there are a certain number of reasons why a worker may sue an employer for labor rights violations, which led workers, for many years, to develop individual protest actions against their employers in Mexico's labor regulatory institutions. The following maps allow for analyzing a set of sorted conflicts according to the motives, which group a whole list of administrative information extracted from the records of the JLCAs throughout the country and presented in statistical yearbooks by INEGI. In these maps, it is possible to observe the type of violation of the labor rights of Mexicans committed by employers, thus becoming workers' conflicts. Each of the out-of-court labor agreements was handled differently. The aforementioned agreements always end with a payment from the employer to the employee, which typically ranges between one-third and one-half of the amount established by the Federal Labor Law and has benefited employers for many years. This last section allows us to discover how the JLCA authorities controlled and contributed to the domination of local workers throughout the country in favor of the employers since each map determines which strategy the claimants preferred the most to solve their conflict with their employer. In terms of industrial relations, due to the territorial dimension to which each cause of conflict reached, it became a comparative advantage for nations, economically speaking. The latter is mentioned because neoliberal-period federal and local governments wished that territory would turn into one capable of attracting foreign direct investment (FDI), and

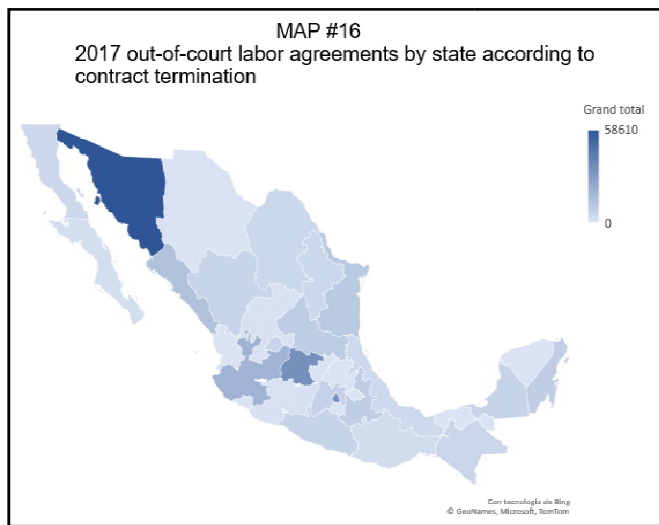
would develop industry throughout the country. Thus, by reviewing the following national map of labor conflicts carried out by Mexican workers in the JLCAs with the motive of *protest in general*, the same as map #2, another interpretation of the data can be made. First of all, it is worth mentioning that in those states with the strongest blue color, Mexico's labor regulatory institutions had to resolve the large number of conflicts caused by the actions taken by employers to avoid at all costs their labor obligations to their employees. This led workers to resort to mediating lawyers in the JLCAs to intercede for their interests. On the other hand, the data from those states with lower intensity of blue tones indicate that JLCA officials devised another way to resolve labor disputes with employers. In the neoliberal period, local governments ordered JLCA public officials to do everything possible to contain conflicts in the companies, which led to discouraging workers' intention to manifest themselves legally in the Mexican labor regulatory institutions because of the few results they achieved. When reviewing the cases of each of the reasons that led workers to file a labor lawsuit in the JLCAs, they are the same as those shown in this map, except for a few exceptions (See Map 15).



*Table made by the author based on statistical data from INEGI

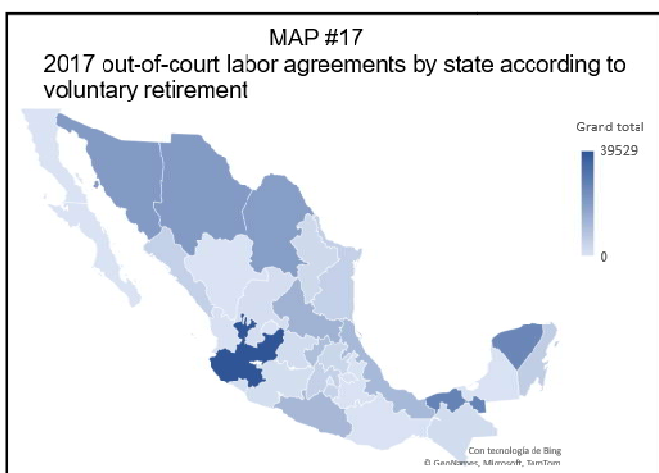
Continuing our review of the causes of workers seeking a solution with their employers in the Mexican labor regulations institutions, here is the case of *contract termination* (data up to 2017). The administrative records of the JLCAs and the JFCA reflect that the most common reason for workers to seek legal mediation of the violation of their labor rights has been *contract termination*, which is *unjustified dismissal*. The *termination of a contract* does not mean the legal act of termination of an employment relationship between employer and employee, but how employers unjustifiably dismiss their employees. What is intended with this term is to cover up the phenomenon of numerical flexibilization in companies and to cover up the flexibilization of employees' salaries, something that was structurally carried out throughout Mexico in the 2010s. When reviewing the following map that regards the decisions of employers to terminate the contract with some of their employees, the entire Northern border presents more requests for workers in this situation, headed by the State of Sonora, which has 58,610 of these cases. In addition, the State of Durango joins this same region. There are some states in the center-west like Guanajuato, San Luis Potosi, and Jalisco (the latter belongs to another geographic area). Finally, there are the southern states of Guerrero, Mexico State, Mexico City, Veracruz, Chiapas, Campeche, and Quintana Roo. Given the different blue coloration of the map, the JLCAs carried out not-so-legal actions to solve this labor conflict. This is because the country's JLCAs never had sufficient economic and human resources to resolve so many labor conciliation cases, which implies that the authorities of labor mediation institutions had to implement a method that collectively resolved a large number of out-of-court labor agreements at the same time. This must have been the case given the history of articulation of interests between the State and employers (pure corporatism) to simulate legal proceedings in the JLCAs in favor of the latter for the action of unjustifiably dismissing or terminating the contract with workers (See Map 16). In the rest of the country, out-of-court labor agreements were not utilized by workers, indicating a new type of worker restraint in which the process of worker domination by the

government, employers and unions is performed in an intense and quite subtle way, given the numbers that appeared in the official statistics.



*Table made by the author based on statistical data from INEGI

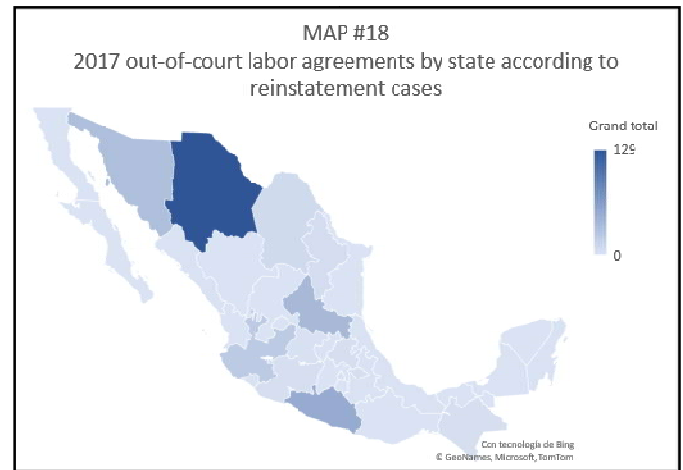
Furthermore, we have the case of workers' conflicts due to *voluntary retirement* or resignation from employment, which expresses the workers' voluntary will to separate from their job. Normally, the worker submits in writing the act of voluntary retirement to the management of each company so that they, in turn, can take care of the employer's obligations with other social institutions: social security, retirement systems, and contributions to housing institutions. In this case, the conflict begins when employers refuse to pay employees other types of pending statutory benefits following the Mexican Federal Labor Law (FLL). These statutory benefits are the corresponding part of the Christmas bonus, the vacation bonus, and the proportional part of the voluntary retirement payment according to the number of years worked in the company, among others. These are the cases in which the employers refuse to pay the employees and, therefore, become the cause of conflict in the JLCA.



*Table made by the author based on statistical data from INEGI

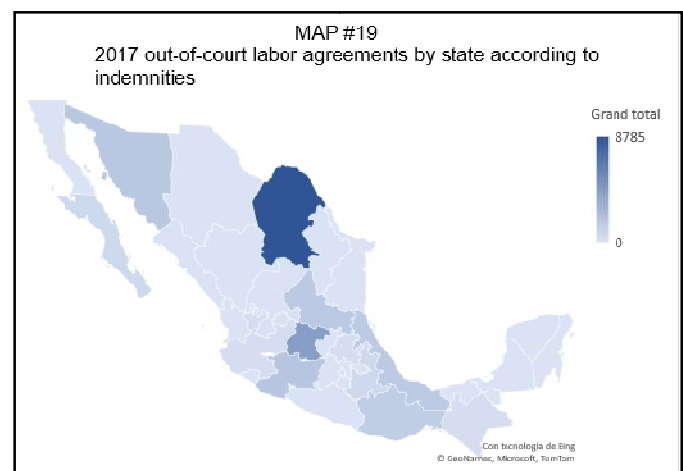
According to the following map, the State of Jalisco leads the motive of labor disputes for voluntary withdrawal of workers (39,529) through out-of-court labor agreements. Just as in the previous maps, the cases of the northern states stand out from the rest of Mexico, along with the aforementioned San Luis Potosí, Veracruz, Guerrero, Mexico City, Tabasco, and Yucatán. There are also those states that handle few labor disputes motive of out-of-court labor agreements, some at zero and/or close to zero cases (See Map 17). The states where there are low cases of out-of-court labor agreements in the JLCA are those in which the workers withdraw from their job without notifying human resources, which leads us to believe that workers do not know about their right to a proportional payment for the voluntary

withdrawal (this is something that not all workers in Mexico are aware of). The following map shows the *reinstatement* cases, where it can be seen that the cases of out-of-court labor agreements are few in comparison with the previous maps. The State with the highest number of cases is Chihuahua (129 cases), followed by Sonora, San Luis Potosí, and Guerrero. The rest of the Mexican Republic does not present relevant data to mention, as they are at zero or close to zero (See Map 18).



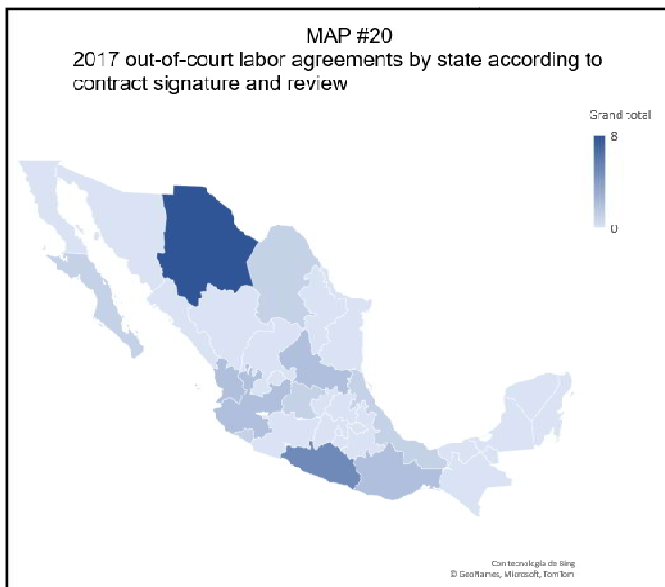
*Table made by the author based on statistical data from INEGI

The following map shows precise data on out-of-court agreements regarding *indemnities*. The State of Chihuahua registered the most cases, 8,785. Then, followed by Guanajuato, Sonora, Michoacán, San Luis Potosí, Veracruz and Oaxaca. And, as in the previous maps, there are many states that register zero cases (see map 19).



*Table made by the author based on statistical data from INEGI

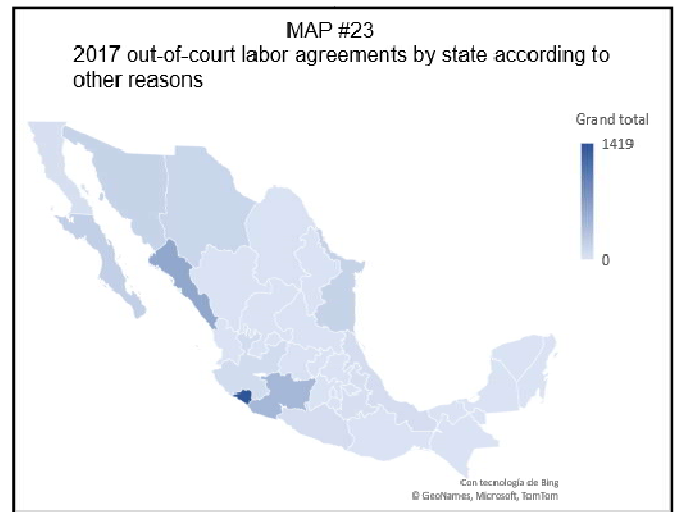
Then, we have the cases of *contract signature and review* resolved through out-of-court labor agreements, where the numbers in the different states of the country are really few since it is the State of Sonora that registered only 8 cases. In the rest of Mexico, there are no labor disputes of this nature in the JLCAs of the country (See Map 20). The same happens with the behavior of workers' disputes for *wage increases* admitted in the JLCAs throughout the country. In these cases, the State of Nuevo Leon is the leading state in this type of workers' dispute resolved through out-of-court labor agreements. The rest of Mexico remains at zero and close to zero cases (See Map 21). And just like map #21, map # 22 shows the same behavior of out-of-court labor agreements, but now with the cases of *profit sharing in the year 2017*. Nuevo Leon is the one with almost all the data, followed by Jalisco, Yucatan, Sonora, Chihuahua, Sinaloa, Baja California, and Baja California Sur. The rest of the country registers zero or close to zero cases.



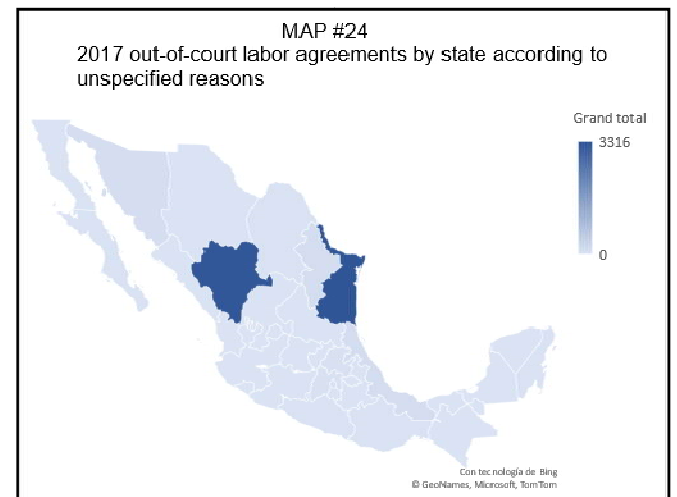
*Table made by the author based on statistical data from INEGI

This type of conflict in the JLCAs is not recurrent. All indications are that there is no custom of profit sharing by employers and that they do not have the habit of suing in the JLCAs for this reason (See Map 22).

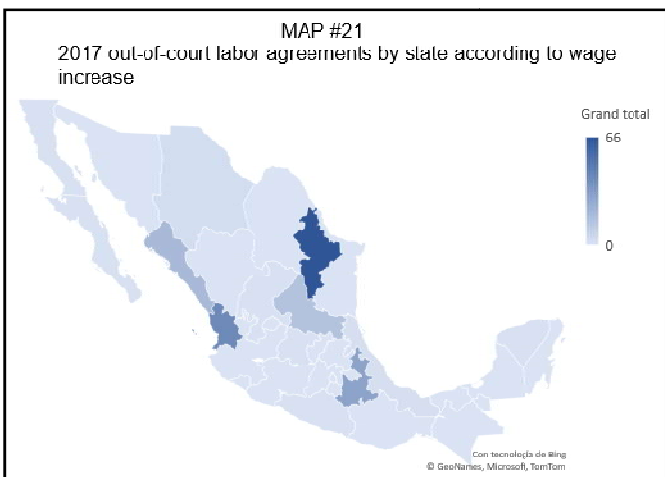
Mexican states the workers' conflicts that were left over from the information analyzed at the beginning of this paper appeared: Colima, Michoacán, Sinaloa, Sonora, Chihuahua, and Tamaulipas for map 23; and Durango and Tamaulipas for map 24 (See maps 23 and 24).



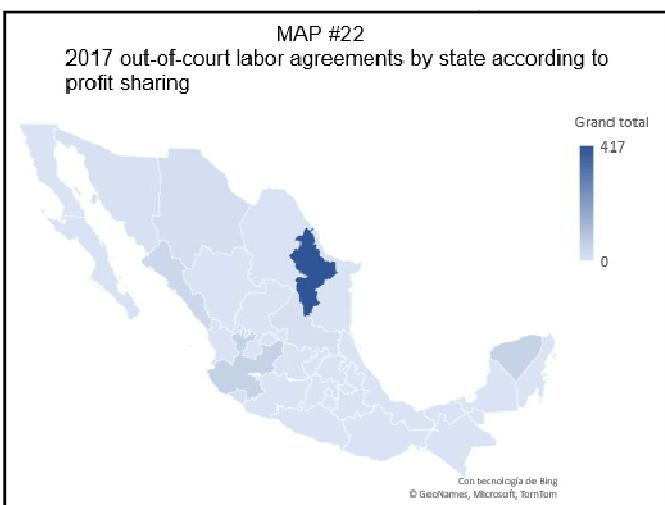
*Table made by the author based on statistical data from INEGI



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Lastly, we have the groups of *other* and *unspecified* cases corresponding to maps 23 and 24, respectively. While it is true that the numbers grouped in these maps are higher than the three previous maps, it is also true that it is not possible to determine the reason why the workers resorted to the JLCAs to sue the employers. This is a fact that does not offer much for analysis but rather indicates in which

CONCLUSION

This paper expresses several things to highlight as such. One of them is how the effect of neoliberal policies reflected in the areas of labor. That is, neoliberal policies in Mexico had a profound effect on many aspects of the country's economic life, and one of them is undoubtedly labor. The maps presented in this work show how one of the main objectives of the federal and state executive rulers was that the country's labor markets would have another type of condition: low wages that mainly favored the economic growth and industrial development of the country, although it was not reflected in economic and social growth. The objective of neoliberalism, in relation to labor in Mexico, was that the price of labor should contribute to industrial development. The idea was that, gradually, the price of labor would decrease in order to allow capital to obtain higher profit rates. The mechanisms were quite clear: wages were to increase little in relation to inflation through the monetary controls of the secretaries of the economy. To this fact was added the fact that the working class had to continue its process of worker controls by the union corporatism: to contain and dominate the class, but now in a more emphasized way. Given that the country was opening up to new forms of development and international industrial competition, the forms of worker restraint had to be carried out, not only at the company level, but also in other spaces. At this moment, union corporatism and State corporatism began an extensive process of a practice that had been taking place discreetly in the country's labor regulation institutions, the JLCAs and

the JFCA. In this case, the use of so-called collective protection contracts became widespread in the country. This highly efficient worker restraint mechanism demanded that labor regulatory institutions act corruptly to the detriment of workers. Authorities and prominent figures from the labor movement, including the secretaries of labor, the JLCA and JFCA's entire apparatus, as well as the secretaries of economy and local secretariats for economic development, were devoted to containing any workers' manifestation, from the individual to the collective. This was a form of workers' containment that became a social phenomenon: the labor peace necessary in the companies to develop competitiveness. NUMBER 11

In short, it was a new form of union and state corporatism that translated into structural workers' domination. The term workers' domination is mentioned because unions in the companies were slowly disappearing, which inevitably led to the appearance of a greater number of individual workers' conflicts in the JLCAs and the JFCAs to which a legal response had to be given. In this case, the Mexican labor regulatory institutions, by orders of the federal and state executive powers, were dedicated to provide a legal response to each lawsuit of workers' conflict without affecting the legitimacy of such organizations. The final objective was that the entire state apparatus related to the world of labor should contain workers' conflicts and contribute to the domination of the working class throughout the country. By reviewing each of the maps of the Mexican Republic, from its historical form to its thematic expression (analysis by activity and by the reasons for the conflicts), concerning how the legal figure of out-of-court labor agreements was used in individual conflicts in the JLCAs, it was possible to detect how this individual labor manifestation in the country had an adequate solution for the employers. It was also possible to find in which states of the Mexican Republic a highly efficient labor domination action was carried out, especially those with the lowest number of individual labor conflicts. This implied two things, thematically speaking, as a consequence of the neoliberal policies in Mexico (and of the group of states that adhered to this national policy). The first one is focused on industrial relations. It is in this dimension where labor contention, which in turn translated into a structural factor of comparative advantage among nations, granted the national territory the status of a *labor paradise*. This because FDI found that Mexico had solved one of the limitations of productive activity: labor conflicts in the factories, but resolved in the institutions of labor regulation. International capital found that in Mexico there were ideal conditions for productive activity since any managerial strategy could be performed at will without any repercussions for the workers. And, if we add to this the fact that there are low competitive wages throughout the country, Mexico was the perfect place to reproduce capital efficiently. The second one is related to public policies of the states that constitute the national territory.

That is, for the so-called collective protection contracts to exist, the state executive power needed to implement public policies aimed at institutionally controlling workers. This caused rulers throughout the national territory to avoid the diverse manifestation of workers' conflicts (individual and collective) and/or, if necessary, to contain them. This type of public policy was what its high-level public officials called *labor peace* in the entity that consists of the total articulation of the entire State apparatus to prevent workers' conflicts from taking place. Thus, the author of this paper called it a public policy of worker restraint. If we observe the implementation of both dimensions as part of the restraint and domination of workers, we can see that the dimensions reinforce each other because the out-of-court labor agreement is only one of the mechanisms used by the authorities representing the institutions of labor regulation in Mexico to contain and dominate the working class. This mechanism involves the action of a public policy of restraint of workers that results in conditions of dominance; at the same time, this creates a worker containment structure that acts as a perfect industrial location for foreign direct investment, as part of a particular industrial relations style. Thus, both dimensions complement neoliberal economic policy at the local level, which demands the opening of markets and competitiveness for the generation and efficient reproduction of capital.

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