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The Violence of Stability
An Investigation of the Subjectivity of Labour in Argentina

by

Ana Cecilia Dinerstein

**A thesis submitted in partial fulfilment of the requirements for the
Degree of Doctor of Philosophy in Sociology**

University of Warwick, Department of Sociology

June 2001



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Acknowledgements

This thesis is the product of five-years of intense work. During these years, I have received the personal and academic support from many people. First, I would like to acknowledge the invaluable guidance of my supervisor, Professor Simon Clarke, who gave me the direction throughout this research and a framework of freedom within which to do it. Years ago Simon Clarke's writing on the state made a dramatic impact on my thinking. Yet, far from being a barrier to my own development, his intellectual authority only helped to facilitate it further. Simon respected my moments of theoretical confusion and over-excitement, and had the understanding and capacity to lead me on my own way through, and even allow me to move beyond, certain stumbling blocks.

I would also like to thank my colleagues in the Department of Sociology, University of Warwick, for their support. The bulk of my thesis was written while I was teaching and working at Warwick from 1998 as a temporary Lecturer. Although having a job and writing my thesis at the same time was hard, it enriched my life in many ways.

I want to express my gratitude to Greg Schwartz, who in the last year of the research provided me with his love and generous support. To Osvaldo Battistini and Mike Neary for their unconditional friendship and intellectual generosity. My sister Marta, her husband Carlos, my nephew Federico and my mother Nelly. My friends Silvana Campanini, Leonardo Mautino, Sonia Cirigliano, Mabel Bellucci, Silvia Nuñez, Vanessa Reilly, Laura Tedesco, Hernán Thomas, Marina Vallazza, Alejandra Irigoin, Lisa Lucas, Sarah Ashwin deserve a special thanks too. Their invaluable friendship was particularly crucial during the saddest moments of my life, when I lost my father in 1997, my dearest aunt Elsa in 1999 and a baby in 2000, when I was here in Britain writing this thesis.

For their generous help in providing me with needed materials and insightful ideas I am grateful to my colleagues from the University of Buenos Aires, the editorial board of *Doxa*, Atilio Borón, Silvio Feldman, research fellows from the CEIL and PIETTE CONICET, Ariel Basteiro from APA-CTA, Cora Rojo from the CTA, the interviewees in Argentina, Fernando Acosta and Rubén Ruiz. For helping me to obtain some of the photographs included in this thesis I would like to thank Guido Starosta, the photographic archive of *Página/12*, Rolando Andrade and *El Tribuno de Salta* (digital edition).

I am also grateful to Dr Yang Cui Ling from the Chinese Centre in Coventry who, with her magic herbal tea, kept me going calm and happy enough to finish the thesis. Dr Anne Mason in Leamington Spa for her professional support and her intelligence in helping me to understand the experience of living in another place, and to provide the link between the subjective aspects of the thesis and the political aspects of my own subjectivity.

For providing the financial support for my doctoral studies through these years I thank the Committee of Vice-chancellors and Principals of the Universities of the United Kingdom, the University of Warwick and the Ministry of Culture and Education in Argentina.

Declaration

I hereby declare the work presented in this thesis to be my own (unless otherwise acknowledged in the text) and none of the work has been submitted for any academic degree or award. All sources of quoted information have been acknowledged by mean of reference.

Ana Cecilia Dinerstein
June 2001

Abstract

This thesis offers an investigation of the transformation of the subjectivity of labour in Argentina. The global capitalist crisis of the 1970s produced a unique recomposition of capitalist social relations worldwide. For the first time capital asserted itself as a global social imagery in which it was seen as free and detached from labour. This ‘disconnection’ between capital and labour is deeply disempowering, for it denies the source of social transformation (labour) in favour of the reification of an abstraction (capital). In Argentina this was manifested during the 1990s through the exaltation of ‘Stability’ as the solution to Argentina’s chronic political and economic crisis, as well as the belief in the defeat of labour altogether. Although stability was considered the main achievement of President Menem’s period in power (1989-1999), persistent social and labour conflict evoked a re-examination of widely shared assumptions regarding both the crisis of labour and the triumph of neo-liberalism in Argentina. Analyses of what Menemism meant in political, economic, social and legal terms are abundant. Yet, missing has been an adequate interrogation and questioning of the theoretical categories and methods used to grasp the new reality of labour. The thesis aims to contribute to an understanding of the current forms of resistance in Argentina by means of a theoretical proposal and an historical and empirical analysis. The thesis is divided into three parts and a theoretical introduction. Chapter one considers Marx’s writing and recent developments in Marxist theory of the state, value, money and subjectivity. The chapter discusses the significance of Marx’s method of determinate abstraction for an understanding of the subjectivity of labour in capitalist social relations. Going beyond the formulation that the state, money and the law are real illusions which mediate the capital relation (Clarke, 1991, Holloway and Picciotto 1977), I offer the notion of subjectivity of labour as a *determinate abstraction*, i.e. as a transient and contradictory form of being which emerges vis-à-vis a particular- and contradictory-articulation of the subjective aspects (identity, organisations and resistance) and the social forms (political, economic and social) which mediate labour as a social activity. Subjectivity is a ‘site of conjunction’ which articulates the concrete and abstract aspects of labour within the subject. This theoretical framework constitutes the analytical and methodological bases for my research. Part I explores five historical *forms* of subjectivity which emerged as dramatic expressions of the social relation of capital: the Anarchist (1920s), the Peronist (1940s), the Anti-imperialist (1960s), the Revolutionary (1970s) and the Democratic (1980s). The historical journey aims to show how labour made history by taking dramatic forms which encapsulated crisis, deconstruction and renewed integration into another form. The three chapters which comprise Part II offer a detailed analysis of the transformation of the subjectivity of labour in the 1990s, by looking at the recomposition of the state, labour reform and stabilisation policies, and employment and social policy. Although stabilisation policies led to the halt of hyperinflation, they became the lynchpin for the deep social, economic and political recomposition of social relations, leading to the decentralisation of labour, the reorganisation of trade union activity into business and opposition unionism, the expansion of social conflict, the casualisation and flexibilisation of labour, social insecurity, unemployment and poverty. The notion of subjectivity as determinate abstraction allows us to understand the paradoxical disjunction between the policies presented as the source of stability and the unstable, insecure and unhappy forms of private and social life. Moving beyond the debate of ‘stability vs. instability’, this paradox is explored through a detailed study of one of the main forms of social protest in 1990s Argentina: the roadblocks organised by casual and state workers, the unemployed and the so-called marginal social layers. As a determinate abstraction, the roadblock appears as an embodiment of the subjective, political, economic and social transformation within stability. Thus, roadblocks do not destabilise stability, as some scholars suggest, but rather stability destabilises human lives, since, as a form of class antagonism, it legalises, legitimises and celebrates uncertainty – the end of labour as the source of power in society and the end of politics. The *roadblock* stands against the violence of stability which causes labour to virtually disappear through poverty and unemployment.

Abbreviations

AA: Aerolíneas Argentinas.

AAA: Asociación Anticomunista Argentina (Anti-Communist Argentine Association).

ADEBA: Asociación de Bancos Argentinos (Argentinian Banks Association)

ADEP: Asociación de Empleados Públicos (Union for Public Servants, Jujuy).

AFJP: Administradoras de Fondos de Jubilaciones y Pensiones (Private Administration of Pensions Funds).

AM: Acuerdo Marco para el Empleo, la Productividad y la Equidad Social (Framework Agreement for Employment, Productivity and Social Equity).

ANSAL: Administración Nacional de la Salud (National Administration of Health).

AOT: Asociación de Obreros Textiles (Labour Union for Textile Workers).

APA: Asociación Personal Aeronáutico (Workers on the Ground Union).

APYME: Asamblea de la Pequeña y Mediana Industria (Assembly of Small and Medium Size Enterprise).

ATE: Asociación de Trabajadores del Estado (State Workers' Union).

ATSA: Asociación de Trabajadores de la Salud (Union for Health Workers).

CAC: Cámara Argentina de Comercio (Argentine Commerce Chamber).

CACIP: Confederación Argentina del Comercio, Industria y la Producción (Argentine Confederation of Commerce, Industry and Production).

CBSP: Comisión Bicameral para el Seguimiento de las Privatizaciones (Bicameral Commission for Controlling Privatisation).

CCC: Corriente Combativa Classista (Classist Combative Current).

CCT: Convenio Colectivo de Trabajo (Collective Agreement).

CEDEMS: Central de Trabajadores de la Educación Media y Superior (Union for Higher and Secondary Education Teachers, Jujuy).

CEOM: Central de Empleados y Obreros Municipales (Town Hall Workers, Jujuy).

CGE: Confederación General de la Empresa (General Confederation of Enterprise).

- CGEC: Central de Empleados de Comercio (General Unions of Commerce Employees).
- CGT: Confederación General del Trabajo (General Confederation of Workers).
- CGTA: Confederación General de los Trabajadores Argentinos (General Confederation of Argentine Workers).
- COA: Confederación Obrera Argentina (Labour Argentine Confederation).
- CONADEP: Comisión Nacional por la Desaparición de Personas (Argentina's National Commission on Missing People).
- CNT: Comisión Nacional de Trabajo (National Labour Commission).
- CORA: Confederación Obrera Regional Argentina (Labour Regional Confederation).
- CSE: Conference of Socialist Economists.
- CTA: Central de los Trabajadores Argentinos (Argentinean Workers Central).
- CTERA: Central de Trabajadores de la Educación de la República Argentina (Teachers Union Central)
- DNT: Dirección Nacional de Trabajo (National Department of Labour).
- EPdH: Encuesta Permanente de Hogares (Periodic Household Census).
- FAA: Federación Agraria Argentina (Agrarian Federation).
- FAR Fuerzas Armadas Revolucionarias (Revolutionary Armed Forces)
- FATLyF: Federación de Trabajadores de Luz y Fuerza (Union Federation of light and power workers).
- FATSA: Federación Trabajadores Sanidad (Federation of Health Workers).
- FGE: Frente de Gremios Estatales (State Workers Front).
- FMOEP: Free Market Open Economy Policies.
- FOETRA: Federación de Trabajadores Telefónicos de la República Argentina (Federation of Telephone Workers).
- FONAVI: Fondos Nacionales para la Vivienda (National Fund for Housing).
- FORA: Federación Obrera de la República Argentina (Argentine Labour Federation).
- FREJULI: Frente Justicialista de Liberación (Justicialista Front for Liberation).

FUA: Federación Universitaria Argentina (University Federation).

GDP: Growth Domestic Product.

GOU: Grupo de Oficiales Unidos (Group of United Officials).

IMF: International Monetary Fund.

ILO: International Labour Organisation.

INDEC: Instituto Nacional de Estadísticas y Censos (National Institute of Statistics and Census).

JP: Juventud Peronista (Peronist Youth).

LCT: Ley de Contrato de Trabajo (Labour Contract Law).

LF : La Fraternidad.

LyF Sindicato de Luz y Fuerza (light and power union).

LPA: Law of Professional Associations (Professional Association Act).

MERCOSUR: Mercado Común del Sur (South Common Market).

MOSP: Ministerio de Obras y Servicios Públicos (Minister of Public Works and Services).

MTA: Movimiento de Trabajadores Argentinos (Argentinean Workers Movement).

MTSS: Ministerio de Trabajo y Seguridad Social (Ministry of Labour and Social Security).

NL: Nueva Izquierda (New Left).

NLE: Nueva Ley de Empleo (New Employment Act).

NUDS: Need and Urgency Decrees (Decretos de Necesidad y Urgencia)

OS: Obras Sociales (Unions' Managed Health System Unit).

PAMI: Obra Social para los Jubilados (Pensioners' Health System).

PCA: Partido Comunista Argentino (Argentine Communist Party).

PL: Partido Laborista (Labour Party).

PPP: Programa de Propiedad Participada (Share Property Programme).

PSA: Partido Socialista (Argentine Socialist Party).

PYMES: Pequeña y Mediana Industria (Small and Medium Size Enterprise).

SEyCL: Secretaría de Empleo y Capacitación Laboral (Department of Employment and Training)

SIPD: Sistema Integral de Prestaciones por Desempleo (Integral System of Job Seekers Allowance).

SMATA: Sindicato de Mecánicos del Transporte Automotor (Union of Automobile Mechanics).

SRA: Sociedad Rural Argentina (Rural Society).

STPS: Secretaría de Trabajo y Previsión Social (Labour Department of Work and Social Security).

SUPE: Sindicato Unico del Petróleo (Oil Workers Union).

SUSS Sistema Unico de Seguridad Social (Social Security System).

The 62: Las 62 Organizaciones Peronistas (the 62 Peronist Organisations)

UCR: Unión Cívica Radical (Radical Party).

UF: Unión Ferroviaria (Railway Workers Union).

UGT: Unión General del Trabajo.

UGTT: Unión General de Trabajadores del Transporte (General Union of Transport Workers).

UIA: Unión Industrial Argentina (Argentine Industrial Union).

UNTA: National Union of AA (Unión Nacional de Trabajadores de AA).

UOCRA: Unión Obrera de la Construcción (Labour Union for Construction Workers).

UOM: Unión Obrera metalúrgica (Metallurgic Labour Union).

UPCN: Unión Personal Civil de la Nación (Civil Servant Central Union).

UTA: Union Tranviaria Automotor (Automobile Workers Union).

WB: World Bank.

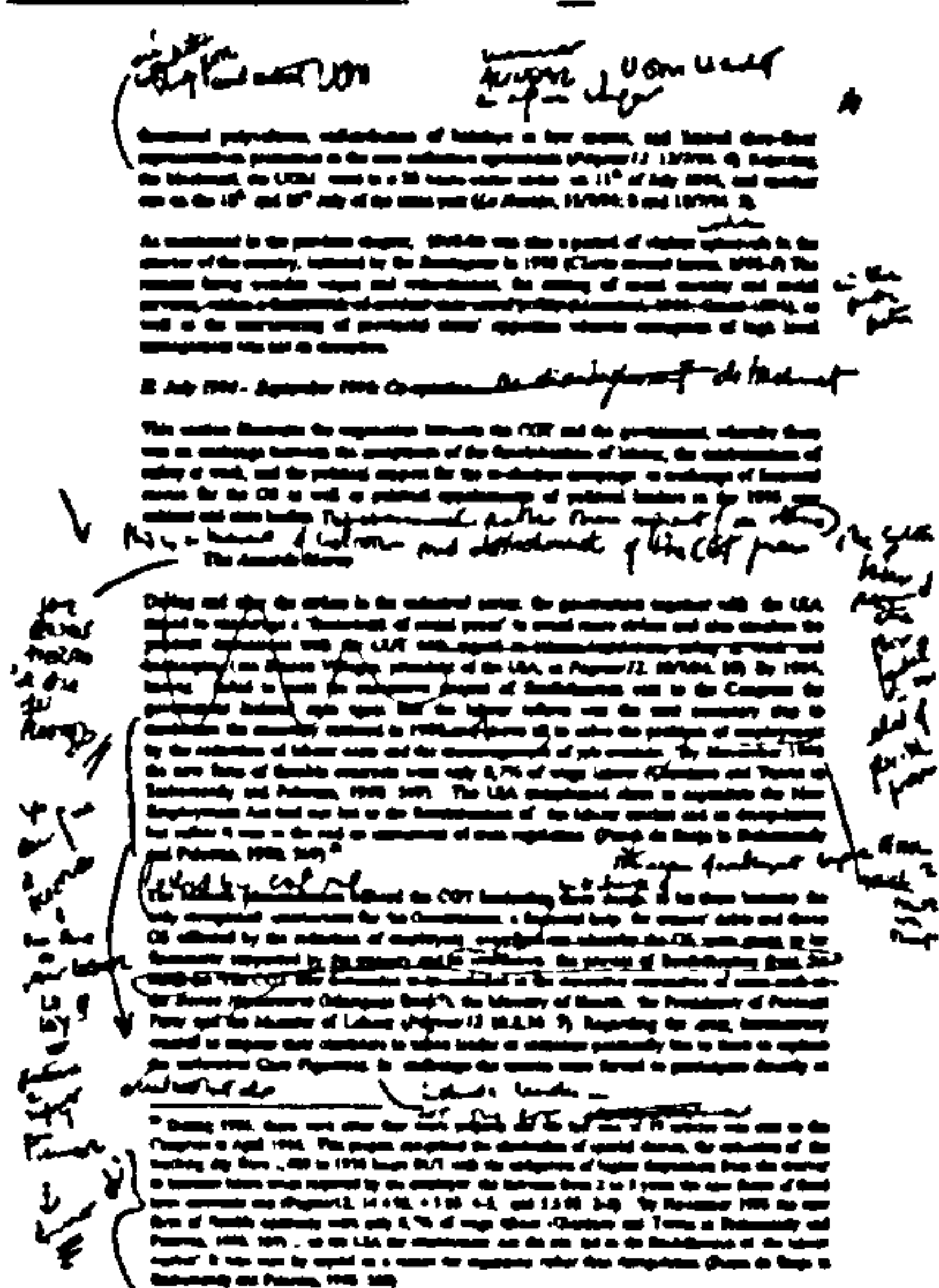
WC: Washington Consensus.

YPF : Yacimientos Petrolíferos Fiscales (Oil Company).

Introduction: *Painful Thoughts*

I started this investigation by creating three 'levels' of analysis which, I thought, could explain the transformation of the subjectivity of labour in the 1990s, since they were deeply transformed by the neo-liberal adjustment: the political institutional level (the state), the organisational level (trade unions) and the subjective level (identity). However, although the first two were theoretically and empirically tangible and accessible, the material available in these areas was rich and copious, the third 'level' was difficult to grasp and research.

After discarding liberal and post-structuralist conceptions of the individual, since they



do not account for inner connection between the subjective and the objective world (Dinerstein 1997) I revisited Marx's work, as well as exploring some recent critical theoretical attempts which posit class struggle, labour and human existence at the core of their analysis of capital and which constitute the bases of my own searching and my attempts to move beyond: capital relation theories of the state, Open

Marxism, Autonomism (see chapter one). This theoretical journey was, for me, revealing.

In previous years, I had made some progress in the study of the constitution of subjectivity and compared social action with dramatic action by looking at Stanislavsky's performance method of physical actions. In the method of the Russian

director, actors can constitute their 'subjectivity' (character) through physical actions. The method allows actors to become 'unities' capable of feeling their thoughts, as well as thinking their feeling in a process of inter-action within themselves and others (Dinerstein 1997; see Stanislavsky 1963). Although one, as an actress, must 'think' in advance about the main features of the character, its background, motivations and goals, partly made up and partly provided by the play, it is only through action that the character comes to life. In this method, the task of the actress is not to repeat the words of the play script, or to represent a premeditated plan or just follow the director's instructions. The creation of a 'character' requires that the actress *goes through* the conflicts and contradictions brought about by the plot. Since theatre is not epic but dramatic a play consists, as Ionesco highlighted, 'of a series of states of consciousness, or situations which become intensified, grow more and more dense, then get entangled, either to be disentangled again or to end in unbearable inextricability' (Ionesco quoted in Esslin, 1991: 190). I discovered, with the help of my drama teachers, that Stanislavsky's method was dynamic, dialectical, critical and materialistic (see Serrano 1981). Therefore, an example of how actors constitute their subjectivity with a materialistic and dialectic method of performing on the stage would help me to see the articulation of these three levels of interaction into a form: the character, achieved as the unity (synthesis) of multiple processes of contradictions.

This intellectual exercise turned out to be revealing. For the purpose of subjectivity, the similarity between dramatic and social action lay in the vivid experience of the conflict and the physicality and materiality of the action and interaction. Through the method of physical actions actors do suffer on the stage rather than pretending to do

so. Dramatic action in theatre consists of at least three types of conflicts that actors are obliged to go through with the method of physical actions: conflicts within themselves, with the others and the whole situation. It was then possible to think that social action also comprised these kind of conflicts.

After doing my first visit to Jujuy (field work) I realised that the decision to take part in a collective action depends on three aspects: on one's own questions and answers, doubts and belief (socially created, but individually embodied); on the interaction with others, which includes agreement, confrontation, organisation, co-optation, struggle; and on the global 'political' or 'social' or 'economic' general situation, this being a more 'external' or a non tangible-manageable reality. My own experience and the initial interviews with workers in Argentina reinforced this idea. Yet, unlike in drama, where action develops in a illusionary setting, the social setting is required to locate the production of subjectivity within a social and historical totality: capital. I was convinced that Marxism needed to develop a notion of subjectivity in motion, as a materialist critique where action means de-alienation and subjectivity the unity of a multiplicity of conflicts and processes.

At this point, I put my proposal up side down. Instead of exploring the initial three 'levels' (political, organisation and subjective) in order to understand subjectivity, I decided to focus on subjectivity, the latter being conceived as the embodiment of these 'levels'. This shift in the method and, thus, in the structure of the thesis did not mean that I was going to abandon the study of the state or trade unions or identity in favour of an investigation of 'subjects'. Rather, the very analysis of the form of the

state, capital accumulation and money, trade unions, labour conflict, resistance was directed now to understand the production and transformation of subjectivity.

By correcting myself, I argued that subjectivity was the crystallisation of social processes, the producer and the product of social relations. It would not any longer be one aspect among others but the spirit of the capitalist relation. Most importantly, subjectivity as a 'site of conjunction' dissolved the need for any link of level. Whereas in the former proposal power was located in abstractions like 'identity', organisations, the state or money, i.e. social forms which mediate capital as a social relation, in the latter power was located within the subject, although its potential for development depended now on the forms taken by the state, identity, organisation or money within the struggle over subjectivity, and which articulate within the subject in a determinate historical period. If subjectivity was the embodiment of social relation constituted through class struggle, then class struggle could not be other than a struggle over subjectivity. This meant a struggle over the power of labour.

In a nutshell, I wanted to show that the production of subjectivity was the heart of class struggle, and that there was an inner connection between the transformation of capital and the transformation of subjectivity. In order to de-code capitalist social relations (Holloway 1992), subjectivity turned out to be theoretically and empirically the best 'site' to grasp the transformation of labour. I needed now a critical and consistent (non-)category to develop these idea without violating the dynamic of constitution itself. Since I was 'writing in prose without knowing it' I realised that the notion of *form*, fully developed by capital relation theories of the state within the CSE in the late 1970s, allowed me to developed a framework for an understanding of, first,

the constitution and transformation of the subjective, political, economic and legal arrangements which mediate the struggle over subjectivity, and secondly, the production and transformation of subjectivity as the historical embodiment of these subjective and objective forms of the capital relation.

The elaboration of an empowering theory of subjectivity demands a critique of the category of labour by means of a deep exploration of the processes through which we constitute ourselves in and against capital. In this thesis I develop a theoretical framework to grasp the inner connection between capital and labour, most precisely, between the recomposition of the state and capital, and new forms of existence of labour.

The fascinating process of research-thinking-writing-living allowed me to understand myself as a product of my time too. The fact that I was working as a lecturer in the Department of Sociology at Warwick University while writing the thesis made my PhD the site of encounter of many ideas, discussions and intellectual activities that are impossible to reproduce here. Some of them were really significant: the seminars organised by the *Centre for Comparative Labour Studies* and the *Centre for Social Theory* (Warwick); the courses in Political Sociology, Work and Employment, Sociology of Industry and Labour, and Gender Class and Empire, which I taught during the four years; my visits as a lecturer to the Department of Sociology at the Universidad Autónoma de Barcelona through the Socrates Erasmus programme of teaching exchange. Finally, the organisation of the International Conference *The Labour Debate* convened by Mike Neary and myself, the product of which is a forthcoming book. All this contributed to an endless process of theoretical discovery.

The thesis also reflects my own everyday struggle, as well as some significant moments during these years. The thesis and I established a secret reciprocal commitment: whilst it served me to confront my past and understand my own history from the distance, and thus explore my present condition, I offered it my whole energy to transform it into something else: an act of historical reparation. Each chapter contains (implicitly or explicitly) a bit of my own history. My Italian and Russian roots and my own experience of 'immigration'; my father's anti-Peronism; my nostalgia for not being there before my own time to be a Peronist, anti-imperialist and probably *Montonera*; my fear and anger as a teenager during the 1976-1982 dictatorship; my drawing and drama studies as a way of confronting the mediocrity of terrorism; my nightmares and my political participation under democracy; my struggle as a trade unionist against Menemism. I recovered the powerful feeling of collective action against the marketisation of the University of Buenos Aires, the privatisation of Entel (state telephone company) and of Gas del Estado (state gas company) during the 1980s and the 1990.

Sometimes, the thesis and I engaged in a curiously symbiotic relationship. While I was doing historical research, I went through the experience of exile and danger, and revisited the feeling of being alive 'just by chance'. I got literally lost several times, as well as lost personal things as if I was not at all in control. I searched and searched in circles, like the *Madres*, looking for the truth. While so doing, I lost my own baby.



I came to engage
in my own
struggle for
recognition against
unemployment
while writing the
case study on the
roadblocks – when

my fixed-term contract job at Warwick was coming to an end I too experienced the possibility of ‘virtual disappearance’, yet without having the possibility of collective action.

The thesis also presents some elements of ‘art’. I aimed to grasp and recover the atmosphere, flavour, feelings and mood of each historical period addressed in the thesis. The use of films, most of them documentary, allowed me to recover the dynamic, animation – the *movement* that I was trying to capture. The photographs, literature, and my own drawings and collages allowed me to portray, visualise the real actors, listen to their words, learn about their thoughts, demonstrations, ideas. These elements of ‘art’ were not used simply to illustrate the thesis but rather they were inspired by my research and elaborated as an important part of it. I found an explanation of this in Fisher’s idea that art is necessary – it is an act of survival. As he highlighted, ‘art in the dawn of humanity had little to do with “beauty” and nothing at all to do with any aesthetic desire: it was a magic tool or weapon of the human collective in its struggle for survival’ (Fischer, 1978: 36). When I left my Architecture studies to move on to drama studies in the 1970s, I felt I was going to lose something

very important. I felt the same when, pushed by my own desire as well as the 'external' circumstances, I left drama to start some trade union activity and studying Politics at the University of Buenos Aires. Finally, when I left my political and union activism to come to Britain in order to keep studying, I felt once again that I was going to detach myself from my own world for good. However, this thesis allowed me to assemble all the aspects and dimensions (past and present) which constitute myself into the unity: that is I am a determinate abstraction.

Chapter one

Subjectivity: a Determinate Abstraction



When I started, some years ago, with my exploration into the hidden universe of capital through theatre, politics and Marxism my life changed altogether. Everything appeared to be connected to something else. All the splits that govern social life (particularly those between 'me' and 'myself' and 'me' and the 'world') were highlighted. I was aware that there was no point of return and that I must keep on moving alongside my object of enquiry. My investigation on subjectivity was an exploration within myself.

'Oh God! What could I do? I foamed -I raved- I swore! I swung the chair upon which I had been sitting, and grated it upon the boards, but the noise arose over all and continually increased. It grew louder -louder - louder! And still the men chatted pleasantly, and smiled. Was it possible they heard not?...' (Edgar Alan Poe, *The tell-tale heart*)

'Do I contradict myself? Very well then...I contradict myself I am large...I contain multitudes' (W. Whitman, *Song of myself*)

I

Menemism: Stability and Defeat

'As Gregor Samsa awoke one morning from uneasy dreams he found himself transformed in his bed into a gigantic insect' (Franz Kafka, *Metamorphosis*)

With the election of President Menem in May 1989, the popular concern about the possibility of not consolidating democracy which marked the last 59 years of Argentine politics, and particularly the Alfonsín period, came to an end. Menem was the second president elected after the democratic government was re-established in 1983, and his election symbolised the end of the threat of a new military putsch. Political stability had been reached. 'Democratic transition' being over, to produce a quick and deep 'economic' transformation and to achieve economic stability became an absolute priority.

The Menem administration incarnated global monetarism. In the 1970s, the global capitalist crisis liberated a potential for money flows. This resulted from the end of the illusion of the regulation of global money and thus the reduction of national and local barriers to all kinds of trade and investments in order to create an increasingly open world economy (Picciotto, 1997). The military regimes in the region created the conditions for financial speculation and for state subsidies and expenditure to become the means of making quick profits (Grassi *et al*, 1994). During the second part of the 1970s, the flow of capital offered as international loans fostered an enormous external debt in most Latin American countries which reached a critical point in 1982 (see Feletti and Lozano C 1997b). Soon after the majority of these 'transitional' governments took office, the fiction of the end of economic crisis associated with dictatorial regimes vanished. The crisis of the external debt conditioned democratisation processes since new administrations were trapped between the explosion of repressed demands and protests against the deepening of the economic crisis and the violation of human rights during the dictatorship, and the government of the United States, banks and the IMF pressure to achieve stability and service the debt.

The 1990s marked another turning point in the political economy of Latin American countries (see Gwynne R and Kay C 1999; Gwynne R 1999). Stabilisation policies in the region were inspired by the Washington Consensus (WC), i.e. 'the consensus produced between IMF, WB and US executive branch, the inter-American Development Bank, those members of the US Congress interested in Latin American politics and the think tanks concerned with economic policy' (Williamson in Tedesco 1999: 83, Fanelli *et al* 1994). The implementation of the 1980s package of policies

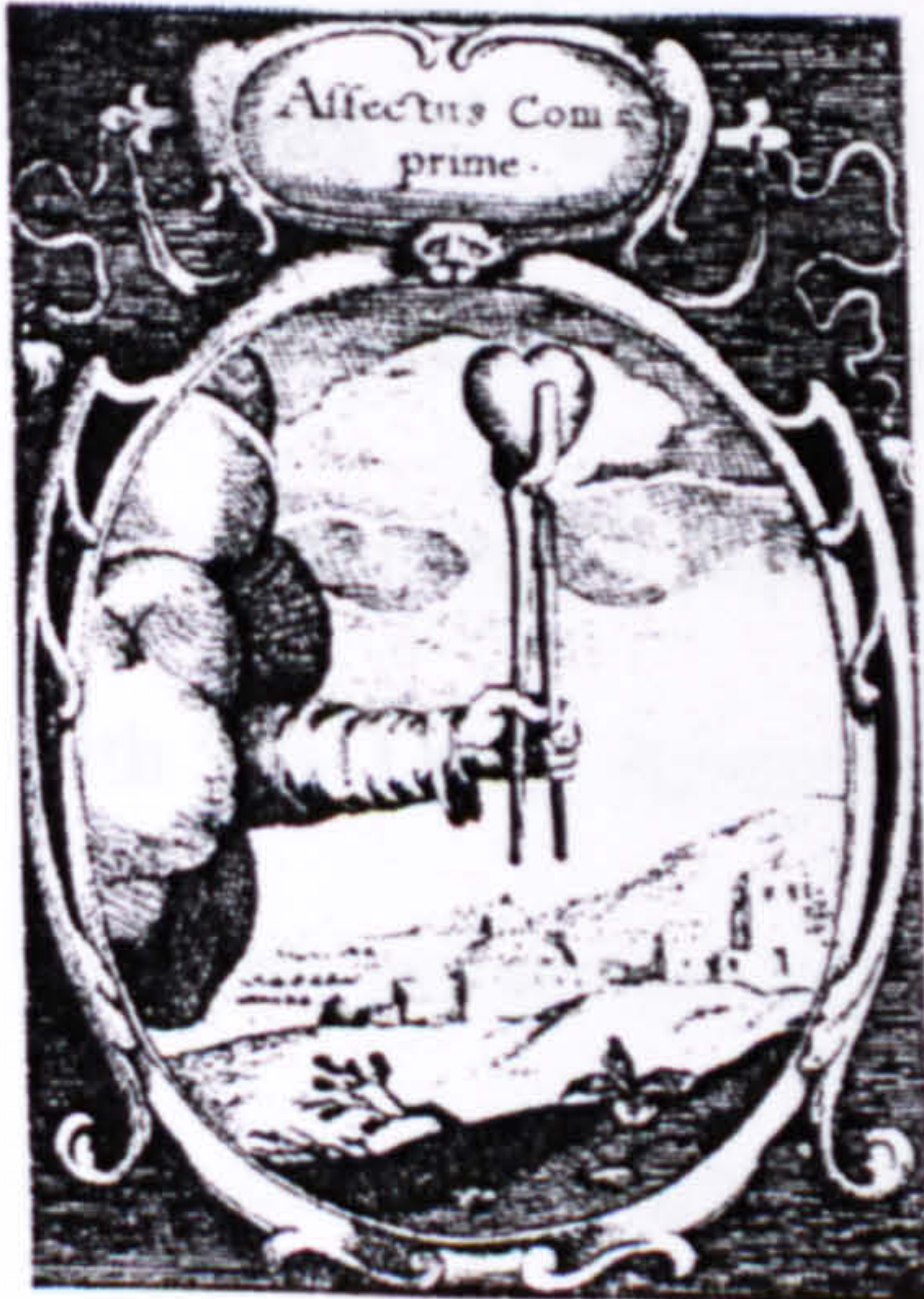
called free market open economy policies (FMOEP) (Richards, 1997 c.f. Hojman, 1994)¹ was deepened in the 1990s throughout the region, under the invigilation of the IMF and with little consideration of the differences among the countries (Tedesco 1999). Other international agencies --such as the United Nations Development Programme -- ‘performed as ideological factories to inspire local and national programmes to compensate the social costs of the economic policies of structural adjustment’ (Grassi *et al*, 1994: 23).

According to the WC, the economic crisis in the region was ‘(a) a product of “statism”, or hypertrophy of the state apparatus and functions with the resulting bureaucratisation, excessive regulations, fiscal deficit, protectionism, expansion of inefficient public companies, all aspects suffocating the dynamic forces of the market; (b) “economic populism”, built by the infirmity of the governments who tolerated pressures for wage increases in the public as well as the private sector, this pressure leading to deficit and inflation’ (Borón, 1993: 62-63). The WC required ‘fiscal discipline and the reduction of some public expenditures such as subsidies, tax reform, market-determined interest rates, competitive exchange rates, import liberalisation, promotion of foreign direct investment, privatisation, deregulation and the new laws of property rights’ (Tedesco 1999: 83; Gamarra 1994), but also the expansion of an efficient private sector, and state policies to reduce poverty (Fanelli and Rozenwurcel in Frenkel *et al* 1992: 28). Whilst some argued with the WC that the structural reforms implemented in the 1990s were to set Argentina on the path to

¹ According to Hojman the popularity of the FMOEP in Latin America is explained by six major factors: ‘(i) lessons learnt from the debt crisis and its immediate aftermath, (ii) more highly qualified technocrats, (iii) development of an entrepreneurial middle class, (iv) exhaustion of import substituting industrialisation, (v) a combination of tax reform, financial modernisation and export diversification, and (vi) a favourable public opinion’ (1994: 191). Richards (1997) has discussed Hojman’s

sustained growth (Pou, 2000) others questioned the link between stability and growth since the form of stabilisation promoted by the WC restricted rather than promoted economic growth (Tedesco 1999: 84; Philip 1998; Corrales 1999; Frenkel *et al* 1992: 28).

In Argentina, stabilisation programmes were particularly welcomed by capitalists and the political class after a period of intense struggle to control money and stabilise the economy that marked the democratic transition, but also most Argentines initially accepted the programmes to defeat inflation. The crisis of hyperinflation of July 1989, considered by many as a 'market coup d'état' (Canitrot 1994: 86, also Martinez O.



1991), had led to social and economic chaos, namely, looting, police repression, middle class discontent, financial speculation and the pressure from international bodies and banks. Alfonsín's advisers 'warned that the collapse of the economy could actually lead to a social explosion' (*Latin American Weekly Report*, 1.6.89).

Hyperinflation had dramatically resulted in a tremendous increase in both monetary speculation and poverty. Alfonsín's administration ended up with the resignation of the President before completing his term of office, forced by new military uprisings, the unrest of unions and the international creditors allied with the Peronist Party.

The 'Great Transformation'

The two most important 'achievements' of the Menemist administration that allowed its characterisation as a break with the past, were the consummation of economic

interpretation of the FMOEP by addressing the fundamental forms of class antagonism that they

stability and the deconstruction of the power of the Peronist trade unions. Despite having been elected as a Peronist presidential candidate, Menem glamorised the advantages of monetarism and the market economy over 'economic populism' (Borón 1993) and aimed 'to provide assurance to the United States government and banks of [his] deep commitment to neo-liberal reform' (Richards, 1995: 60) as soon as he took office. Menem's political rhetoric made clear the need to privatise, deregulate, decentralise, liberate and stabilise the economy in order to achieve 'free trade, growth, efficiency, and prosperity' (Robinson and Harris 2000: 41) and to overcome the political and economic frustration of the previous years.

Advocates of neo-liberalism portray Menem as the *Machiavelli* of the 1990s, as 'the *best interpreter* of the world changes in the 1990s that Argentina could have had' (*Trespuntos* no 3, Buenos Aires, 14.10.99: 30). Others argued that Menem, together with his Latin American colleagues, was 'part of a more generic phenomenon: political subservience, insofar as he served the transnational corporations and obtained, like Fujimori in Perú and Cardoso in Brasil, external support for their authoritarian office' (Petras, 2000: 13-14).

Four main laws were passed during the first three years of the Menem administration to produced a deep transformation: the law of Economic Emergency, the law of Reform of the State, the Employment law, and the Convertibility law. This legal framework aimed at the liberalisation and deregulation of financial and labour markets, the flexibilisation of labour, tax reform, the suspension of state subsidies to capital, the restructuring of the central and provincial state apparatuses (by reducing

implied as well as pointing at the struggles emerging to contest these unpopular measures.

'over-staffing' and eliminating 'unprofitable sectors', see Oszlak 1990), the privatisation of all state-owned enterprises, the decentralisation of the education system and the deregulation and marketisation of health, social security and safety at work. In order to neutralise parliamentary and labour opposition, many of the government's policies were imposed by means of necessity and urgency decrees (NUDs). This, 'emergency legislation' gave President Menem 'sweeping powers' (Adelman, 1994: 82).

The taming of hyperinflation was considered an economic 'miracle. In April 1991, Chancellor Cavallo's Convertibility plan - the corset of stabilising policies (Bustos 1993: 152), agreed with the IMF within a favourable international context, changed the rules of the game (Marshall, 1995). Although Menem's first trimester in office was relatively stable, hyperinflation arose again and persisted. After the 'B.B. Plan' launched by the first appointed Economics minister Rapanelli from the Bunge & Born capitalist group, and those plans launched by the second appointed Economics minister Erman González (see Lozano and Feletti 1991), hyperinflation was defeated, as explained, by a new plan (Convertibility) launched by the new economics minister Cavallo in 1991.

The Law of Convertibility implied the devaluation of the national currency and the pegging of the Argentine peso to the US dollar at a rate of 1 to 1. By so doing, the plan was expected to control money supply at the national level, to encourage international investments and the restructuring and technological modernisation of the most efficient productive sectors of the national economy, towards an increase in productivity and international competitiveness (Bustos 1993: 153). During the first

three years of the plan Argentina also accomplished high rates of economic growth sustained by foreign capital investments (Bustos 1995b). As a result, stability created the illusion that money was under political control. The reasons to suggest that stability was the 'miraculous' achievement of Menem(ism) lay in the historical, political and economic instability characteristic of Argentina. Instability has been the most significant Argentine concern for the last 50 years. Whilst economic instability has often been presented as the barrier to the development of a sound political system, political instability, i.e. the swinging movement dictatorship-democracy, was always seen as the barrier to the implementation of long term economic strategies. The 1989 crisis of hyperinflation had devastating effects, particularly on working class wages and living standards. Once hyperinflation was defeated, the notion of stability progressively replaced that of *crisis* and became something else than the stifling of hyperinflation. Stability became an end in itself which has to be maintained under any circumstances for it is believed, as the WC suggested, to constitute the basis for growth and national prosperity. As a result, *stability* became more than an economic strategy: it was asserted as a *social imagery* which contributed to the reorganisation of social relations in a way in which it was seen as the means of everyone's, and particularly workers', present improvement and the starting point for the amelioration of the future.

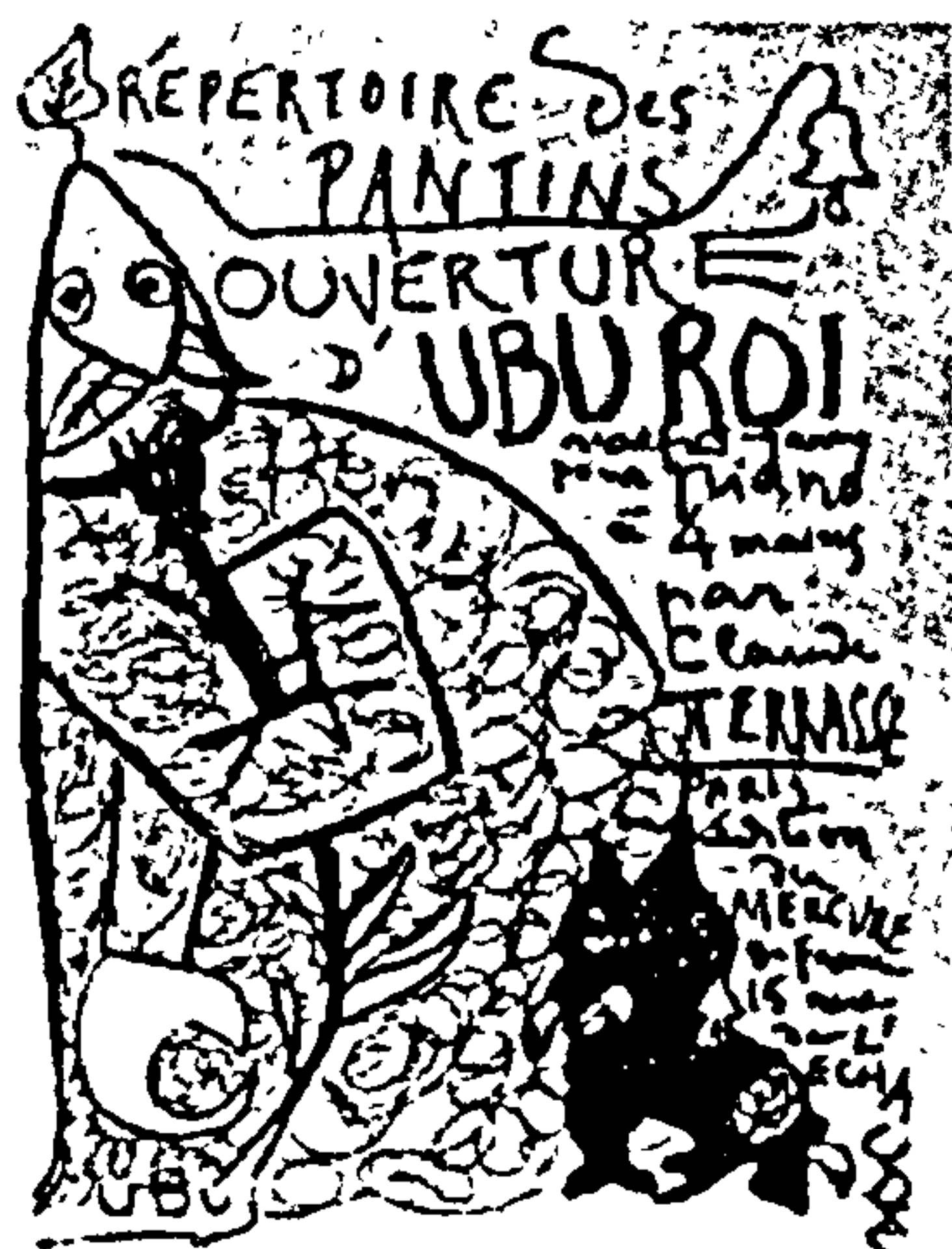
But at the same time, the Menem administration's policy-making was experienced as essentially anti-labour. Some argued that Menem changed 'everything done by Perón after the Second World War'.² That is, he abandoned the labour model of 1945 and combined the opportunities and restrictions given by the new international situation

² Former Economics Minister Domingo Cavallo quoted in Acuña 1994: 38.

(Caro Figueroa 1996). Others emphasised Menemism as a political strategy 'based on an aggressive effort to disarticulate collective actors in order to facilitate the implementation of radical neoliberal reforms' (Acuña, 1994: 13). Indeed, Menem's administration seemed to have reversed the most important achievements of the Peronist era, after WW2. Specially during the first term in office, the Menem administration's set of economic reforms are argued to have broken with the 'nationalist, statist, and populist import-substitution model that had prevailed, in one form or another, for most of the preceding half century' (McGuire, 1997: 216).

The assessment and meanings of this transformation vary. The 'funeral of populism' (Adelman 1994) could mean either the end of social justice or the end of post 1930s economic decline (Philip, 1998). The 'it's over' diagnoses can be interpreted as 'the end of the workerist -Peronist nightmare' or the irreversible crisis of the working class and its organisations altogether. In either case 'the future no longer is what it used to be' (Acuña 1994). Furthermore, some consider that the peculiarity of this Argentine Thatcherite revolution lay in the 'unexpected combination...of traditional populist appeals (successfully made), the determined application of free market policies and the successful re-election of the market-reforming populists' (Philip, 1998: 81). In other words, that the Peronist Party being the populist (workers') party par excellence, Menem's government was able to undertake the most extreme economic adjustment without producing unmanageable social conflict (although it couldn't eliminate opposition). According to this view, unlike in other moments of Argentine history or unlike other Latin American experiences, institutional democracy was not an obstacle to such a regressive and reactionary transformation (Borón 1993: 60; also Cotarelo 2000).

In the general elections of May 1989 the majority of trade union activists voted for Menem. They expected a renewed Populism which would bring back their political power. But Menem, one of the oldest caudillos of the Peronist Party and the governor of the northern province of La Rioja, was not *just* a Peronist candidate. He was curiously the best candidate both for those who wanted the reinvention of a social pact, and those who wanted to discipline the labour movement under the suggestion of the WC. The sought recognition of the working class and trade unions by the government did not happen. Menem came to power 'as a populist hope to both stabilise the economy and provide a renewed emphasis on social justice ... What workers actually received, however, was something quite different' (Richards, 1995: 60).



Menem's political transvestism produced confusion. His conversion to neo-liberalism was regarded as both an act of betrayal against the Peronist working class, and the political ability to articulate domestic and international pressure into policy-making. Soon after winning with 47% of the votes, the government engaged in a love affair with the extreme right of the Argentine political spectrum and the US. Menem 'converted' himself to 'neo-liberalism' and embraced global neo-liberal principles (see Robinson and Harris, 2000: 41). The government built up a wall between itself and those who opposed the neo-liberal measures. This posed major contradictions' within the Peronist Party and the unions. These contradictions, which underpinned the 'great transformation' led by Menem, expanded and multiplied during the 1990s.

The fact that it was a Peronist president who undertook a neo-liberal reform was argued to be the safety pin for the transformation to take place as well as the best form to condition resistance. It is argued that Menem's leadership and the close relationship with the trade union leaders through the Peronist Party performed as the foundations to revitalise the Peronist idea that 'the only truth was reality' and reality indicated the need for a major transformation and a drastic and quick solution according to the leader interpretation (see Margheritis, 1999).

President Menem was re-elected in 1995 for a second period by offering the slogan 'me (stability) or chaos(inflation)'. His re-election was considered by advocates of his neo-liberal agenda as a sign of support for stabilising policies as the only way out of the crisis. However, Menem's second period in office was characterised by increasing social and labour struggles throughout the country against economic adjustment, political corruption, and the dramatic rise of poverty and unemployment. The reforms implemented between 1991 and 1995, i.e. privatisation, flexibilisation, deregulation, stabilisation and decentralisation coupled with industrial restructuring and increasing unemployment were, rather than neutralised them, deeply transforming identity, organisation strategies and labour conflict.

Resistance

Challenging once again all the predictions of defeat, workers reinvented resistance in creative ways. In addition to nine general strikes and workplace struggles against flexibilisation and privatisation, 'roadblocks' organised by the unemployed, public sector workers and the local community demanding employment programmes, job

creation and capital investments as well as their participation in the decision-making process with regards to those matters became the most *visible* form of protest under Menem. Although for the period 1989-1995 industrial conflict decreased by 12.5%, there was over the same period an increase in regional and decentralised conflicts, that is geographic dispersion (Gómez *et al* 1996). During 1993 and 1994 spontaneous demonstrations organised by public sector workers against overdue wages, suspensions, wage reductions and redundancies, as well as cuts in welfare expenditure and corruption, erupted in the north and south of the country.

Unlike the struggle against the physical disappearance of the 1970s, the roadblocks articulated a demand against the *virtual* disappearance entailed in unemployment and poverty. Official statistics highlighted in 1995 that since the beginning of the convertibility plan, unemployment had doubled in two years and had risen from 6% in 1991 to 18.5% in that year, reaching around 2,400,000 people. But the main problem was not just unemployment but the combination of unemployment with underemployment, affecting around 7 out of 13 million workers. In July 2000, the rate of unemployment reached 15.4% and it is estimated to reach 17.1% in 2003 (Instituto Nacional de Estadísticas y Censos, INDEC, August 2000).

During 1996-1997 the roadblocks reached massive proportions to the extent that some of them, like Cutral-có's and Plaza Huincul's, were considered as 'popular upheavals' due to their extension, the exercise of direct democracy among demonstrators and the development of community solidarity (Iñigo Carreras and Cotarelo 1999). In those cases, the roadblocks led to the emergence of new organisations with negotiating capacity regarding the distribution and management of employment programmes, and

community concerns such as public works, the provision of essential services and credit for small and medium-scale business. In the following years, the roadblocks spread throughout the country.

The changes in labour conflict from predominantly centralised, institutionalised conflicts, run by trade unions and workers towards decentralised, non-institutionalised conflicts run by whole communities, social organisations and the unemployed, with the support of local trade unions, present a challenge for the central union confederations and locally-based trade unions. Divisions and rearrangements within 'one of the most powerful labour movements in the world' (Richards 1995) emerged within the Menemist transformation. Labour opposition was mainly organised by two national unions. The first being the *Movimiento de los Trabajadores Argentinos*, MTA, a split from the Peronist CGT led by transport unions, created in January 1994 by more than twenty unions gathered in the *Union General de Trabajadores del Transporte* (UGTT) to oppose the labour reform. The second being the *Central de Trabajadores Argentinos* CTA, created in 1992 as an attempt to recover combativeness against neo - liberal policies and create a broader opposition movement.

In October 1999, the centre-left Alianza won the general elections. The new government soon fell trapped between the persistent protests against stabilisation policies, and the international pressure to maintain stability in order to improve competitiveness. At the beginning of 2000, the de la Rúa administration and the IMF agreed to a deeper plan to maintain stability. The labour reform, the deregulation and marketisation of the trade union sponsored health system of Obras Sociales and a

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significant decrease in state workers' wages followed. Corruption among MPs to pass the labour reform bill led to the resignation of the vice president of the nation Carlos Alvarez, and several MPs. in October 2000. After that, a new wave of roadblocks reached massive proportions across nine regions.

The Problem

Persistent social conflict evoke a re-examination of widely shared assumptions regarding both the crisis of labour and the triumph of neo-liberalism in Argentina. The notion of the 'break with the past' outlived Menem's period in office and is renewed in the everyday political and academic difficulties of moving beyond it. What is missing is not, as I will show, analyses of what Menemism meant in political, economic, social and legal terms. Criticism 'from the side of labour' against Menem(ism) is also abundant. It will be reviewed throughout the thesis. My initial investigation showed that what was missing was an adequate interrogation and questioning of the categories and methods used to grasp those struggles, which at the moment have overwhelmed our intellectual capacity. During the 1990s, Menemism asserted itself as a mainstream thought that performed as a barrier to establish the necessary theoretical, political and historical links to interpret the present. This makes the fascinating research material available to become a limited narrative of the horrors of neo-liberalism.

The problem of assessing labour in the 1990s in Argentina is twofold. On the one hand, there is a theoretical and political 'naturalisation' of *Peronism* as synonymous with workers' identity, trade unionism and resistance in Argentina, as well as the

noun for a historical form of the state and capitalist development after WWII. In view of this, the crisis of Peronism would lead not only to the end of the populist state or the import-substitution model of development which characterised the period, but to the crisis of labour altogether. On the other hand, there is a 'reification' of globalisation and within it, of stability, this includes those who criticise it. There is an impossibility to criticise stability since stabilisation policies accomplished the much needed control of the uncontrollable, i.e. hyperinflation. As an untouchable achievement stability locates the populist state as the source of political and economic instability and popular demands as destabilising *stability*, since they make governability and the accomplishment of international financial compromises difficult.

The reification of globalisation and the need for stabilisation as inevitable processes and the belief in the defeat of the working class are not, of course, Argentinean inventions but symbolise a global trend. The current forms of valorisation of global capital i.e. volatilisation and mobility coupled with super exploitation of labour and the recomposition of the nation-state, reinforce the apparent relation of externality between the movement of capital and human control. This has been pictured as a 'growing inmateriality' wherein 'the abstract is more true than the concrete' (Negri 1992: 73); as a world that is 'to a greater degree than ever before, driven by anonymous forces, dominated by the movement of money...' (Clarke 2001: 14); a world in which the global financial system is 'eluding any control on the part of the states' (Harvey 1999).

Although the flight of capital has disciplinary faculties, for it must create the conditions for the further exploitation of labour (Bonet, 1998), the speed and agility of liquidification³ of capital imply a moment of *non materiality*. It seems that capital jumps into the future *without labour*.⁴ There is an increasing institutional recognition of money-capital as the new form of social discipline and decision-making process. Globalisation theory recognises the subordination of life to the urge of an abstraction. The theory's most 'depressing aspect' lies in that 'humans are being ignored' (Bonefeld and Psychopedis 2000: 4). Sociological attempts to put the subject back into the scenario are disappointing. They justify the inevitability of globalisation and by so doing, they not only do not provide an accurate account of the other side of globalisation, but reinforce the subjective experience of hopelessness vis-à-vis an unavoidable reality.⁵

³ In 1979, 'transactions in the international financial markets represented six times the value of world trade: by 1986 they represented about twenty-five times the value of world trade (and Walter 1993 quoted by Bonefeld and Holloway, 1996: 1).

⁴ The jump requires both a greater exploitation of the labour force, aiming at an increase in productivity to obtain a quick rate of return to compensate the risk for betting the future, and unemployment. The implications of this are first, the simultaneous instability and unpredictability produced by the separation between monetary and real accumulation (Holloway 2000) coupled with both the worsening of working conditions and greater exploitation of the labour force involved in the restructuring at stake and the expulsion of the labour force which is no longer required.

⁵ To illustrate this, Gorz has argued that 'it is no longer possible for workers to identify with "their" work or "their" function in the productive process. Everything now appears to take place outside themselves' (1982: 67; see also 1999a, 1999b). For Touraine, after the 1970s, the economic forces become autonomous and uncontrollable. He argued that the unifying principle of modernity is broken since there is a 'growing autonomy of the economic domain, as it becomes free from controlling and social institutions' (1998: 6). Since 'economic activity has overridden socio-political institutions that gave rise to the present situation of de-modernisation' the new principle of organisation has to be found in the individual itself. (1998: 23). Finally to Bauman (2000) the transformation of our time is the melting of barriers. The world has become unstable, as have our identities. The 'seductive lightness of being' lies in the 'volatility and unfixity of all or most identities'(2000: 83). He claims that 'the present-day "liquidified", "flowing", dispersed, scattered and deregulated version of modernity may not portend divorce and final break of communication, but it does augur the advent of light, free floating capitalism, marked by disengagement and loosening of ties linking capital and labour' (2000: 147, author's emphasis; see also 1999).

The aim

The purpose of this thesis is to investigate the processes of production and transformation of the subjectivity of labour in Argentina. The thesis offers a theoretical exploration as well as empirical investigation of the historical transformation of subjectivity of labour in Argentina, with particular emphasis on the period 1989-1999. My concern is as much academic (theoretical and empirical) as political. I aim to re-establish labour as a critical category and thus contribute to existing Marxist debates on the issue (see Dinerstein and Neary 2001). The 'rediscovery' of the centrality of labour is theoretically relevant in a moment in which labour is disappearing as a significant category from academic and political discourse. But this is also politically important since the renewal of resistance worldwide has not yet produced adequate ideas which could contribute to their full appreciation as well as to the deconstruction of the mainstream thought of defeat of labour and the end of politics. The thesis examines the category and reality of labour insofar as they have become a barrier to our understanding of the present forms of the politics of resistance in Argentina.

I will suggest that the subjectivity of labour is a *determinate abstraction*. That is, a historical form of existence of labour produced within the process of valorisation of capital. Subjectivity is a concept in reality which explains the historical production and transformation of specific articulations of *identity, organisations and forms of resistance* and the *social forms* which mediate social relations (e.g. state, money and the law). Subjectivity as a determinate abstraction allows us to capture the fundamental contradictions that capital of the human within capital. Namely it allows

an understanding of the struggle underpinning the production of social and labour identities and collective organisation and action, as well as the objectified forms of social relations such as the state, money and the law. In the light of this, subjectivity as a determinate abstraction might contribute to the construction of an empowering theory of praxis.

This theoretical exploration is developed by means of the analysis of the process of deconstruction and reconstruction of the forms of subjectivity during the 1990s as the *embodiment* of the neo-liberal restructuring process. The thesis demystifies Menemism as the 'unavoidable' response to world-wide globalisation and which led to the definite 'defeat' of the working class in Argentina. By looking at historical and current forms of labour, capital and the state I will show, on the one hand, that the crisis of the forms of labour prior to the 1990s does not indicate the end or the defeat of labour, but the *exhaustion of particular forms of it*. On the other hand, that globalisation and stability are the phenomenological expressions of the dependence of capital on the real subsumption of labour, even when subsumption appears in the form of redundancy, poverty and social exclusion.

Menemism will be understood as a new form of class antagonism (stability), based on the intensification of capital as the subject, the legalisation of uncertainty and the end of politics. Stability fostered unstable and uncertain forms of existence of labour (unemployment, flexible employment, poverty), as well as new forms of resistance against the violence of stability. Since the changes developed in Argentina are in tune with Latin American and global changes, theoretical developments on subjectivity and an accurate appreciation of the meaning of resistance in the 1990s in Argentina

can also serve a critical assessment of the new forms of struggle which are confronting globalisation at the present time.

The chapter is organised as follows. In section I look at some contemporary Marxist developments insofar as they constitute an effort to understand the dynamic relationship between capital and labour. In section II, I revisit Marx's notion of social *form* and his method of determinate abstraction, as well as those theoretical developments which recover the notion of form to put forward a materialist critique of the state. The section points at the limitations of these theorisations in serving to built up a theory of subjectivity. Special attention is paid to the significance of the intensification of the real subsumption of labour under capital and value as a social relation. In section III, I offer the notion of subjectivity as determinate abstraction and provide the theoretical and methodological proposal for the thesis. In section IV, I present the structure and the main arguments to be developed throughout the thesis, particularly the main hypothesis to understand the transformation of subjectivity during the 1990s.

II

Marx, Marxism and Subjectivity

In *Capital* (and *Grundrisse*), Marx examined the category of labour to uncover the fetishism of capitalist social relations, within which the metamorphosis of capital and its circuit (*Capital*, vol. 2) becomes a 'normal social process' through the constant repetition of exchanges (*Capital*, vol.1: 182). Although necessarily presupposed, the issue of alienation, central to the *Early Writings*, as well as in the CM was not *directly* addressed. But Marx never abandoned the exploration on labour by, as it has been

argued, shifting into an exploration of capital in his 'mature' works.⁶ Rather, he deepened the investigation of the social constitution of labour through the critique of the commodity form. Marx's theory of value is a labour theory of value (Elson 1979 b). To Marx, *Capital* is not an economic process but a total process that implies the metamorphosis of humans into value-creating creatures. As a result, 'class struggle ...is no less central for the Marx of *Capital* than it was for the Marx who had written the *Communist Manifesto* nearly twenty years earlier' (Holloway 1992: 150). Contemporary Marxists aim to de-codify it in a way in which labour as the subject can appear again as the core of the class struggle.

Work or Labour?

In the 1970s, some Marxists counter-posed the distinction between work and labour to argued against post-modern theorisations of the end of work. Antunes (1997) argues that whilst work creates use values and is realized as an expression of concrete labour, labour expresses the everyday execution of work, so becoming alienated labour (Heller in Antunes 1997: 67). Work transcends everyday life to become the essence of human activity. Labour is the fetishised form of work. To him, the distinction between work and labour only makes sense as being two dimensions of the same phenomenon. The failure to no consider this twofold dimension makes the crisis of unemployment, i.e. a crisis of abstract labour, to appear in the form of a crisis of labour altogether (Antunes 1997: 67). According to Antunes, the end of abstract labour would be the end of alienated labour, yet concrete labour is, according to this view, inherent to

⁶ The notion prevails that there are two Marx: the philosopher and the economist. But this notion ignores the unity of Marx's thought. As Bernstein says, 'it is ironic that so many Marxists scholars have failed to appreciate the dialectical character of Marx's own development' (Bernstein, 1971:56; on this also Clarke 1991d; Joas 1996)

human sociability: 'the sphere of concrete labour is the starting point towards a new society' (Antunes 1997: 71).⁷

Critics of this distinction argue instead that attempts to construct a theory of revolution by the categorical affirmation of labour is mistaken for labour cannot be a principle of emancipation because it is a capitalist category (Cleaver 2001). Labour is the organising principle that capitalists use to impose their command over society and therefore is not the basis on which to propose progressive social practices.

Self-Valorisation

Italian Autonomism and the theory of Class Composition reject labour as a principle of emancipation by highlighting the significance of capital valorisation as a political process of subordination. To Cleaver, 'the theory of valorisation ...is the theory of the way in which capital subordinates, transforms and utilises human productive activity for its own purposes: endless command over society' (1992: 116). Being concerned with the diversity of autonomous movements within the working class (see Cleaver, 1979, 1993; Holloway, 1995), Italian Autonomism enriched Marxist theory by working out the notions of capitalist society as a 'social factory' to consider those who are excluded from the process of production. They offer the notion of class composition to give an account of the 'desegregated picture of the structure of class power existing within the division of labour associated with a particular organisation

⁷ Hannah Arendt advocated the distinction against Marxist economism. Unlike labour, which implies in her view the production of transitory things, work creates a durable world insofar as it is able to unify action and thought in an activity that contributes to the construction of freedom, i.e. politics (Aronowitz and Difazio, 1998: 59). The intention underlying the distinction between labour and work is political: to Arendt work has not been subsumed into labour, i.e. human activity is not just related to the economic sphere. Humans do not form themselves through their labour. Arendt thought that by making that distinction she was privileging 'politics' over 'economics'. Together with Habermas, she believed that the 'repository of truly human action' was not labour, not even work but language (Aronowitz and Difazio, 1996: 334; see Morresi and Amadeo 1999).

of constant and variable capital' (Cleaver, 1992: 113). In the idea of the social factory (which included unwaged and unemployed) 'the "reserve army" was not really in reserve at all but actively put to work in the circulation and reproduction of capital' (Cleaver, 1992: 115).

The Autonomists offered the notion of labour's self-activity -- founded on the "inversion" of the class perspective as advocated by Tronti (see Bonefeld, 1994) to theorise resistance. Analysis was centred on class struggle rather than focusing on capitalist development. To Cleaver 'the concept of political recomposition theoretically articulates the central role of working class struggle at the heart of technological change' (Cleaver 1992: 114). In the light of Italian Autonomism, Negri offered the term 'working class self-valorisation' to theorise such a development of working class autonomy. Based on difference and plurality (Negri 1992; Ryan, 1982), self-valorisation 'designates the positive moments of working class autonomy - where the negative moments are made up of workers' resistance to capital domination. Alongside the power of refusal or the power to destroy capital determination, we find in the midst of working-class recomposition the power of creative affirmation, the power to constitute new practices (Cleaver, 1992: 129).

Inner Connection

The notion of self-valorisation brought about new problems. Following Holloway, 'Autonomist theory has been crucial in reasserting the nature of struggle'. But 'the real force of Marx's theory of struggle lies not in the reversal of the polarity between capital and labour, but in its dissolution' (Holloway 1995: 164). In this way, the

critique of Autonomism suggested that, in order to emphasise the significance of the liberation (self-valorisation) of the working class, it characterises capital and labour as two discrete things. Like Structuralism, its most important enemy, Autonomist approaches regard the externality imposed on labour and capital as two 'independent subjects'. The implication of this is that the working class is reaffirmed and naturalised rather than seen as socially constituted during the process of valorisation of capital. It is argued that this approach 'destroys the insight that labour is a constitutive power' since 'capital is conceived as a subject in its own right' and therefore 'the inversion of the class perspective is dependent upon two "subjects"' (Bonefeld, 1994: 44).

Critics claim for the inner connection between capital and labour to be re-established for this is the way to perceive that 'it is labour alone which constitutes social reality': 'there is no external force, our own power is confronted by nothing but our own power, albeit in alienated form' (Holloway, 1993: 19) Labour exists 'in and against capital since in capital labour exists "in a mode of being denied"' (Bonefeld, 1994: 51; also Gunn, 1992). However, since capital and labour appear as phenomenologically and physically independent entities, Bonefeld (1994) offered the terms integration and transcendence to understand the contradictory mode of existence of labour in and against capital.

Ontology

Neary and Taylor (1999) pushed the discussion further. In order to eliminate any relation of externality between capital and labour they proposed that we explore the

human forms of existence of money (see also Rikowski 2000). By examining 'the concrete ways in which life is lived as money-capital'(Neary and Taylor 1999: 10), they argued that *subjectivity is a form of money*: 'in a society dominated by money, *I am* money. I am an embodied manifestation of money in all its contradictory manifestations' or 'money is society and money is the self' (p.128). This argument forces us to think of the status of human practice. The ontological identity established between money and the self (that is 'we *are* money') neglects the fact although money is constitutive of social practices this can only exist if the former maintains itself as a discrete thing, something else than the latter. The externality between money and the 'self' is a *real* separation which allows both domination and the possibility for resistance to exist at once. The intensification of the real subsumption of labour under capital does not cancel the ontological and physical distinction between money and subjectivity, but rather allows the theorisation of the simultaneous production of money and subjectivity wherein subjectivity retains its constitutive power.

Objective and Subjective

Postone (1996) suggested that the problem between the social constitution of capital as the subject and the possibility of the emergence of oppositional subjectivity can be overcome by studying the dialectical mutual constitution of social structures and everyday forms of social practice. According to Postone, Marx 'analyses social objectivity and subjectivity not as two ontologically different spheres that must be related but as intrinsically related dimensions of the form of social life that are grasped by his categories' (p 224).

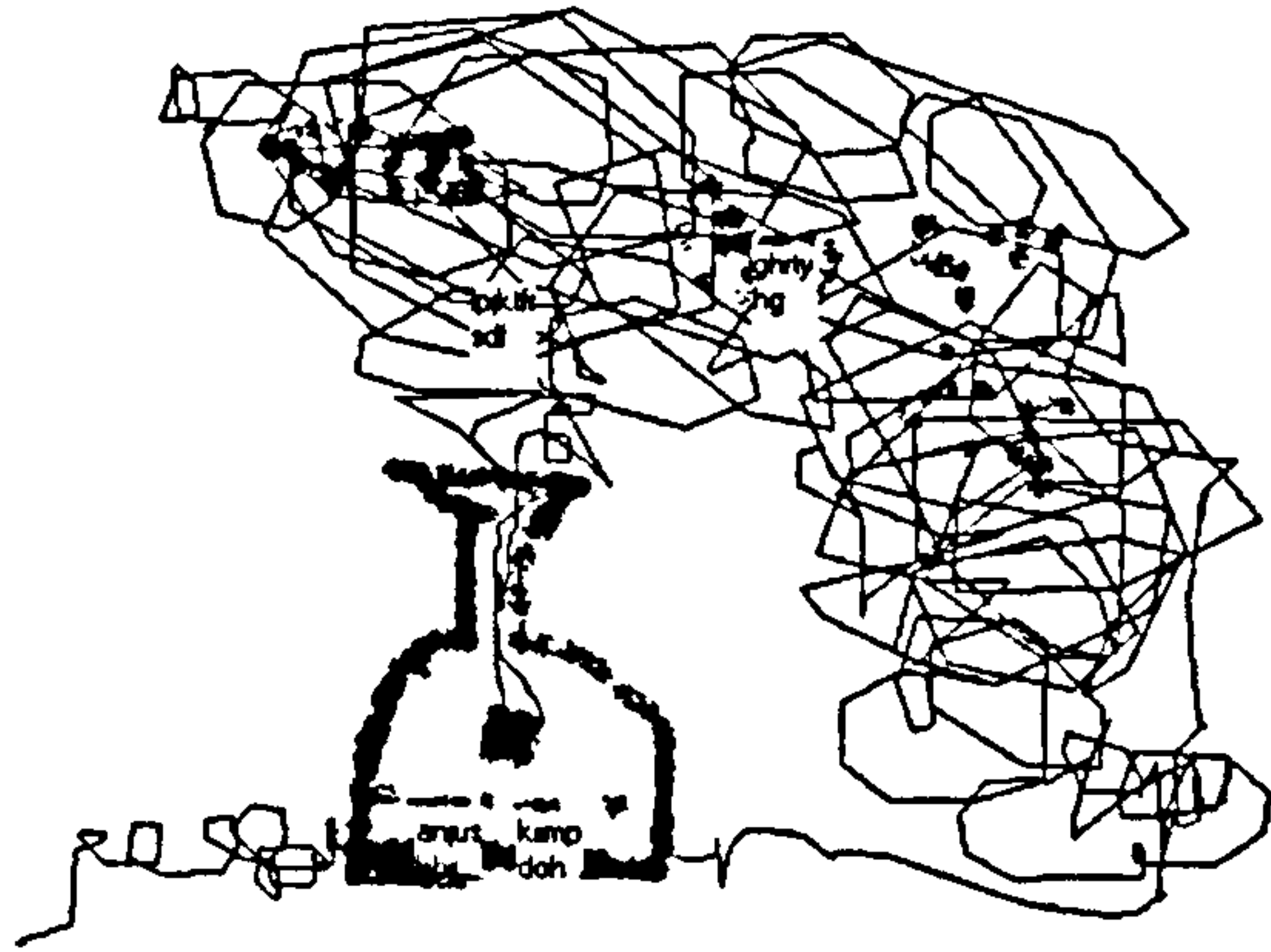
The implications of this proposal for the development of a theory of subjectivity are significant. As Postone argues, 'an adequate elaboration of Marx's theory of the constitution of forms of subjectivity and objectivity in capitalism would analyse the interaction of structure and practice in terms of the nature of the contradictory dynamic of the totality...it is a non functionalist theory of subjectivity ...based on an analysis of the forms of social relations' (Postone 1996: 218).

Still...

How could Marxism explain simultaneously the particularity and the whole? (Cleaver, 1993). It is still necessary to grasp capitalist social relations of production *as constituting our-selves*. Namely, the contradictory process of *production* of subjectivity in a world produced by labour but wherein capital has become the subject. In what follows I will suggest that Marx's critique of political economy and his method of determinate abstraction allow an understanding of subjectivity as a determinate abstraction. Subjectivity as a determinate abstraction offers the possibility to relocate human action at the core of the current forms of the real subsumption of labour under capital, i.e. globalisation, and therefore opens the possibility of an *empowering* theory of subjectivity.

III Subjectivity and the Problem of Real Subsumption

'J'ai montré mon chef-d'oeuvre aux grandes personnes et je leur ai demandé si mon dessin leur faisait peur. Elles m'ont répondu: "pourquoi un chapeau ferait-il peur?" Mon dessin ne représentait pas un chapeau. Il représentait un serpent boa qui dévorait un éléphant. J'ai alors dessiné l'intérieur du serpent boa, afin que les grandes personnes puissent comprendre' (A de Saint Exupery, *Le Petit Prince*)



Form

Marx's method of determinate abstraction developed in *Grundrisse* and *Capital* implied an immanent critique of political

economy. Political economy neglected the relation of class antagonism underpinning capitalist social relations by naturalising them and 'reproduc[ing] uncritically [the] social forms through which social relations appear to exist and through which social power is transformed into the power of things' (Clarke, 1991b: 85). The way in which political economy naturalised capitalist social relations was through its formal abstractions. Formal abstractions materialise from the creation of the separation between the 'objective' and 'subjective' dimensions of society and constitute the basis for the scientificism of political economy. But 'the formal abstractions of political economy are not gratuitous inventions but express real abstractions in a mystified form'(Clarke, 1991b: 140). Marx was concerned with the real movement of constitution and transformation of these existent abstractions. Moreover, that movement was its object of analysis (Gunn, 1992).

In Marx's method, social forms are not just formal concepts, e.g. 'the state', through which we intervene into the objective world. They are not abstracted from the social relations which produce them, but they are abstractions *in* reality (Gunn, 1992, my

emphasis). In other words, social forms are not 'convenient fictions' but correspond to determinate social processes (Clarke 1991b). Real abstractions embody, crystallise, contain and reproduce within themselves the contradictions of capitalist relations of production. Unlike formal abstractions, which abstract from the phenomena concerned, 'determinate abstractions are abstractions in and through which phenomena obtain' (Gunn 1992: 23).

Form and the State

The Marxist critique of the state developed within the *Conference of Socialist Economists* (CSE) in Britain recovered the Marxist notion of form to put forwards a materialist critique of the state (Holloway and Picciotto 1977; Clarke, 1991a).⁸ Class struggle –and not the state - became the starting point to analyse the state. In other words, it was argued that in order to understand the state, one needed to dissolve the category of the state (Holloway 1994). The state was not 'derived' from capital but constituted as the *political form of capital*. So in order to understand the capitalist crisis, what was really required was not a theory of the state or an economic theory but a materialist theory, a materialist critique of social forms. In the materialist critique of the state, the specificity of the political or the intrinsic logic of capital became secondary: the analysis aimed at understanding the forms of the political or of the economic in determinate historical moments of capitalist development:

⁸ This theorisation emerged in the 1970s from the political preoccupation to understand the crisis of the state and within it, the redefinition of the form of the state and its relation with global capital. As they explained, it was important at that time to replace the notion of 'economic crisis' by the idea of crisis as a crisis of the capital relation (Clarke 1991c). See interviews with Picciotto and Holloway in Dinerstein, 1998 and Dinerstein and Thwaites Rey 1994, respectively. See Clarke 1988 introduction.

'the economic and the political are both forms of social relations, forms assumed by the basic relation of class conflict in capitalist society, the capitalist relation, forms whose separate existence springs, both logically and historically, from the nature of that relation' (Holloway and Picciotto [1977] in Clarke 1991a: 121-2).

These forms are determinate abstractions, they are historically constituted through class struggle: 'the class struggle does not simply take place within these forms. The forms of capitalist domination [in this case the state] are themselves the object of class struggle, as capital and the working class confront them as barriers to their own reproduction ...their development is the outcome of a history of struggle in and against the institutional forms of the capitalist mode of production' (Clarke 1988: 16). The materialist critique of the state constituted a turning point in the Marxist debate on the state and social forms of the capital relation. Nevertheless, it was not developed further to the analysis of subjectivity.

Real Subsumption

In the *Communist Manifesto*,(CM) Marx and Engels explained the process through which human life was progressively integrated and transformed into an intrinsic aspect of capital. They highlighted that the expansion of capital, as the most important form of social relations, and the expansion of the working class, as the most important form of labour, were inextricably connected. The constitution of the working class is presented in the CM as the other side of the constitution of the bourgeoisie: 'in proportion as the bourgeoisie, i.e. capital, is developed, in the same proportion is the proletariat, the modern working class, developed' (CM: 87). Marx and Engels made clear that the working class was not simply shaped *by* capital, but rather created as living capital and transformed *within* the disruptive expansion of the latter, i.e. as a

fundamental aspect of the ‘...everlasting uncertainty and agitation [which] distinguish[es] the bourgeois epoch from all earlier ones.’ (CM: 83).

As argued elsewhere (Dinerstein and Neary 1998), the meaning of the CM does not lie in the description of the dynamic which makes the working class to become both the possibility (producers) and the impossibility (grave diggers) of capitalism. The essential message of the *Manifesto* is to be found in the exposition of the social processes through which ‘all that is holy is profaned, and man is at last compelled to face with sober senses, his real conditions of life, and his relations with his kind’ (CM: 83).

This profanation is explained by Marx ‘not as the result of any intrinsic quality that can be located within that which *appears* to be solid’ (Dinerstein and Neary 1998: 59), but of a dynamic underpinning the constitution of the commodity form. That is, the transformation of human activity into abstract labour, the substance of value. The expansion of capital implies that value becomes the decisive social relation whose content is provided by abstract labour. Labour is the “definite social mode of existence of human activity” (Marx 1963: 46 in De Angelis, 1995: 109). Value is not just an aspect of society, but it constitutes the form of society (Postone 1996; Neary 2000, also Dinerstein and Neary 2001, conclusion).

The significance of this for a critique of subjectivity are pretty unexplored. The most important implication is that all forms of existence are produced within the totality of capital. In *Capital*, Marx highlighted the difference between formal and real subsumption of labour under capital. Under the formal subsumption of labour under

capital, capital 'has not yet succeeded in becoming the dominant force, capable of determining the form of society as a whole' (*Capital*, vol. 1: 1023), and therefore there is a 'direct subordination of the labour process to capital' (idem ant 1034). But in times of real subsumption, he argued that 'the entire development of *socialized labour ...in the immediate process of production*, takes the form of the *productive power of capital*. It does not appear as the productive power of labour' (*Capital* vol. 1: 1024; author's emphasis).

This suggests that, whilst in the former case the labourers were *externally subjected or dominated* by capital, in the latter they have been integrated into the process of valorisation as variable capital. Whereas in the former situation subjectivity is still external to the economic process, in the latter subjectivity is constituted as an *integrated aspect* of the social world (Aragues, 1995). Under the real subsumption of labourers by capital, concrete labour has no longer autonomous existence from the social constitution of capitalist social relations. In other words, the concrete labour is mediated by and becomes socially realised through its opposite: abstract labour (Dinerstein and Neary 1998).

As previously mentioned, Italian Autonomism extended the notion of real subsumption, from the real subsumption of labourers by capital, to a notion of valorisation as a political process of subordination, i.e. the real subsumption of society in capital (Negri 1992: 72). To Cleaver, 'the theory of valorisation ...is the theory of the way in which capital subordinates, transforms and utilises human productive activity for its own purposes: endless command over society' (Cleaver 1992: 116).

But the significance of real subsumption for a theory of subjectivity does not lie in that the process of valorisation just ‘subordinates, transforms and utilises human productive activities for its own purpose’ (Cleaver, 1992: 116; also Cleaver 2001). Rather, valorisation *produces forms of human existence* that allow capital to reproduce and expand, as well as pushes it into crisis. Real subsumption implies not only that workers have become part of the machine, and that there is a complete subordination of workers to capital’s command, but most importantly, that workers were constituted as such in the process of expansion of capital, and capital has become the form of society. Subjectivity is permanently recreated as capital expands itself, as a social relation, through class struggle. The real subsumption ‘of society in capital’ (Negri 1992: 72) makes the production of subjectivity the most political (central) aspect of capitalist society. In the next two sections I offer the notion of subjectivity as a *determinate abstraction*.

IV

Subjectivity: a Determinate Abstraction

‘One of the most exciting searches of modern astronomy has been the attempt to discover a black hole’ (Silk, 1995: 329).

In what follows, I offer the premises to understand subjectivity as a determinate abstraction, which constitute the theoretical and methodological framework for this research. Labour is a value-creating social activity which materialises in two forms: as ‘labour’ and as ‘social forms’ both historically produced by class struggle (Postone 1996; Neary 2000). Whilst the former refers to the human form of existence of capitalist social relations, i.e. what we usually call ‘labour’, the later refers to the social forms which mediate the impersonal domination of labour by capital (Postone 1996: 59), i.e. what we usually call ‘capital’: the state, money and the law. In order to

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In what follows, I offer the premises to understand subjectivity as a determinate abstraction, which constitute the theoretical and methodological framework for this research. Labour is a value-creating social activity which materialises in two forms: as ‘labour’ and as ‘social forms’ both historically produced by class struggle (Postone 1996; Neary 2000). Whilst the former refers to the human form of existence of capitalist social relations, i.e. what we usually call ‘labour’, the later refers to the social forms which mediate the impersonal domination of labour by capital (Postone 1996: 59), i.e. what we usually call ‘capital’: the state, money and the law. In order to

understand a form of subjectivity, it is important to look at the relation of struggle between the aspects which constitutes 'labour' and the social forms which constitute the capitalist powers for *both* mediate labour as a social activity.

On the one hand, 'labour' exists through at least three aspects: identities, organisation and strategies of resistance. These aspects mediate and shape labour as a social activity. For example, the labour movement facilitates both the organisation of the working class' resistance and the institutionalisation of it. But although these aspects can be approached separately, e.g. in order to understand a form of 'labour' we might be interested in the significance of the national identity of the working class, or the power of trade unions, each of them alone cannot explain a form of 'labour' for each constitutes a partial expression of a totality. On the other hand, labour as social activity is mediated by social forms which, represent the capitalist powers. Capital materialises through these forms. The state, money and the law allow capital to exercise its command over labour. The state and the law, for instance, are decisive in shaping the identity of the working class. However, each of these social 'objectified' forms represent a partial aspect of capital domination. The study of the relationship between 'labour' and, for instance, the state, e.g. the struggle of the working class in and against the state (LEWRG 1980) although decisive, is insufficient to grasp the constitution of the subjectivity of labour.

Following this, the subjectivity of labour should not be confused with any of the aspects and social relations which constitute it but rather it is the *site of conjunction* of them. The subjectivity of labour is not the subjectivity of 'labour' but the subjectivity of labour as a social mediated activity. As a determinate abstraction subjectivity of

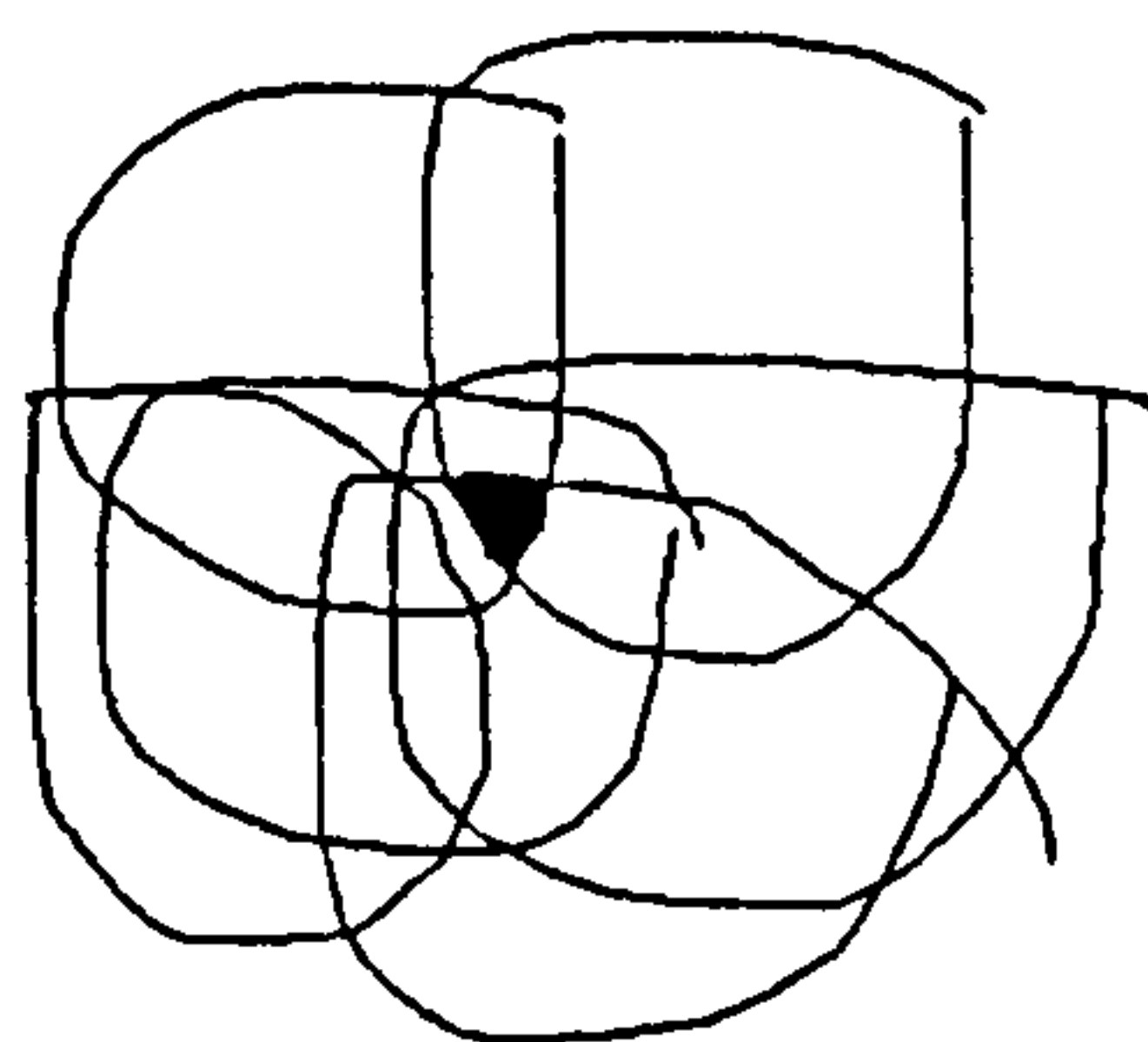
labour can be seen as a revealing hieroglyphic of the multiple forms, struggles and contradictions which emerged within the struggle to produce subjectivity. As a determinate abstraction, the subjectivity of labour is historical, transient, concrete and abstract. But unlike the other forms which mediate class struggle, subjectivity retains the power-non-power of labour power, the human commodity form.

Class struggle is ultimately a struggle over the form of subjectivity. The struggle over the form of subjectivity does not take place directly, but is *transferred on to* (or asserts itself as a struggle over) the subjective, political, economic and legal forms which mediate labour, namely it expresses as a struggle over workers' identity, ideology, social imageries and ideologies, the forms of the institutionalisation and regulation of class conflict and politics, the forms of control of the power of trade unions, the welfare state, the labour code, workers' or human rights, wages and so on. This understanding of class struggle as a struggle *over the form of subjectivity* is not only relevant to understanding the main changes in workers and social identity, labour and social organisations and the forms of resistance, but most importantly it allows first a better understanding of the recomposition of the state, money and the changes in the law insofar as the production of adequate subjectivity is their *raison d'être*, and secondly, of the dynamic interaction between the concrete and abstract aspects of capital as a social relation, which are embodied in a particular form of subjectivity.

Subjectivity, a Site of Conjunction

To sum up, my argument has been so far that the Marxist notion of *form* provides the tool for an investigation of the production of subjectivity as an intrinsic aspect of

en lugar de los cuadros puedo dibujar círculos. El punto del centro es subjectivity as det abstraction



capital as a social relation. I suggested that the point of departure for the analysis of subjectivity, and more generally the politics of resistance, is not the state, money and the law or identity, organisations and forms of resistance separately. I suggested that subjectivity is the starting point since it is produced by conjuring all the aspects and forms of the capital relation in a historical moment. I argued that subjectivity constitutes the *site of conjunction* of the capitalist contradictions within the subject.

Throughout this thesis, I will explore the implications of this. But moving beyond Autonomism I will argue that the real subsumption of labour under capital implies not only subordination of life to capital's command (Cleaver 1992) but the production of forms of life which contradictorily correspond to the commodity form, this does not mean the cancellation of the possibility for resistance and transcendence but rather the opposite: that real subsumption implies that capital has located the possibility of resistance and transcendence at the core of its own reproduction.

I will show that the *forms* through which labour exists are determinate abstractions, This *forms* are transient and are permanently recreated by social relations. Whilst their impermanence opens the possibility for unthinkable forms of struggle and existence, the recognition of the potentiality of each present form of subjectivity, organisation and struggle gives the opportunity to grasp the unity in the diverse and to articulate the fragmented experiences.

V

Structure and Rationale

The thesis is composed of nine more chapters organised in three parts, and a conclusion. The five chapters that constitute part I, *Instability: Tracing the Historical Forms of Subjectivity* revisit historical moments of subjectivity previous to the 1990s. My intention is not to present the history of labour struggles in Argentina, but to reconstruct the dynamic principle and the multiple contradictions which underpin the production and transformation of subjectivity. Namely to establish the inner connections between forms of valorisation of capital and the production of determinate forms of subjectivity. Each chapter revisits the case in the light of the theoretical ideas presented in this introduction.

Chapter two, '*The Anarchist, The Patagonia Rebelde: Rejection and Resistance*' addresses the strikes of the rural workers in Patagonia in 1921 as they constitute probably the last episode in the struggle against formal subsumption led by the Anarchists at the beginning of the 20th Century in Argentina. The analysis of the strikes in Patagonia serves a twofold purpose. First, the chapter presents the historical background as the prelude to the constitution of the Peronist working class after WWII. Secondly, it constitutes a pilot case for the application of the theoretical and methodological proposals developed in this chapter. It will be shown that the period pre-WWII embodies the struggle for and against the real subsumption of rural labour under capital wherein both Anarchist immigrant workers, as well as land and foreign capital, rejected institutionalisation of class conflict by the state.

Chapter three '*The Peronist: the 17th of October: Recognition and Integration*' addresses the emergence and constitution of the Peronist form of subjectivity. This form integrated class conflict into the state by means of the recognition of the working class as the engine of social development and the institutionalisation of class conflict. But it will be shown that the integration of labour into the state-form did not eliminate resistance at all. Rather, it located it at the core of the state-form by regarding workers and trade unions as the 'spinal column' of the Peronist movement. *Peronism* located labour at the core of the state. In the light of this, Perón(ism) integrated the personal and the political as well as the political and the economic spheres within the subject and provided an adequate meaning for the constitution of the working class as the most significant expression of labour after WWII. The 17th of October 1945 embodied the moment in which workers irrupted and became visible in their search for recognition. This form of subjectivity outlived Perón's brief periods in office. The period of resistance after the withdrawal of Perón in 1955 led to the radicalisation of labour struggles.

Chapter 4 '*the Anti-Imperialist, Cordobazo: Rebellion and Expansion*' addresses the process of class antagonism underpinning the struggle over the form of subjectivity disclosed after 1955 until 1969 and the emergence of a new moment of subjectivity which united the students and workers struggles into the events of the *Cordobazo* in 1969. The *Cordobazo* represents the radicalisation of social and labour struggles in and against Onganía's dictatorial 'Argentine Revolution' aiming at the 'modernisation' of the economy by means of the opening of the economy to transnational corporations. This period entails the intensification of the real subsumption of labour under capital. It will be shown that the *Cordobazo* recaptured

the essence of the 17th October 1945 and moved beyond, as a result of the radicalisation of the *resistencia Peronista* and socialist trade unionism against the military, the union bureaucracy and imperialist capital, in an international atmosphere of rebellion and revolt. During the 1970s, this project will evolve into broader social and political movements and particularly into a guerrilla movement.

Chapter five '*The Revolutionary, Ezeiza, Insurrection and Physical Disappearance*' addresses the radicalisation of the politics of resistance and the production of new forms of politics, i.e. guerrilla movements. In the early 1970s Peronism was revitalised in its populist and revolutionary qualities. The chapter shows that, by pushing it to its limits, the Peronist guerrilla group *Montoneros* put in motion the contradictions inherent in the Peronist form. The struggle over the state and beyond (Socialism) took a violent form. The massacre of *Ezeiza* epitomised the end of the possibility of revolutionary Peronism and embodied the beginning of the struggle to deconstruct the integration of labour into the state. Like in other Latin American countries, *Montoneros* as well as the other guerrilla movements were defeated and ended dramatically in the disappearance of 30,000 people (most of them young Peronist workers) by the dictatorship of 1976. This genocide highlighted the most extreme case of the real subsumption of labour under capital to the extent to which the state took the form of a killing machine to physically eliminate labour in order to achieve an irreversible transformation of the social and economic relations in Argentina. This transformation accompanied the global transformation of capital during the 1970s.

Chapter six 'The *Democratic, Aparición con Vida and Sindicalismo de Base, Visibility and Disillusion*' addresses the main subjectivity that emerged during the democratic period 1983-1989, where labour and social resistance took the form of a struggle over the meaning of democracy. The chapter addresses, on the one hand the expansion of human rights movements with particular focus on the movement of the *Mothers of the Plaza de Mayo* in 1977, created by a group of mothers of those who were 'disappeared' (mostly Peronist workers and militants). Mothers constituted a unique form of opposition that happened to become pivotal among the human rights movements during the 1980s. On the other hand, the chapter shows the democratisation and renewal of trade unions revitalised by democracy. The struggle for democracy ironically put a limit to the Mothers' and unions' claims for social and legal justice. In the late 1980s, hyperinflation asserted itself as the ultimate expression of the struggle of capital to suffocate and expel the power of labour. The need for stability became a priority.

Part II 'Deconstructing Labour: *Stability and the Violence of Stability*' comprises three chapters which address the threefold struggle over the form of subjectivity during the period 1989-1999 under Menem. The chapters offer a detailed analysis of the transformation of the state, money and the law under Menem insofar as they contributed to both the deconstruction of the power of labour and the social construction of Menem(ism) as a new form of class antagonism.

The main argument underlying part II of the thesis is that the Menemist stability was socially constructed on the basis of the legalisation of uncertainty and the destabilisation of private and social life. Under Menem, the 'terrorism of money'

(previously asserted itself as financial speculation, the creation of the external debt, hyperinflation) was legalised and legitimated, under the form of stability. Menem(ism) organised domestic and external factors through three main principles: the legalisation of uncertainty, the celebration of capital as the subject and the end of a form of politics which links political action with social justice and social change. These three chapters highlight the paradox between the policies which are argued to be the source of stability and the emergence of unstable forms of life and resistance against the instability of stability. It is argued that by locating the new forms of resistance within stability (determinate abstraction) it is possible to argue that the struggles do not destabilise stability but rather stability, as a form of class antagonism is threatened by its own product: uncertain and unhappy forms of existence.

Chapter seven *'Privatisation, Decentralisation and the Politicisation of Labour Conflict (the Struggle over the form of the State'* concentrates on the process of privatisation of state-owned companies and the decentralisation of education services insofar as they allow the de-reconstruction of subjectivity. The central argument of this chapter is that the reform of the state, and particularly privatisation of state-owned companies and the financial and administrative decentralisation of education, did not lead to the depoliticisation and privatisation of labour conflict and the defeat of trade unions but, rather, the recomposition of the state led to the production of new forms of resistance (such as the teachers' hunger strike under the *white tent* and the provincial roadblocks), as well as the renewal of trade unionism (i.e. the creation of the CTA in 1992) which nationalised and co-ordinate fragmented. The chapter explores the emergence of two forms of trade unionism: business and opposition.

Chapter eight '*Flexibilisation, Marketisation and the Perversion of the CGT (The Struggle over the Form of the Law)*' focuses on the transformation of subjectivity by means of an analysis of the changes in the labour code, industrial relations and flexibilisation of labour. The central argument of this chapter is that the struggle over the form of subjectivity asserted itself as a struggle over the law to legalise uncertainty and instability in work and employment relations, social security and health services. The chapter shows that the co-optation of the CGT (Confederación General del Trabajo) constituted the lynch pin of the legalisation of unstable forms of employment, uncertainty and constant worry in everyone's life, including those who remained at work and became part of the skilled sector of the working class. However, it is argued that the co-optation of the CGT leadership did not prevent workplace activism from being renewed and organised in a broader way. The decentralisation of collective bargaining and the casualisation of labour lead to the emergence of the MTA and to a increasing mobilisation of the shop-floor militants, which became detached from the labour bureaucracy.

Chapter nine '*Stabilisation, Unemployment and 'Exclusion' (the Struggle over the Form of Money)*' discusses the reality and theory of unemployment under Menem, as the main ingredient of stabilisation policies. The chapter explores the extent to which stabilisation policies contributed to the constitution of the highest expression of job instability: unemployment and poverty and therefore to a problematic subjectivity: the unemployed. The chapter argues, first, that stability posed major contradictions to the politics of resistance it became a social imagery which located popular demands destabilising stability. However, it is argued that the Menemist stability is itself unstable since it is a form of money. Secondly, the chapter offers a critical

interpretation of unemployment. Rather than the lack of a job, unemployment is understood as a form of labour. Thus, the struggles by the unemployed are located at the core of stability (rather than affecting stability). The struggles of the unemployed are not then struggles to be simply included but a struggle against the imposition of capitalist work under the peculiar *form of labour: (un)employment*. Since the forms of labour are produced within the present forms of capitalist power, the roadblocks constitute a form of resistance against the violence of the current forms of capital valorisation.

Part III: 'Made in the 1990s. Reinventing Resistance' offers a detailed analysis of the most significant *form* of subjectivity of the 1990s: the roadblock. Chapter ten '*The Piqueteros. Roadblocks, In and Against the Violence of Stability* offers a case study of a roadblock unleashed in Libertador General San Martín, a town of 60,000 inhabitants in the north-west province of Jujuy, in May 1997. It is argued that the roadblock belonged to the historical process of re-de-re construction of subjectivity and emerged as a living contradiction, as the embodiment of the major subjective, organisational, political, economic, political, legal and social changes that occurred under Menem. The roadblock crystallises those changes into one moment of confluence, and stand against the main premises that constituted Menem(ism), namely the legalisation of uncertainty, the recognition of capital as the subject, and the end of politics in favour of the era of the administration of social misery. By setting a physical barrier to the uncertainty imposed by the scarcity of money underpinning stabilisation, privatisation, decentralisation, flexibilisation and economic adjustment the roadblock contests the end of the centrality of labour and the irrationality entailed in the assumption of the end of politics. By blocking the roads, workers, the

unemployed and the entire community of Libertador made themselves visible against the violence of Stability and the 'virtual disappearance' of labour entailed in the current forms of capitalist work, and whose utmost expression is unemployment.

In the conclusion *2000 Fighting Virtual Disappearance* I recover the inner connection between the valorisation of capital and the production of subjectivity in the different historical periods explored in part I of the thesis, as well as assess the problem of understanding subjectivity in Argentina in light of the Menemist transformation. I assess the significance of the notion of form to explain the historical processes through which labour moves and reinvents itself. The conclusion brings about the problem of the duality stability-instability. The argument here is that political and economic instability, usually always associated with many sorts of 'lacks' and 'incapacities' of 'Argentine society' actually cannot be explained without looking at the processes of struggles which create the imagery of instability or stability as major explanations of the social dynamic. I argue that instability lies in the power of resistance of labour in Argentina, particularly after its recognition and political and institutional integration into the state under Perón. The miracle of stability, achieved under Menem, entails necessarily the legitimisation and reification of the breakdown of that power and recognition. The defeat or end of Peronism, or the anti-Peronism entailed in Menemism does not lie in the strength of Peronism itself but in the power of labour expressed in the form of Peronism. The difference is politically crucial to detached the systemic and subjective power of labour from one (the most powerful) of its forms. Stability does not imply the defeat of the subjectivity of labour altogether but the deconstruction of a particular historical *form* of it.

Part I

Instability.

Tracing the Historical Forms of Subjectivity.

*...Si la Historia la escriben los que ganan
Eso quiere decir que hay otra historia
La verdadera historia
Quien quiere oír que oiga...
(Nebia)*

Chapter Two

The Anarchist: The *Patagonia Rebelde*. Rejection and Resistance.



Between October 1921 and April 1922, the slaughter of thousands of rural workers who were on strike in Río Gallegos, Santa Cruz took place by means of a military operation to 'clear Patagonia of red Anarchists'. Like the Red Week massacre of the 1st May 1909⁹, with the murder of Colonel R L Falcón by S Radowitzky; the struggle of the Centenario in 1910; and the Tragic Week in Buenos Aires in 1919,¹⁰ the strikes in Patagonia in 1921 constitute one of the most symbolic moment of the confrontation between foreign and oligarchic capital and anarchist labour.

By 1920, the 435 proprietors who owned the 55% of the Santa Cruz territory imposed terrible conditions of exploitation of most of the foreign inhabitants of the area (9,480 out of 17,925) (see Fiorito: 1985: 9). In October 1920, the Sociedad Obrera of Río Gallegos of Santa Cruz, joining the FORA (Federación Obrera de la República Argentina), put forward rural workers' demands by means of a proposal for a collective agreement with the estancieros,¹¹ which included wage increases, payment of wages in money and the provision of more hygienic, safer and healthier working conditions as well as the recognition of peones¹² organisations and workplace delegates. A collective agreement was signed with military mediation. Yet, landowners and their British partners joining the Sociedad Rural Argentina (Argentine Rural Society, SRA) rejected it. Workers' boycotts, the occupation of the estates and strikes persisted and spread as the main tactics of Anarcho- syndicalism.

⁹ See Frydenberg J and Ruffo M 1992.

¹⁰ see Bilsky 1985, 1984.

¹¹ Owners of the estates.

In April 1921, the crisis of the international wool market following WWI worsened. The estancieros decided not to pay salaries as the means of reducing costs. As a result, between July and November, several general strikes preventing the shearing from taking place were organised against miserable working conditions and starvation wages. *The Patagonia Rebelde* was repressed by means of a military operation wherein 260 military ambushed and shot dead around 3,000 strikers. Although the slaughter was pictured as a 'confrontation', it is well known that no battles took place and that only one soldier died in one of the military operations in Tehuelche. After the death of the strikers, the collective agreement was definitely deemed invalid and rural workers' wages went down again.

On December 1921, the executive committee of the anarchist FOR A (Communist 5th Congress) denounced the massacre in *La Organización Obrera* (3.12.21: 2). The journal *La Vanguardia* did so too (14.12.21: 5, col. 4). The National Congress treated the massacre as a political scandal during sessions held on the 1st and 8th of February 1922. The Socialist MPs put forward a request for its investigation. They accused Lieutenant Colonel Varela, the chief conducting the military 'operation' ordered by President Yrigoyen of having killed innocent workers (Fiorito, 1985: 73). The conflict vanished from memory until three years after, when a reciprocal revenge took place in January 1923. Lieutenant Colonel Varela was killed by Kurt G Wilckens, a 'Tolstolian German who was obsessed with the execution by firing squad suffered by the *peones* on strike in Patagonia' (Abad de Santillán in Troncoso, 1983/1: 17). In

¹² *Peón*: lowest level in the hierarchy of rural worker.

June of the same year, Wilckens was killed by his avenger Jorge Pérez Millán Temperley.

The purpose of this chapter is to explore the massacre of the *Patagonia Rebelde* as a moment of *critical subjectivity*. This first *form* of subjectivity addressed in the thesis embodies the struggle for and against the real subsumption of rural labour under capital wherein both Anarchist immigrant workers as well as land and foreign capital confronted each other directly, and rejected institutionalisation of class conflict by the state. The analysis was done by means of first, the reconstruction of the historical events as well as the political, social, and economic relations within which the struggle took place; secondly, by the use of the film *La Patagonia Rebelde*, directed by Héctor Olivera.¹³ I have translated the movie screenplay and contrasted the plot with the sequence of historical events.

The use of a film provided me with an excellent tool which matches my methodological and theoretical proposal. Whilst historical documents can uncover the identity, organisation and forms of struggles, subjectivity exists in the form of a mythical representation of the event. The film is an expression of that mythical representation. The dramatic nature of the plot allows one to capture the movement of *production* of subjectivity, by recreating the imperceptible dynamic which is detectable only in action. Each scene asserts a synthesis of a multiplicity of conflicts, meanings, reasons, feelings and contradictions which develop through action. The movie deploys a quite accurate sequence of events and the elements of fantasy and interpretation do not affect his contribution as a testimonial piece. The next sections

present the historical background to the conflict, the development of the struggle through the film structure and historical sources and some concluding remarks on the Anarchist form of subjectivity.¹⁴

I Class Struggle at the Beginning of the 20th C

Capital and Labour

By the end of the nineteenth century and until the WWI, Argentina achieved, under the rule of the Buenos Aires' pro-European political elite, an outstanding export-led growth with a gross domestic product growing at an average annual rate of 5 percent or more (Bergquist, 1986: 85; Diaz Alejandro, 1970). The concentration of land by the British capitalists and the national oligarchy in the *latifundio* structure worked with a 70% immigrant working population, mainly from southern Europe and neighbour countries. So the local capitalist class was constituted through the consolidation of the *latifundio* structure of land and the control of finances and commerce (Rock 1975b; Sábato, 1991).¹⁵ The exports sector being controlled by Argentine rural capitalists, infrastructure, i.e. transport, processing and commercialisation of export, were predominantly (but not exclusively) controlled by foreign capital (Bergquist, 1986: 87; Ford, 1975). By 1913, 'one third of foreign investments were in railroads, and 60 percent of foreign capital was British' (Diaz Alejandro 1970: 30)

¹³ Based on and adapted from the historical novel *The Avengers of Tragic Patagonia* by Osvaldo Bayer (see Bayer 1973-1974)

¹⁴ To distinguish the scenes of the film from historical data, I will present the information provided by the film scenes in the present tense.

¹⁵ Rural capital was composed of 400 families: it has been estimated that few than 2,000 persons in Argentina owned as much land as the total areas of Italy, Belgium, Holland and Denmark added together' (Rock 1975b: 3; Fiorito 1985).

On the other hand, high levels of immigration formed, in a short period of time, the labour force to work in the *latifundios*. The 1850s wool boom had converted the *gaucho* ('semi-nomad horse-mounted shepherd') into an agricultural labourer. Yet, the consolidation of the agricultural sector and the emergence of subsidiary industries made immigrants the best resource of a labour force required.¹⁶

In rural areas immigrants suffered from instability and impoverishment, and had to face either high rental prices imposed by the *estancieros*, miserable wages or unemployment. The swallow system of harvest recruitment was frequently their alternative to the hard conditions of tenancy (Rock, 1975b: 14). After the wheat boom of the 1890s, work and living conditions worsened (Bialett-Masse 1985 vol. 1: 10-11) in the rural areas, so immigrants began to move to big urban centres (Rock, 1975b: 17). By 1914, urban population constituted 57,3 % of inhabitants (Source: *Censos* in Vázquez Presedo).¹⁷

The Labour Movement

In 1901, the existing cosmopolitan labour force led by socialists and anarchists workers founded the FOA (Federación Obrera Argentina, Labour Argentine Federation) called FORA in 1904 (see López Antonio 1987). Within the FORA, anarchism prevailed. It expanded and dominated the labour movement until 1915,

¹⁶ 'Between 1857 and 1930 there was a net immigration of about 3.5 million into a country whose total population was 1.7 million in 1869' (Díaz Alejandro, 1970: 23). Only during the period 1900-1910, 1,120,000 people migrated to the country (Senkman in Roniger and Sznajder 1998).

¹⁷ By migrating to urban centres rural workers did not find better living and working conditions. In spite of a process of rapid proletarianisation of the labour force, working class living conditions were not a matter on the state's agenda. By 1913, 80% of the working class population in the city of Buenos Aires, half of them foreign born, kept on living 'as families in single room places in "a rotting heap of nationalities and languages" as an observer described them' (Panettieri in Rock 1975b: 93).

particularly among small industrial and service occupations and port dockers (Rock 1975b). By 1890, socialists had won influence among small groups of skilled workers, but failed to build up a mass working-class party. Instead, the anarchists mobilised a large number of urban and rural workers and organised huge general strikes. This exacerbated class conflict in Buenos Aires (see Rock 1975b: 81).¹⁸

Anarchism had been brought into the country by foreign workers and gave them a 'vision of human dignity through revolutionary struggle [by preaching] individual freedom, democratic social relations... rational values to a work force that still possessed its own tools, maintained its patrimony over industrial skills, and exercised significant control over the work process' (Abad de Santillán quoted by Bergquist C 1986: 110; see Guérin 1975).

Workers organised in Mutual-Aid and Resistance Societies, the latter combining social aid with industrial action and union activity blossomed among skilled urban artisans and workers at the beginning of the century. The *mutuales* emerged as a form of workers' own protection from sickness and death (Bergquist, 1986: 107). They provided solidarity links and social activities through which to cope with poverty and the uprooting produced by immigration. Resistance Societies kept their culture alive. Workers' and their families' activities were combined with ideological and also practical discussions between Socialists, Anarchists and Syndicalists. They had a press of their own, drama groups and mass meetings. By 1913 these societies enrolled 255,534 people, about half of the working class of the capital city (*idem ant*: 107).

¹⁸ Between 1902 and 1910 workers participated in massive strikes where direct confrontation with the police was usual. Strikes in the ports of Buenos Aires, Rosario and Bahía Blanca (1902); a general strike in Rosario and a strike of sugar plantation workers in Tucumán (1904); factory stoppages (1907) (Munck, 1987: 51).

In 1902, disagreements between socialists and anarchists led to their split and to the foundation, in 1903, of the socialist UGT (Union General de Trabajadores). But a third position was growing within UGT: syndicalism. Syndicalists distanced themselves from both the anarchists' preference for direct confrontation and the general strike, and from socialists' commitment to parliamentary participation. During 1903 and 1906 their ideas (introduced by French trade unionists) were quickly disseminated among workers and leaders. Syndicalism 'endorsed the anarchist vision of social revolution, but it sought to reach that goal through powerful, established organisations in the workplace and non-sectarian working-class unity embodied in a national labor central' (Berqguist, 1986: 111). The slogan 'all power to the unions' became the mainstream of trade unionism, built upon the basis of Syndicalist anti-statism (del Campo 1983, 1986; *La Acción Socialista*, July 1905).

In 1909 a second attempt towards unification was, this time, successful. The CORA (Confederación Obrera Regional Argentina) unified anarchism, socialism and syndicalism, the latter prevailing within the Confederation. After 1910 the trade union movement was consolidated (Munck 1987: 54). Anarchism was already weakening and six years later the Syndicalists controlled two of the key trade unions at that time: port and railroad workers (del Campo, 1983: 21).

The Working Class, the Syndicalist Boom and the State

By 1914, the working class was composed of agricultural, industrial, services and rural proletariat. The expansion of industrial employment (food and beverages, and metallurgical sector) since 1895 led to the development of capital-intensive

techniques without concentration of the labour force in the same proportion (uneven geographical distribution) (see Munck 1987). The service sector had grown out of the agro-export economy and the urbanisation of the litoral (north-east). The transport sector was crucial and employed 170,000 workers in 1914. Regarding rural workers, the Agrarian National Census indicates the existence of 578,000 workers in agriculture and 725,000 seasonal workers. By 1914 there were 14,700 workers in the sugar mills (considered industrial workers), as well as an 'unspecified' number of indigenous population (Munck 1987: 72-73).

The WWI had three major effects. First, the war interrupted the expansion of Argentine exports and made imports difficult; secondly, it 'halted the flow of immigrants to Argentina' (immigrants willing to return to their countries to enlist and also declines in living standards); thirdly, it raised unemployment and made real wages fall as well as increasing working hours (Munck 1987:75). During this period, Anarchism, Socialism and Syndicalism disputed the leadership of struggles and the representation of workers and their organisations against landed and foreign capital in the light of the economic crisis at the end of the WWI and the syndicalist 'boom' unleashed by the Russian revolution, the latter producing a general euphoria.

The state recomposed itself vis-à-vis the strengthening of the working class under the form of democracy and initiated the struggle for the integration of labour into the state. Early workers' struggles had led the parliament to pass some piecemeal and limited legislation on behalf of workers too: Rural Codes (1865), Sunday day off

(Law 4661 in 1904) and the debate around a National Labour Code¹⁹ in the Congress as well as some legislation to regulate women's and children's work in 1907 (law 5,291) and Safety and Risk at work (Law 9,688) in 1915 (Panettieri, 1984). Yet, workers' living conditions were terrible particularly in the countryside. In 1907, the government created the National Department of Labour, to integrate workers and employers into work councils while the President developed personal relations with union leaders (Munck, 1987:81).

President Yrigoyen from the Unión Cívica Radical (UCR) was elected as the first popular president in 1916. Despite institutional and personal attempts to control, institutionalise and civilise class struggle during 1916-1919 class opposition was strong. The year 1917 marked the beginning of an upsurge in labour activity (Munck, 1987: 83). In fact, the Syndicalists were winning control of the major Argentine labour central, 'and conducted the pivotal strikes that brought the development of the early Argentine labour movement to a climax in the tumultuous years following the First World War' (Berqquist 1986: 108). By 1915, that it had become the mainstream trade unionism was confirmed by the unification of trade union confederations at the 9th Congress of FORA. This helped the success of the strikes in the key sectors of the export economy, such as railroads and the meat packing industry during and after WWI run by the porteña working class.²⁰ Syndicalism won from the victories of the strikes in 1916 and 1917: the number of affiliates of FORA grew from 12% of the

¹⁹ The draft of the Labour Code drawn up by Joaquín V Gonzalez, Minister of the Interior failed because it faced two obstacles: the resistance from the UIA, la Union Industrial Argentina (Argentine Industrial Union), and the labour movement itself, which rejected its repressive aspects (Munck 1987: 48).

²⁰ For the period 1917-1919 strikes for wage increases and the amelioration of working conditions rose in Buenos Aires: 'to 138 in 1917, 196 in 1918 and 259 in the first half of 1919 alone. In 1917, 136,000 workers took part in strikes in the capital, in 1918, 133,000 and in 1919, 309,000' (Berqquist, 1986:113). The most important of these strikes were waged by transport workers [maritime workers

working class at the beginning of 1918 to around 24% at the end of 1919 (the total numbers of workers in Buenos Aires being around half a million) (Rock 1975b: 190). But whilst the urban working class was getting stronger and organised, the FORA was still struggling against capital's rejection of any recognition of rural workers in Patagonia.

II Subjectivity in Motion



January 1923, City of Buenos Aires. Lieutenant Colonel Zabala leaves his house. A few seconds later he is shot dead by a man who fails at his first attempt with a grenade. The reason for this murder could

only be found three years ago, in the slaughter of thousands of rural workers in Río Gallegos, Patagonia (Scene One, La Patagonia Rebelde).

Sociedad Obrera - Sociedad Rural

During the first fifteen minutes, the film introduces us to the main characters involved in the conflict. With the 'set up' we learn, on the one hand, about the identities, organisations and the tactics of resistance of those workers involved in the conflict, and on the other we identify those who personified capital.

In a workers' assembly being held at the *Sociedad Obrera*, Spanish, German, Polish and Chilean workers and their socialist, anarchist and syndicalist leaders are

joining the FOM in 1916-1917; railroad 1917-1918] and meat-packers [1917], both vital to the health of the export sector' (Berquist 1986: 114) (see also Rock 1975b, Lewis 1992)

discussing the conditions of exploitation suffered by Hotel workers and plan a boycott. Drivers as well as stevedores, mozos and carriage drivers of Puerto Santa Cruz give their solidarity to hotel workers. Together with maritime workers, the latter had become one of the key unions joining the FORA (Bilsky 1985).

The boycott is the first stage of the conflict developed in the film. The *Federación Obrera* wins the boycott and demands ‘the reinstatement of the dismissed workers, the complete payment of their wages and \$1,500 compensation to be paid to the *Sociedad Obrera* to cover the costs of the boycott’. Organisation improves after the triumph of the boycott. A campaign for the affiliation of rural workers starts. Facón Grande,²¹ a *gaucho criollo* who ‘knows nothing’ about politics but ‘if he has to fight he fights’, is in charge of the campaign. His role is important since specific legislation allowed the executive power to expel ‘dangerous’ foreign workers from the country by means of the Law of Residence passed in 1902 (Panettieri, 1984; see Bergquist, 1986: 111) and to control ‘disturbances’ by means of the Law of Social Defence passed in 1910 (Panettieri 1984, Lewis, 1992: 101; see Rock 1975b: 81-82) Facón walks the countryside and talks to the *peones* about the significance of the *Sociedad Obrera* and why it was important to join it.

The scenes illustrate the form in which the FORA organised workers in the light of the immigration flows, oscillations of temporary jobs, changes in the labour market, and immigrant workers’ attitude towards a foreign country, on the one hand, and increasing repression from the state and capital with deportations, imprisonment and persecution, lock outs blackmail and black payrolls, on the other. The FORA

developed in the form of small groups of workers with quite a high level of political consciousness and a libertarian culture. There lies the durability of the FORA in its capacity to unify and mobilise workers in these difficult conditions (Bilsky, 1985/1: 77).

Contrasting with the workers' assembly, the film introduces us to some of the characters which personify the capitalist powers: the president of the SRA i.e. landed capital, the Governor of Santa Cruz (political power) and an English *estanciero* (foreign capital) sitting at a table in the luxurious restaurant of the Hotel Argentino. During the meal, the Governor is offered the post of chief manager of the SRA by the president of that organisation. The scene illustrates the rural oligarchy's intention to secure firm links between political and economic power. These links were crucial to confront the democratisation of the state which could force capital to have to negotiate with workers.

Capital Panics

As workers' organisation improved, a meeting between the governor and the judge illustrates in the film capital's fears of workers' revolutionary power. Panic led the governor to repress in his own terms an homage to the Spanish anarchist organised by workers, and which had been allowed by the law. The police take workers belonging to the *Sociedad Obrera* from their beds, while they were sleeping, and imprison them. The conflict between the governor (representing the interests of capital and the interior of the country) and judge (representing the national government and the law)

²¹ *Facón* is a type of knife used by gauchos. Grande means big. Facón Grande is a nickname indicating

illustrates the rejection of the law by capital whose representative was the governor. It also shows the government attempt to mediate and integrate capital and labour.

The film makes clear that the governor's attitude was supported by the Liga Patriótica created in 1919 to organise politically capital's 'private' struggle against labour. The *Liga* also functioned as the SRA for against the UCR populism, personified by president Irigoyen, who, in fact, released workers and allowed the reopening of the *Sociedad Obrera*, closed by the military police. The UCR, founded in 1891, together with the Partido Socialista Argentino (PSA, Argentine Socialist Party), founded in 1894, played a crucial role in the Parliamentary opposition against the oligarchic elite. The UCR was the first populist political movement in Argentina, which embraced the emerging pro democratic middle classes struggling against the conservative elite's political command.

Labour pushes it forwards

In the film, the government's attitude towards workers' rights allows the *Sociedad Obrera* to plan ahead too. To contest repression, the *Sociedad Obrera* calls a general strike to unified fragmented struggles and strikes that were already taking place. Yet, to the workers, their liberation was the result of the strength of rural workers' strikes. Time has arrived to fight for better working and living conditions by means of a written agreement. The union's proposal will be presented to the governor and the SRA. It includes the amelioration of working and housing conditions, wage increases and the legal recognition of the *Federación Obrera de Oficios Varios de Río*

Gallegos, FORA. Yet, the SRA 'will not accept under any circumstances negotiations on any matter concerning the administration of its estates with foreign workers'.²² In response, workers decided to 'continue the strike until its last consequences'. In order to avoid workers' strikes, capitalists bring to Río Gallegos hundreds of workers from the *Asociación de Trabajadores Libres* of Buenos Aires (Association of Free Workers) to 'collaborate' in the shearing. But the '*carneros*' (scabs) were met with bullets by the strikers. Some workers as well as policemen ended up shot dead.

The 'Military Intervention'

The direct confrontation between strikers and the police led to a shift in the government strategy since 'serious business and interests were involved in the matter, including foreign interests'. Lieutenant Colonel Zabala is sent to intervene in Santa Cruz and solve the conflict at once. As a military man, Zabala is neither in favour of the anarchists nor of foreign capital. He represents the national interests against foreign ideologies and interests on both sides.

In Santa Cruz, Zabala holds a series of meetings with all parties in conflict, investigates working conditions and inspects the estates' installations. He writes a report which indicates that 'the responsibility for the chaotic situation in Santa Cruz is the authorities' and the police's, the latter being considered very bad'. The report on workers' living conditions written in September 1921 recounts the disastrous situation suffered by workers in the area, where 'the *peón* is exploited in the most primitive

²² This is an interesting point for, although the rural labour force was, as explained, mainly foreign, the naturalisation of immigrant workers was not allowed. In 1911, the Sáenz Peña law made voting compulsory. However, the law only enfranchised the native-born workers who were mainly concentrated in skilled occupation (Rock 1975b: 92, Díaz 1983).

form'. Zabala states that 'after one year of hard work, workers remain as poor as at the beginning' and that 'there lay the foundations for revolutionary strikes and the hatred of our society'. As for the conditions, his report coincides with workers' proposal for the agreement. His report of the situation coincides with workers' demands (*Crónica Mensual* 45, September 1921: 732 in Fiorito, 1985: 66). As a result of Zabala's report, the government prepares an agreement between the SRA and the *Sociedad Obrera*. Yet, the agreement can only be signed if workers hand over their weapons.

Handing Weapons Over and the 'Agreement'

Workers' tactics of direct action were not violent but entailed the use of some forms of resistance based on *campamentos* (campings) where workers gathered in armed communities with their own laws and political organisation (Fiorito, 1985: 15). The Anarchists main forms of direct action were the general strike, the boycott, sabotage (Antonio López, 1987/1: 30-31). These forms of resistance matched the anarchist principles of social justice, freedom and emancipation but also anti parliamentary and anti-politics (Antonio López 1987/1: 90). In the film, the German Schultz asks the judge: 'How are we, workers, supposed to surrender OUR weapons? That is inadmissible!'

After four months of discussion, the proposal is *formally* accepted by both *estancieros* and the *Sociedad Obrera*. The agreement established the obligation of *estancieros* to provide a) wider rooms with ventilation. In each room will sleep only three men on wool mattresses provided by the *estanciero*; b. light and heating; c. Saturday

afternoon off; d. each meal will consist of three dishes including soup, mate, coffee or tea and dessert; e. each *estancia* will provide a first aid box with instructions in Spanish. As far as wages are concerned, the agreement established that all wages had to be paid monthly and with cheques on the name of the workers. A wage increase for each category of workers as well as some additional amount of money according to the job: ovejeros \$ 140, peones: \$ 120; Carreteros: \$ 130; Cooks: \$ 160, Campanistas \$ 130 (see Fiorito, 1985: 21-24).

But in practical terms, most of *estancieros* did not implement the agreement. Moreover, they continue with the discrimination and political persecution of workers dismissed in some cases as a result of their participation in the trade union. This led to further boycotts and strikes. In the film, another workers' assembly at the *Sociedad Obrera* gathers new information about the *estancieros*' resistance to observing the agreement. They decided to spread the news and go on strike again. At the same time, at the Pink House, Buenos Aires, members of the government and the SRA are concerned about the impact of the rural strike on international relations. They learn that 'the Chilean embassy is worried' and that 'the strike is considered to be against British interests' by the Foreign Office' As a result, many strikers are arrested again and severely repressed by a military operation. Facón puts it clearly: 'Comrades: in [Río] Gallegos politicians and exploiters together have started to punish us'. The *Sociedad Obrera* calls for a general strike in all estates and for a demonstration to Lago Argentino.

Uprooting Subversion: the Massacre

Since workers' strikes persisted, Lieutenant Colonel Zabala is sent to Patagonia in a military operation, this time, to 'clean' Patagonia: 'death penalty to all who resist us'. But workers trust Zabala as an honest soldier: 'To the workers and the public in general: *Salud!*. The arrival of the national army brings us back the peacefulness and the guarantee that the abuse of the police force comes to an end ...it does not matter that some *estancieros* believe that the national army will serve capitalism...they are making a mistake' (*Commission of Justice*, probable date 16.1.20 in Fiorito 1985: 34). This illustrates that the anarchists' enemy was capital, yet still understood in a very direct form: the capitalists. However, Zabala is implacable: 'How about this? When they come back we meet them with bullets? If the ringleaders die, surrender of the rest will come soon'. The rationale for his strategy is clear: 'There is no other way to do it... There are only a few of us to dominate all of them...in our case, what really counts is to have a strong hand... there is a risk of losing Patagonia, think of Chile, Captain'.

The brutality of repression put workers' lives, the organisation of the *Sociedad Obrera* and their forms of resistance at risk. Discussions among anarchist, socialist, syndicalist and Chilean workers and their leaders illustrate this dilemma: keep on resisting (together at the barricades or escaping and hiding) or surrender. Unlike Socialist and Anarcho-syndicalist leaders, who, although recognising the increasing difficulties of direct action, wanted to resist 'until the final victory', the Chileans argue pragmatically that 'we need to make a pact now'. The Chilean worker's proposal wins. This symbolises a shift from ideological and moral concerns to

practical negotiation. However, the military does not accept negotiation with workers: 'This is not about forgiveness or even punishment but extermination. I would rather finish with a hundred ringleaders than witness the death of thousands of innocent victims. They might say that I was bloodthirsty, but I was not disobedient' Workers died in the firing squad. After the massacre, a new wage scale for estancias' workers was applied:

Agreement, February 1921. ²³	Wages Decrease December 1921. ²⁴
Esquiladores.....non available	\$ 120 monthly
Peones (monthly).....\$ 120	\$ 80 (monthly)
Carreteros (monthly).....\$ 130	\$ 90 (monthly)
Jornaleros (daily).....\$ non available	\$ 5 (daily)
Ovejeros (monthly).....\$140	\$ 100 (monthly)
Cooks.....\$160	\$ 120 (monthly)

Concluding Remarks

In this chapter, I attempted to set in motion the historical knowledge about, on the one hand the identities, organisations and forms of resistance of Anarcho-Syndicalism, and, on the other hand, the state, political regime, capital and labour regulation in rural Patagonia in Argentina in the 1920s. This was done through the use of historical resources and a film. The historical resources allowed me to reconstruct and characterise the period. The film allowed the distinctive features of capital, labour and the state to be set in motion and interrelated in-against-within-beyond the others. The *massacre* was the starting point of my analysis since it crystallised the many aspects and forms of the capital relation. The *Patagonia Rebelde* constituted a moment of critical subjectivity wherein the historical and specific features and interconnectedness were expressed dramatically in a massacre.

²³ Fiorito, 1985: 21-25.

²⁴ La Unión 14.12.21 : 3 col. 4 in Fiorito 1985: 55.

The anarchist subjectivity emerged as one of the *sites of conjunction* of the capitalist contradictions at the beginning of the 20th Century in Argentina. The anarchist subjectivity in rural areas was characterised in this chapter by an immigrant rural labour force with strong ideological convictions about dignity, oppression and the effectiveness of direct action against exploitation who achieved a form of existence by confronting capitalist intolerance, repression, imprisonment, appalling working and living conditions, and even death. The Mutual Aid and Resistance Societies provided a family and friendly and cultural environment for workers and families. The FOR A became the means of organisation against oppression and exploitation. The strategies of resistance were based on refusal to exploitation, boycott and self defence. This anarchist *form* was constituted as an intrinsic aspect of the expansion of the agro export economy led by landed classes and foreign capital, and a still repressive state, which on the one hand encourage immigration into the country and on the other hand repress and persecute foreign labourers and militants. Class conflict was not institutionalised. The anarcho-syndicalist form of labour subjectivity was produced by capitalist social relations, but soon constituted a barrier to the valorisation of capital from within it.

The conflict highlighted the fact that the capitalist *struggle over the form of subjectivity* for and against the real subsumption of labour under capital took the form, in this historical period, of a centrifugal and direct confrontation. To the workers in the film, capitalists were 'a bunch of miserable exploiters' who 'give more credit to a wall or a horse than to a man because nowadays a worker can be easily substituted by another without any cost at all'. Yet, whilst capital is the enemy, they regarded the

military as a good mediator, who hated capital as much as they did. This illustrates somehow and very symbolically the relationship between workers and populist militaries like the Colonel Perón to be developed in the future, when military Populism provoked a debate within the labour movement about militarism.

To the capitalists, Anarchism was 'madness', 'it transformed the country into a rats' nest', 'destroyed the nationality, our fatherland and private property', they were *bandoleros*.²⁵ In this case, the military is regarded as an instrument for their purpose. They hate Zabala when he helped the accomplishment of the agreement which favoured rural workers, but celebrate his courage after the manslaughter. This is also a symbolic reference to the historical ambiguous attitude of Argentine capitalists who embrace democracy only if it does not affect their interest but do not hesitate in supporting severe repression on behalf of stability and governability.

Direct confrontation between capital and labour was not only rhetoric. The film exemplifies workers' tactics of boycott and direct action, the use of weapons and occupation of estates, as well as capitalists' and conservative politicians' direct and unlawful repression of workers by means of military operations or starvation wages. Finally, the film highlights how the state was shaped in the light of the anti-institutionalist action of both anarchists and foreign and rural capital and the government's attempts to institutionalise class conflict. The election of President Yrigoyen threatened the rural oligarchy and the *Liga Patriótica* (Patriotic League, PL), as well as opening the possibility of legal agreements and legalisation of labour

²⁵ Criminals with guns.

organisations, since workers' support became significant to hold political power, particularly after 1912.

During the conflict, crisis and contradictions developed within workers themselves (crisis of identity), within workers' organisations and around their forms of resistance. Similarly, the film deployed the multiple contradictions among the forms of capital. Abundant examples can illustrate this. With regard to labour, the film shows the difficulties of the *Sociedad Obrera* to organise rural workers in a difficult and extensive area, such as Patagonia, the ideological discussions among workers joining the *Sociedad Obrera* and the emergence of pragmatism willing to negotiate as opposed to the anarchist idealism of permanent revolution and resistance 'until the final victory'.

The film also shows the difficulties for capital to articulate repression since the development of the state and the law makes capitalist direct repression more complex. Examples of this are the game power between the conservative governor (close to capital) and the judge (representing the law). The judge symbolises the initial but inevitable separation between political and economic spheres as well as the development of the state. There are also controversies between the military and land and foreign capital. Zabala symbolises the National interest against the possession of Patagonia by British imperialist capital.

The conflict reaches its climax when workers' interests are directly confronted with capitalist interests. Namely, when the international wool market during WWI made capital decide not to pay salaries as the means of reducing costs, strikes, boycotts and

direct actions were intensively carried out by 3,000 strikers throughout Patagonia estates, against miserable working conditions and starvation wages.²⁶ By so doing they prevented the shearing from taking place and provoke an image of political instability and governmental weakness. In this moment capital cannot 'integrate what it has created': the 'anarchist madness' who rejected both parliamentary politics and capitalist exploitation. The power of labour disclosed the fury of capital. President Yrigoyen's decision to 'exterminate' Anarchism (workers) by means of a military massacre was historically condemned. But his unjustifiable decision led to the political recognition of the need to integrate labour into a more 'civilised form' of existence according to the development of international and national capitalist social relations. The Anarchist struggle articulated the three dimensions of labour in an *inadequate* form. Thus, all the forms of capitalist powers, including legal political regimes and incipient democracy lined up behind the military to repress labour. The state was temporarily defetishised as a relation of repression in the light of the pressure that capital exercises on the political form of the state.

Yet, the military operation is the catalyst of the class conflict. As highlighted, the massacre (like others that followed) was not

'an authoritarian adventure, a tragic mistake or an "excess". It is the objective manifestation of the fact that when class struggle transcends some limits (even if their protagonists are not really conscious of that) institutions...also transcend the formality of their own laws...(Fiorito, 1985: 15).

²⁶ Fiorito provides us with an interesting calculation: if we suppose that these 3,000 men did not get their wage since March, at an average monthly wage of 100 pesos, the estancieros saved something like 3 million pesos, that is to say, 10,000 tonnes of dirty wool at the price held in 1921 (Fiorito, 1985: 14).

Zabala's brutality tells us about the non-institutional but yet political *recognition* of the growing and untameable power of labour in the period under consideration. As the character explains: 'There are only a few of us to dominate all of them'.

By the moment in which the *Patagonia Rebelde* took place, more differentiated forms were developing for both capital and labour towards different forms of struggle. The strikes in Santa Cruz became a turning point towards new form of the capital relation of struggle. Whilst, as previously explained, Anarchism was already weakening in urban centres by 1910, this chapter showed that by 1920 the anarchist form of labour had reached its limits also in rural areas. Antonio Soto's escape symbolises the form in which labour moved one step forward: 'I wasn't expecting such an end. Let's go. There is nothing to be done here... If they don't want to fight, I go. I will keep on fighting'.

The massacre in Patagonia highlighted the limits of formal subsumption and the capitalist struggle for the real subsumption of labour under capital also in rural areas. Real subsumption implies the institutionalisation of class conflict by the state. This thesis shows physical extermination of workers will always be an available resource. Yet, the *Patagonia Rebelde* indicated the transformation of the centrifugal form of the relation between capital and labour whereby both rejected state institutionalisation, towards the nationalisation of the labour conflict and a more systematic state policy-making towards the regulation and control of both capital and labour. The struggle over the form of subjectivity will be in the future transferred into the social forms that mediate class struggle. But once again, the new form of the capital relation will create, along the non-teleological and unpredictable movement of class struggle new

objective and subjective forms of capital. I shall turn now to the analysis of *The 17th of October* as another moment of the subjectivity of labour.

Chapter Three

The Peronist. The 17th of October, Recognition and Integration.

I was born on 17th October. My father was disappointed. He wanted a girl but he could not believe what she had just done to him. He had been a devoted militant in the UCR since he was eighteen, and fought against Perón's 'Fascist dictatorship'. He used to tell us the story of how, thanks to the Peronist political discrimination at the University of Buenos Aires, he was



never awarded his degree as a dentist in the late 1940s. Or when he was sent to prison simply because he resisted the order of wearing the mourning black band on his arm the day that Eva Duarte died, in July 1952. This probably explains the fact that, in spite of being born on Saint Perón's Day, I was not named Maria Eva but Ana Cecilia, like my grandmothers. My father would never forgive me for that initial act of rebellion against his democratic ideals.

'You cannot "become" a Peronist or even "go out of being" a Peronist...You "are" or you "are not" a Peronist...Peronism is not something that can be understood but rather that can be felt' (Recent interviews with Peronist workers by Martucelli and Svampa, 1997).

'Why do we come active when we form a common notion or have an adequate idea? An adequate idea is explained by our power of understanding, and so by our power of action. It puts us in possession of this power' (Deleuze 1992: 283).

The mayor of the town, Don Ignacio, a life-long Peronist, arrives one day to work in the town hall to find that he has been denounced by rivals as a Communist. When he informs his assistant, Mateo, of the charges against them, the latter replies: "Bolsheviks? But how? I was always a Peronist...I never got involved in politics" (Osvaldo Soriano's novel *No habrá más pena ni olvido*(1984, Buenos Aires, quoted by James, 1988: 264)

On the 17th October 1945, thousands of workers from Great Buenos Aires and the capital city gathered in the Plaza de Mayo to demand the liberation of colonel Perón, the chief of the *Secretaría de Trabajo y Previsión Social* (Secretary of Labour and Social Security, STPS). His confinement was produced by the capitalists' pressure against the legal and material benefits launched on behalf of rural and urban workers by the Colonel. The STPS policies disclosed an open struggle between capitalist organisations, political opposition and the trade unions for and against the STPS measures. In June 1945, capital had declared war on Perón 'Populism' and university organisations, the UCR, the PSA, the *Partido Comunista Argentino* (Argentine Communist Party, PCA), as well as the right unified against Perón's 'Fascism'. But a massive trade union campaign was launched in defence of the STPS and workers' rights. Street riots led to violent confrontations which were severely repressed by the army. On 9th October Perón was forced to resign his post. Cautiously, the trade unions called for a general strike on the 18th October. They demanded general elections and the maintenance of workers' and unions' rights.

However, on the 17th October a massive all-day demonstration greatly exceeded the trade unions' prudent attitude, yet it was not a completely spontaneous demonstration. Workers and their families arrived in the main squares, the most important demonstration being in Plaza de Mayo, Buenos Aires. There, a pact between the leader and the masses was sealed. Historians have argued that the 17th October was the 'hurricane of history' (Luna, 1982), an event which uncovered, for a short period of time, the 'essence of social and cultural relations' (James 1995: 129); an attempt to subvert, at least temporarily, 'the dominant social order' (Plotkin, 1995: 181). After the 17th October Peronism was created and soon became *synonymous* with the power

of labour. *Peronism* outlived Perón's period of time in power (1945-55) by a large margin and constantly shaped the debates on the working class identity and trade unionism on the grounds of *pre* and *post* Perón as well as Peronism and anti-Peronism.

This chapter argues that the *17th October 1945* embodied a moment of renaissance and political recognition of a new form of labour: the Peronist working class as the most important form of labour at the end of WWII in Argentina. By rejecting those interpretations of Peronism as being an institutional phenomena, i.e. a revolution *from above* through which to incorporate and further control the working class by the state, I explore the production and main contradictions brought about by this *form of subjectivity*. I argue that whilst the recognition of the centrality of the power of labour was achieved by means of its institutionalisation and the attempt at its subordination into the state form, by so doing labour resistance was posited at the very heart of the state form. This peculiar relation between labour and the state made class struggle 'political'.

In what follows, the political, economic and social circumstances as well as the events of *the 17th October 1945* are briefly sketched. Secondly, I address the production of this form (i.e. the moment of irruption, appropriation and recognition). Finally, I look into the constitution of the Peronist form, its main contradictions, and the elements of its initial crisis.

I

The 1930s and the 1940s: a Historical Background

The Crisis of the 1930s

The international crisis of the 1930s impacted Argentina in two senses. First, the crisis of the export sector as the dynamic sector of the economy led to a slow but certain transition towards industrialisation via import substitution led by the conservative elite. Secondly, the 1930s brought about the first military putsch aiming to preserve the relations with British capital and control labour.

The crash of 1929 diminished the demand for products and decreased agricultural prices in Europe. The fall-off in exports was accompanied by the transference of capital abroad (see Balsa 1994) Global production declined, and in 1932 national manufacture was barely working at 55% of the installed capacity. The crisis of 1930 was solved nationally by adjusting the export economy by its combination with light industrialisation. Industrial development, led by the oligarchy and a military government, covered an empty space filled in the past by imported products, above all food and textiles (Murmis and Portantiero, 1974: 12 and 13).

By 1940 increasing difficulties arose as how to locate exports abroad and this created uncertainty as to how to obtain enough foreign currency to import. The 1932 Roca - Runciman Pact, which attempted to preserve the export economy and the relations with Britain, greatly favoured British interests. The government needed to further promote import substitution to avoid the deterioration of the productive structure (Cirigliano, 1986) as well as the deficit in the balance of payments.

In September, the Minister of Economics Pinedo announced a *Plan of Economic Revival* (never treated in Parliamentary sessions) which proposed new functions for

the state, hitherto unthinkable (see Lewis 1992, Diaz Alejandro 1970).²⁷ Pinedo argued that 'the state intervention was indispensable for private initiative won't do it' (*Nuestro Siglo*_no 5: 65). The plan proposed the encouragement of industry in branches which did not compete with those belonging to the countries who were the buyers of Argentine exports, by means of long-term credit and the use of national raw materials. It was to introduce exchange control, the creation of a *Junta Reguladora de la Producción* and a plan of public works. Pinedo's proposal was rejected by the landed classes and financial capital and only supported by the UIA (Union Industrial Argentina) (Calelo, 1986; Cirigliano 1986).²⁸

Labour

In 1930, the Confederación General del Trabajo (CGT) was created as the unification of the socialist COA (Confederación Obrera Argentina) and the Anarcho-syndicalist USA. It represented only 200,000 workers out of 450,000. The CGT reaffirmed the Syndicalist principles of autonomy from political parties and ideological groups (Reinoso, 1987: 15; see Barrancos 1993), abandoned direct action and disclosed a quite defensive attitude. In 1931 a minimum programme demanding legal recognition for trade unions, paid holidays, rights to social security, workers' participation in controlling state agencies, mother and childhood protection, the creation of job agencies, the reform of 'safety and risk at work' law and employment stability for state employees (del Campo 1983: 46; see Reinoso, 1987: 31). Yet, the government's response was repression. It 'denounced the minimum wage law, interrupted labor

²⁷ See detailed analysis in Alhadeff 1986.

²⁸ On industrialisation in Argentina see Schvartzler 1996, 1990; Sábato, 1991.

meetings, instituted a system of labor spies, broke strikes by police action and made no effort to fulfil existing labor legislation' (Baily in Munck 1987: 108).

The labour force for the expansion of the import-substitution industrial development was provided by internal migration from poor areas of the country to the cities in the middle of the 1930s (Munck 1987:107). Yet, unemployment was high. By 1930, 44% of the total of the unemployed were rural workers, and 37% industrial and transport workers. Half of the unemployed inhabited the capital city and *Gran Buenos Aires*. Whilst in rural areas more than '2 million agricultural workers lived in unspeakable conditions' (Lewis, 1992: 126), most workers and their families lived in urban conventillos.²⁹ Unemployment, poverty and repression made the level of workers' struggles low for the first two years of the military regime (del Campo 1983: 32).

But labour struggles increased from 1934, this being evidenced by the increase in workers' unionisation and participation in trade union meetings and strikes. Between 1930 and 1940 the PC had led the strike activity and represented the four largest trade unions: construction, meatpackers, textile and metallurgical workers (Munck 1987: 111). Thus, the real issue at stake in 1940 was, for the government, the subordination of labour towards the achievement of stability.

In response, the state shifted from pure repression towards some kind of authoritarian policy coupled with some sort of social justice (del Campo, 1983: 54). In 1935 the state changed its structure by creating the National Labour Department (DNT),³⁰ to regulate workers' industrial action. By 1942, 90% of conflicts' resolutions had been

reached by DNT intervention. A proposal for the creation of the Ministry of Labour and Social Security was considered, a system to determine wages was established in 1937 and the 'National Commission against Unemployment' was created in 1938.

Although there is no agreement about the degree of industrialisation between 1930 and the early 1940s (see Berquist 1986; c.f. Ferns 1973), most commentators argue that the incipient process of industrialisation until 1943 reshaped workers' identity. A sense of nationality of the new Argentine-born workers was coupled with a feeling of class and brought about the autonomy of syndicalism (see Waisman 1998). But the conviction and power of the labour movement's militancy and the growing strength of their struggles did not find any political expression.

The working class was being produced but not recognised and incorporated into social life. Neither the dominant class nor the social democratic and radical political parties achieved an appropriate political form for representing workers.³¹ In spite of the increasing state regulation of labour and the recognition of trade unions, the political regime remained elitist and corrupt. Intensive accumulation and industrialisation was accompanied by no income redistribution (Murmis and Portantiero, 1974). The CGT itself was a weak organisation. In 1943, it split into two³². Whilst CGT 1 (most of them railroad workers) held a neo-syndicalist attitude and aimed at the construction of

²⁹ *Conventillos*: old colonial houses where each family rented out one room. Different foreign tenants shared the common patio, kitchen and bathroom.

³⁰ Later on transformed into the *Secretaría de Trabajo y Previsión Social* (STPS).

³¹ The UCR opposed the conservative landed and pro-British elite (see chapter one) but did not have an appeal for the new working class. The PS controlled many important unions (e.g. La Fraternidad, the drivers' and firemen's union within railroad companies, the UOEM (city council workers), the UT Transport Workers Union, and ATE (state employees) but did not influence the CGT leadership. The CP was hardly a 'labour' party (del Campo, 1983: 61), which considered the CGT as pro-fascist, pro-government and only joined it in 1935 when the CP internationally adopted a popular front strategy.

³² In 1940 a trade union census indicated that the CGT had 217 affiliated unions (61% of the total), the Unión Sindical Argentina (USA) had 31 (9%) and there were 83 (23%) autonomous unions which had a pragmatic attitude, often co-operating with CGT. The communists controlled the construction, frigoríficos (meatpackers) and metallurgical unions; the socialists commercial, municipal and state

a labour party, CGT no 2 insisted on the close relation between the labour movement and the PS and PC (see del Campo 1983: 102; Munck 1987: 117). All of them represented only 20% of the working class (James, 1988). So, by that year the trade union labour movement was divided into four central confederations: the anarchist Federación Obrera Argentina (FORA), the syndicalist Unión Sindical Argentina (USA), and the two CGT: CGT no 1 and CGT no 2, both of which were led by socialist leaders.

1943: June Military 'Revolution'

In 1943, the *Grupo de Oficiales Unidos* (GOU), the nationalist fraction of the military forces, took power (see Puigross, 1972). The GOU aimed to achieved political order, the control of labour and the repositioning of the country within the international post-war arrangement. The cut-off of American arms to Argentina during WWII renewed the army's conviction of the need to develop a national defence industry (Lewis, 1992). Heavy industrialisation was resisted by capitalists linked to the agro-export sector of the economy. The GOU was determined to lead the process of national development. Generals Rawson and Ramírez seized control of the government and Colonel Perón was appointed as the vice-president.

The military revolution held two opposed strategies towards labour. On the one hand, it aimed to disarm Socialist- Communist CGT no 2, considered the 'extreme left', as well as directly control independent unions joining the CGT no 1, i.e. *La Fraternidad* (LF) and

workers and footplatemen; the syndicalist dominated railroads and tram drivers' unions (Munck 1987:116).

the *Union Ferroviaria*, (UF) both railroad workers.³³ At the same time, a new Law of Professional Associations authorised state intervention in labour affairs. On the other hand, the military regime aimed to incorporate labour matters into the state. Whilst the former strategy was merely repressive, the latter strategy, led by Perón, suggested the convenience of the achievement of ‘an harmony among social forces...to prevent the re-emergence of communism after the mobilisation of workers produced by the war (Perón 1944 in Cordone 1997: 14).

The STPS encouraged the unionisation of workers and supported trade union activities and further organisation of workers through an extensive programme: the extension of the pension system, the creation of the Women’s Labour Division within the STPS, social security and health system, the regulation of rural workers’ work (*el Estatuto del Peón de Campo*), wage increases in different branches of industry and services, housing policies, collective agreements for several unions, better labour conditions, built railway workers’ hospital, the payment of state debts for many workers (del Campo 1983: 155), a project for a minimum wage, workers’ participation and control on companies shares, which was being discussed in Parliament in 1945 (del Campo 1983).

By 1944, the STPS was the *object* of a war between capital and labour as well as between the anti-labour fraction of the military regime and Perón. The struggle over the STPS was, in fact, a struggle for and against the incorporation of labour into the state. On the one hand, capitalist organisations led by the UIA, Argentine Confederation of Commerce (CAC), Industry and Production Confederation (CACIP) and the SRA

³³ ‘Political intervention’ is a tool that the national government can use to intervene in a local or provincial government in a situation of social chaos by sending an alternative authority for a determinate period of time till the situation returns to ‘normal’. Perón intervened in CGT to destroy opposition and impose his own candidates for the secretary of CGT.

fiercely opposed the STPS's new labour policy. On the other hand, the CGT officially supported the STPS to protect workers' economic rights and give guarantees to their industrial action (see Celiz in Torre, 1990: 99).³⁴ In April 1945, Perón took the side of labour and warned that workers' achievements were under threat and, if necessary, he would call for their mobilisation (del Campo 1983: 164).³⁵

II

The 17th October : Emergence, Recognition and Appropriation

Renaissance

In June 1945, capitalist organisations and political opposition confronted a massive trade union campaign in defence of the STPS and workers' rights. Street confrontations and severe repression led to an unstable situation deemed to end in an internal putsch. As a result, Perón was forced to resign his posts and confined. One week later, since the political atmosphere and circumstances were favourable, and after a hard discussion and voting (16 votes against 11), the trade unions called for a general strike on the 18th October. Railway workers as well as meatpackers, both



linked to British industry and the focus of initial labour legislation from the STPS, had a great role in the organisation of the general strike (*Nuestro Siglo* no 12). However, union leaders did not

³⁴ Until May 1945, the STPS had already benefited 2,580,000 workers by means of 29 decrees, 319 collective agreements and 174 conciliation agreements (del Campo, 1983:166).

³⁵ The last straw that contributed to this combative attitude was the STPS's favourable response to a meat-packers' strike in Avellaneda, Buenos Aires (see *Nuestro Siglo* 12: 179)

demand explicitly Perón's liberation (Torre, 1995) but rather democratic rights and the maintenance of workers' and unions' achievements. However, on the 17th October, anticipating the general strike, workers and their families mobilised in demand for the liberation of Colonel Perón. Many massive all-day carnivals (the most important being the Plaza de Mayo one) inundated the cities. Labour seemed to have conjured itself up out of capital. Labour became massively concrete and visible. It became political.

*Corporeality and Collective Joy: The Plaza Llena*³⁶

The 17th October asserted itself as 'the violent and open presentation of a new human reality' which shocked the urban upper classes (Luna, 1982: 291 and 273). The event highlighted the struggle for access to public space, territoriality and corporeal recognition. Workers marched from the periphery of the city towards the centre, the latter being residential areas of the middle and upper classes (James 1995: 123). The class distinction between belonging to the city or to the periphery was revealed. What was hitherto a middle and upper class public space became a *popular* public space. There was no agreement as to who they were: lumpen proletariat, criminals, families, *cabecitas negras*³⁷ or unionised and organised workers. The *undefined* subject was to be named as 'the people' after its encounter with the 'leader' (on this, Laclau 1977).

Others considered the 17th October as a moment of temporary subversion of the established order (Plotkin 1995: 181). That is, a moment of being in possession of one's own, and being oneself by means of articulating collective action with the

³⁶ The Full Square.

³⁷ The name black little heads is dismissive: it labels those workers with dark hair (different from those whose families were European) who came to the capital city from the interior of the country looking

others. In the memory of the workers, this day remains as a cheerful journey as well as a moment of disrespect for holy and patriotic symbols and existing ideologies (see James, 1995, several interviews with workers)

The Pact

The 17th October can be seen as a political ritual, a ‘ritual of inversion’ through which workers literally defined their social space from which they were excluded in the past. But the original ritual (the original myth, Neiburg 1995) was transformed into a ‘ritual of reinforcement’, that is a ritual which reinforces the social classification of subjects by making clear each one’s position (see Matta in Plotkin, 1995). The ‘ritual of inversion’ transformed labour into a ‘recognised subject’ with a specific form of existence. The ‘ritual of reinforcement’ made the centrality of labour appear as derived from the institutional recognition of labour by the state.

The massive demonstration in the Plaza de Mayo demanded Perón’s presence. The colonel showed up at the balcony of the Casa Rosada and exclaimed: ‘*Workers!*’ The most significant aspect of Perón’s improvised speech that night was its *insignificance* (de Ipola, 1995: 131). What followed was not a speech but a dialogue between the leader and *the people*. The dialogue established an implicit pact between them which would last for a long time, until it was deconstructed in the 1970s (see chapter 5). The people asked him ‘Where have you been?’. He answered: ‘I have been making a sacrifice which I would repeat a thousand times for you!’ But he also asked for unity between the people, the army and the police. He demanded that the people go on

for a job during the 1930s and the 1940s and were argued to have given support to Perón for they were

strike the next day in order to celebrate that moment. The people celebrated that idea and claimed: 'Tomorrow is Saint Perón, who is going to work? The patrón!' (Luna, 1982: 292-297).

Political Ritual and Appropriation

Discourse political analyses suggest that through the dialogue with the people, Perón located himself at the 'core of things' (Geertz in Plotkin 1995: 187) and by so doing he embodied the people's dreams and became the means of achievement of their needs. From then onwards, his word will be the voice of the people and the people will express themselves through the voice of the leader (de Ipola, 1995: 146; see Bakhtin in Plotkin, 1995: 187).

The initial appropriation of the 17th October by the state was reproduced every year and embodied by the struggle around the meaning and the officialisation of *the 17th October*. In 1946 there were two celebrations: the official *Loyalty Day*, organised by CGT with the full support of the state, and *The People's Day*, organised by the unions in opposition (see Plotkin 1995: 194). Whilst the official celebration reformulated the event in a form in which Perón emerged as the most important actor, the non-official act aimed to recover workers' leading role by stressing *the 17th October* as a workers' achievement. This struggle became even harder during 1947-49, when the Peronist doctrine was nationalised and resisted.

But the appropriation was not only symbolic. The immediate aftermath of *the 17th October* was Perón's liberation and the creation, a few months later, of the Partido Laborista (PL, Labour Party) by the trade union leaders. Perón obtained great support from railway (independent) and meatpacker workers' trade unions led by the communist FOIC (Federación Obreros de la Carne).³⁸ The PL was born as an autonomous party to 'allow workers to defend directly the achievements of the revolutionary government during these two and a half years' (*El Laborista*, 8.1.46: 4 in Pont 1984: 38).

In the general elections on 24th February 1946, the PL confronted the Unión Democrática (Democratic Unity, UD), which gathered all the rest of the political forces unified for different reasons against Perón's 'Fascism'. The election brought Colonel Perón into office with 54% of the vote. But after the general elections a progressive movement from *Laborismo* towards *Peronismo* started to develop (Cordone 1997: 21). The PL was dissolved by Perón himself after winning the elections and replaced by the *Partido Unico de la Revolución Nacional* (PURN) (Unique Party of National Revolution, later the Peronist Party). The unions' reaction to the dissolution of their own party in May 1946 was fragmented: only a few of them protested against it (del Campo, 1983; Bunel, 1991; Reyes, 1984).³⁹ The dissolution of the PL by Perón indicated the institutional appropriation of the *17th October*.

³⁸ The *Union Ferroviaria* awarded Perón with the name of First Worker in 1943. 'The UF was the base of Peronism in the country...99% of the union leaders became Peronist (*Nuestro Siglo* no 12: 180-181) The UF leaders as well as meatpackers played an important role in the creation of the Labour Party.

³⁹ Particularly Cipriano Reyes, a shop steward in the Berisso frigoríficos played a major role in the organisation of the general strike, the mobilisation of workers and the creation of the Labour Party. He was imprisoned in 1948 and remained in jail until 1955. His testimonial book is titled I've made the '17th October' (*Yo hice el 17 de Octubre*).

III The Production of the Peronist Subjectivity

The Reshaping of the State: The 'Keynesian' Revolution

1946-50 was a period of sustained growth. An extensive programme of nationalisation of railways (British and French), gas, part of central electricity generation, telephones and telecommunications, public transport, air transport, the Central Bank to regulate credit, as well as the merchant marine took place. At the same time, new national industries like the steel industry i.e. *Fabricaciones Militares*, the metallurgical factories of SOMISA and Zapla were created. The state apparatus itself grew significantly.



The recomposition of the state included a shift in repositioning the country in international relations. A new philosophy, the doctrine of the Third Position, aimed to develop a neutral and independent political

position between the United States' capitalism and the Soviet Union Communism after WW2: *Neither Yankees nor Marxists: Peronists*⁴⁰ (Paz in *Nuestro Siglo* no 5: 139).

Argentina followed the post WWII pattern: the belief in the benefits of a semi-closed economy with high wages. The government established a distributive dynamic on behalf of workers by means of the implementation of some Keynesian policies such as increase in productivity, egalitarian redistribution, expansion of credit to finance

⁴⁰ ni Yankis ni Marxistas: Peronistas! On this see Munck R 1986

the wage increase; the expansion of public expenditure, and a fiscal deficit to maintain the level of activity (see *Nuestro Siglo* no 13: 194). As a result, during 1945-1950 labour conditions improved. The purchasing capacity of the working class grew significantly from 1943. Workers had a wage increase of 50% over three years (*Nuestro Siglo* no 13: 196).⁴¹

In order to establish the minimum wage according to the increase in the cost of living, the *Instituto de Remuneraciones* (Institute for Wages) was created in 1945. A *Sueldo Annual Complementario* was introduced as a thirteenth month's wage received in two installments. The *aguinaldo* became part of the salary (*Nuestro Siglo* no 20: 85). In addition, rent freezes, low-cost housing, and the Eva Perón Social Aid Foundation



helped the economic and social position of the lower classes. In 1944, the *Instituto Nacional de Previsión Social* unified the existing different pension systems and expanded them. The pension system went from having 300,000 affiliated in 1944 to 3,5 million in 1949 (*Nuestro Siglo* no 20: 84).

Labour Tribunals were established to deal with workers' legal labour problems. The tribunals did not only protect citizens *as workers* against employers' abuse, but gave workers legal problems a new status (the labour code) and thus provided a clear sign that the state (the Ministry of Labour) was on their side. Social legislation was also

⁴¹ Wages of skilled industrial workers rose by only 27 percent, while those for unskilled labour went up

launched to protect rural workers, all workers against unfair dismissal, and change the collective bargaining system (Kreimer in *Nuestro Siglo 20*: 89).

The *Fundación Eva Perón* was created in 1948. Evita became the institutional mediator for trade union demands and social needs. The *Fundación* was financially supported by private, state and workers' contributions. This institutionalised and legitimized charity, also contributed to public works in the area of health and education. Eva Perón became the voice and body of the shirtless, i.e. 'the Robin Hood



of the forties' (Tomas Eloy Martinez 1998a), and thus was adored by Perón, by most trade unionists and the left wing of Peronism (see Flores 1952).

Workers' Identity and the Imagery Integration of the Working Class

As previously suggested, Perón(ism) was not only a set of policies and material benefits for workers, but it entailed an *adequate political meaning* for labour

practices and struggles based on everyday life social and labour practices. The integration of the proletariat into the system was not just an illusion but a real illusion based on different forms of social integration which hid the reality of domination and exploitation (Colombo 1993c; also Ansart 1993).

The Peronist social imagery was not an *ideological* or *cultural* phenomenon but constitutive of subjectivity since it 'articulated institutional arrangements and individual unconscious' (Castoriadis and Enriquez 1972 quoted by Colombo 1993c:

175). Peronism was based on the productivity of the working class and the centrality of work as the social engine for economic development. But it also offered a network of *meanings* which were constitutive of and constituted by social practices. By linking together the notions of state, nation, development, progress, growth, wealth of the post WWII period, with workers' daily personal experience, the Peronist doctrine played a major role for the integration of the working class into this form. The doctrine of the *Movimiento* circumscribed progress and growth as depending upon workers' productivity within a framework of optimistic social inclusion.⁴² Expressions such as *vigour, strength, the people, enormous step, national recovery, to live better, euphoria* are abundant in the literature, newspapers and political speeches of the time. Workers' identity was constituted in and against this imagery integration as an 'existential place' (Martucelli and Svampa, 1997). As workers highlighted,

'Peronism would impregnate everything that your parents could do or tell you at home...I don't know my life before Peronism' (interviews in Martucelli and Svampa, 1997: 161).

Peronism produced a simultaneously classist and non-classist form of workers' identity and ideology which absorbed left-ideologies and yet redefined workers' positions vis-à-vis the oligarchy and imperialism. Thus, the class dimension of Peronism did not lie in its 'classist ideology' but in the concrete form of the centrality and the political mobilisation of the working class (James 1988). The Peronist identity was based on the centrality of the working *class*, its political significance and the idea of the humanisation of capital. As Evita put it,

⁴² See definitions of Justicialismo in Fernández 1986.

'The fundamental goal of *Justicialismo* with regard to the labour movement is to make class struggle disappear and to substitute it with the co-operation between capital and labour. *Justicialismo* ...wants...men to belong to only one class: that one of those who work' (Eva Perón 1952).

Perón defined the labour movement as the *spinal column* of the *Movimiento Justicialista* now in power. The recognition of labour at the core of social relations allowed the unification of private and public and the political and the economic spheres into a distinctive form. On the one hand, the interests of the nation were assimilated to those of the workers, thus their lives and needs became the main concern of the state. Everyday workers' concerns were elevated to a public status. Workers' lives were politicised insofar as individual and collective efforts were regarded as the essential contribution to the improvement of the national economy and international position of Argentina. Going on strike became, in hard times, the lack of love for the country or for Perón himself.

On the other hand, the centrality of labour made industrial action become a political (state) matter. At least during the first five years of Perón's rule, workers' struggles became struggles for the interest of the nation and thus the most important inputs for state policy making. The tight link between economic growth and social justice was mediated by a form of citizenship which relied, rather than on individual citizen's rights like in most European democracies, on social justice through the expansion of workers' rights. This meant a new role for the working class in society (James 1988: 16) which called into question the distinction between political and economic rights.

But workers' demands were organically organised through the labour movement. By equating rebellion with ignorance, Perón emphasised the importance of trade unions

for the organisation of workers, negotiation with capitalists, pressure on the state and capitalists, the creation of institutions and obras sociales, and the defence of professional interests (Fernández 1986: 82-83). To Perón, disorganised masses were problematic: the most dangerous mass was 'the inorganic mass' (Perón in del Campo, 1983: 15).

The Transmission Belt: Trade Unions

Trade unions were the site where the general assumptions of the doctrine were translated in the form of rank-and-file militancy, struggles and identity. Trade unions were indeed the 'transmission belt' between the political movement and the daily working experience. Each organisation held its own identity regarding the branch of industry or services to which workers belonged. As far as each union managed health services and benefits, and provided a social life around the trade union, workers and their families identified with their job and speciality, as well as with their trade union.

The political participation and influence of trade unions and the strong rank-and-file militancy allowed the development of a powerful working class. From the STPS, Perón had eliminated the two existing antidotes against bureaucratisation of the trade unions: voluntary affiliation and the possibility of co-existence between several organisations in each branch of industry (del Campo, 1983: 111). The Decree 23.852 of 1945 privileged the existence of only one trade union in each branch of production. Its 'personería gremial' had to be recognised by the STPS Cordone 1993; Etala

1995).⁴³ In 1953, the law 14.250 on Professional Associations regulated collective bargaining and established that all workers are benefited by the results of a collective agreement (Etala, 1995: 5-6).

The specific relationship between labour and the state gave trade unions political and financial power. Trade unions managed resources and participated fundamentally in their distribution (Bunel, 1991) and also defined political situations. The union leadership became engaged in the 'electoral' and unions replaced Peronism as a political force and negotiated political agreements when the latter was prohibited. The CGT moved from being the transmission belt to the official voice of Peronism (Cordone 1997: 25). This made the class struggle between capital and labour take the form of a 'political' struggle. As a result of this, a new type of trade union bureaucracy was consolidated, which would play a significant part against the increasing strength of the rank and file militancy, also consolidated under Perón (Munck with Falcón and Galitelli 1987: 143)

The development of the labour movement was massive. Whilst in 1945 unionisation reached 528,523 workers, it was 1,532,925 in 1948, 1,992,404 in 1950 and 2,256,580 in 1954 (Cordone, 1997: 24). Between 1946-50 almost all trade unions went on strike to demand wage increases or to force the *patronal* to accept collective agreements. Until 1950, workers' strikes were not only a set of demands put in motion, but represented the national struggle against a dependent oligarchy who acted on behalf of foreign interests. The state was not the target of the strikers. But rather, they aimed to persuade the state to mediate between workers' and capitalists on behalf of workers

⁴³ The Law 23.852 constituted the basis for the structure of the Argentine model of trade unionism

(*Nuestro Siglo* no 12: 191). During 1940-1949 there was a marked increase in the participation of workers in strikes. Whilst in 1940-44 332 strikes were carried out with the participation of 75,067 strikers and 1,235,149 days lost, in 1945-49 there were 392 strikes with the participation of 1,226,835 strikers and 9,693,117 days lost, i.e. eight times greater (Munck with Falcón and Galitelli 1987: 135).

A shift from the power of managers to the power of labour took place by means of the transformation of industrial relations in the workplace, and the development of workers' and trade unions' rights (James 1988). Employers developed several strategies to combat "anti-social" work habits' such as the limitations to work force mobility, flexibility, discipline, and job demarcation regulated by the state (James 1988: 57). The struggle at the workplace allowed the constitution of a strong practice and ideas about the working class dignity against increasing exploitation towards productivity gains (James 1988). This rank and file militancy organised in the *comisiones internas* became 'the backbone of future labour resurgences' against capital (Munck with Falcón and Galitelli 1987: 143), as well as the union bureaucracy.⁴⁴

Crisis and Contradictions (1949-1955)

The Third Position in international relations as well as 'Perón's Bonapartist ambition' (Munck with Falcón and Galitelli 1987: 137) reached its limits in 1949. Boundless credit was used by the Peronist government to subsidise industrialisation and wage increases. The aim was to produce a *Keynesian virtuous circle* and sustain the integration of the working class into the state. The industry developed under Perón

(Etala 1995: 3)

was mainly light industry targeting consumption, but not heavy industry. This was not just a populist strategic mistake but based on the increasing difficulties for the government in producing an effective transference of resources from the agro export sector of the economy to the industrial sector without producing a deficit in the balance of payment in a context of unfavourable international conditions.

The European nations who were helped by the Marshall Plan did not need Argentine export products. Argentina was losing its privileged position and in 1949 an economic crisis arose aggravated by two years of drought. By 1949, the United States of America held the presidency of the Organisation of American States and although Argentina had recomposed its commercial relations with Great Britain, now the interest in the British market was limited. Argentina was increasingly being subordinated to the United States of America (*Nuestro Siglo* no 5).

In 1949-50, when Europe recovered from the war and the normalisation of food supply was re established, the Argentine external market was destabilised for exports were not sold. This was worsened by the losses produced by two bad harvests in 1949-50 and 1950-52 due to the bad weather. In 1951 prices of exports dropped dramatically for the United States competed with Argentina (Paso 1987-2: 189), producing a negative balance of payments. Perón aimed to reduce current spending to solve the balance of payments problem and increasing inflation.

In 1952 the working class, being recognised as a central force of social development , became the barrier for the further national development. The government launched an

⁴⁴ The comisiones internas are shop stewards committees constituted by representatives of different

Emergency Economic Plan to provoke an increase in productivity, and to encourage austerity in consumption and saving. There was also an urgent need to attract foreign capital. But these contradicted the main pillars on which the Peronist project was based: consumption, spending, high wages and economic sovereignty.⁴⁵ To negotiate with 'imperial forces' and to control labour demands were now imperatives for the Peronist government.

While real wages were falling slowly (Munck with Falcón and Galitelli 1987: 137), Perón called for more productivity and tried to make several agreements with the main unions to adjust public expenditure. The 1952 Economic Plan was to postpone the renewal of collective agreements, to increase productivity and to discourage consumption. The government promised a 2nd *Plan Quinquenal* through which the state would purchase the rest of the monopoly foreign companies, and carry out an agrarian reform, and tax reform (Paso 1987).

The need to increase productivity by increasing workers exploitation, and reducing social benefits and legal rights found resistance at the work place, where the rank and file militancy became a barrier to the government's goals. In 1953, social discontent arose and partial strikes and collective protest against dismissals took place in the electricity, metallurgical, textile, meatpacking industries. The most important were the metallurgical strike which left 300 imprisoned workers subjected to a "internal state of war (Paso, 1987-2: 211-212), and the railway workers' strike led by the UF in 1951. The latter 'was declared illegal and placed the rail workers [Perón's great supporters] under military control' (Munck with Falcón and Galitelli 1987: 139). The

sectors in the same workplace.

trade union leadership found difficulties in containing workers' and rank and file militants' demands.

Concluding Remarks

The *17th October* marked a turning point in the subjectivity of labour. It embodied a moment of renaissance and political recognition of labour by the state. On the 17th October labour created Peronism and achieved a new form: the Peronist working class. I argued that the *17th October* constituted a moment of critical subjectivity wherein labour became corporeal and concrete. After October 1945, class distinctions and identities were renegotiated, social forms reshaped. It was argued that Peronism was not an institutional phenomenon but rather a particular form of class antagonism wherein the centrality of labour was institutionally recognised and integrated into the state, in light of the process of import substitution after WWII in Argentina. This was achieved by the social construction of a strong self-contained workers class identity and a powerful trade union movement. The power of this identity lay in that it became a form of existence. The power of the trade unions lay in the consolidation of a bureaucracy with political and financial power *as well as* the constitution of a radical rank and file militancy.

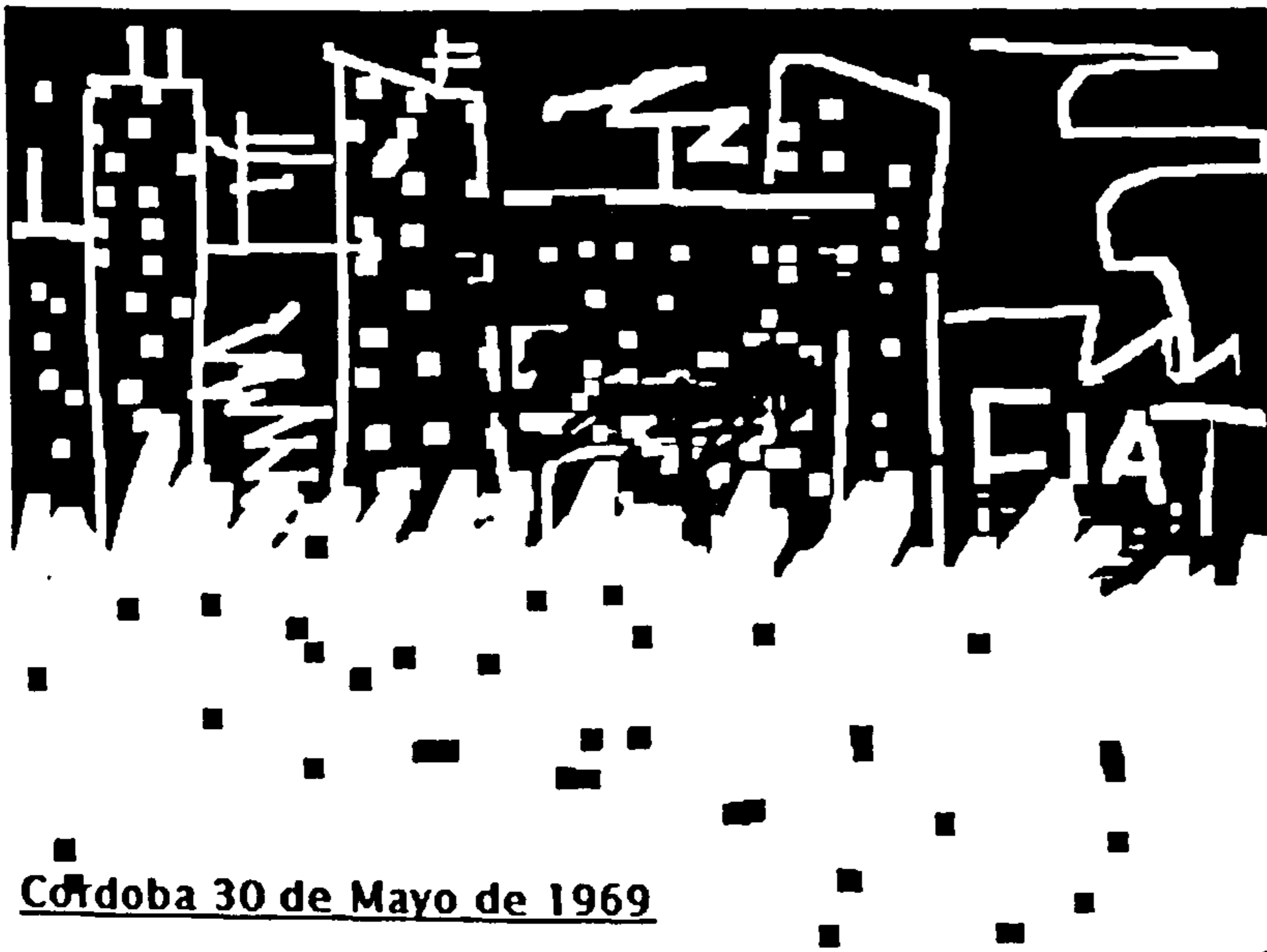
The main contradiction within the form itself lay in that, whilst the recognition of the centrality of labour led to its institutionalisation and the attempt at its subordination into the state form, by so doing labour resistance was posited at the very heart of the state form. This peculiar relation between labour and the state made class struggle 'political'. Economic crisis and political instability will be, from now onwards, associated with Peronism and the power of the working class.

⁴⁵ On the latter, Fodor 1989 in Di Tella and Dornbusch Eds. 1989; Ferns 1973).

The chapter emphasised that the main characteristic of Peronism *does* not lie in its institutional expression as a form of the state, of industrialisation or of labour legislation, but rather in that it produced a very peculiar particular form of subjectivity of labour. The peculiarity of Peronism lay in that workers invented it (James 1988), as well as that it produced a peculiar form of subjectivity where the political became emotional, i.e. a *sentimiento* (a feeling). The constitutive emotional characteristic of Peronism was rooted in the political recognition of labour as the driving force of society by the state. The strength of the populist state was rooted in the power of the working class. But, as shown, this peculiar arrangement of the post-WWII period did not mean the end of class antagonism but a centrifugal form of it. The main contradiction of this form lay in that whilst the recognition of the centrality of the power of labour was achieved by means of the recomposition of the state in a way which it allowed its institutionalisation, the power of labour and resistance was posited at the heart of the state. This made class struggle 'political'. Economic crisis and political instability will be, from now onwards, associated with Peronism and the power of the working class. This peculiarity made Peronism a very (if not the most) contested issue in Argentine Politics and made the Peronist subjectivity outlived Perón's period of time in power by a large margin. The central question for General Aramburu's dictatorial regime in 1955 was not just how to repress labour but, most importantly, how to deconstruct the Peronist form of subjectivity, i.e. to *desperonizar* labour (Tedesco 1999). But since the Peronist form organised all the dimensions of the capital relation in a particular form of being, the struggle for the deconstruction of the Peronist form would mark the following 45 years of struggle in Argentina.

Chapter Four

The Anti-Imperialist. *El Cordobazo*, Rebellion and Expansion.



'Workers and students are being martyred by means of unemployment, poverty and political exclusion on behalf of the needs of the oligarchy and the monopolies...the executive general secretary of CGTA calls for a 24 hour general strike' (CGTA, Press release no 47, 22nd May 1969).

'We have reached the necessary maturity to understand the present problem; we don't want to be a frustrated generation...' (Manifesto Universidad Integralista Argentina and Union Nacional de Estudiantes, 21.5.69).

Under Onganía, kissing in public was forbidden.

'Workers have the right to demonstrate against a policy that hit them, and fight to become the true protagonists of national development ... students have the right and the duty to fight for a university opened to the people and to the problems of the country, that becomes an agency for social change. We declare that we will be beside them in this process of liberation' (Manifesto of the Movement of the Priests for the Third World, pamphlet distributed between 16 and 20 May 1969).

'The first task of a revolutionary regime would be to liquidate the power of imperial and monopoly capital in Argentina, by expropriations –under the control of the masses –that would open the door to socialism' (E. Laclau, 1970: 20)

'My personal assessment, was that the economic policy had been largely successful' (J M Dagnino Pastore in di Tella G and Rodríguez Braun, C 1990: 106 -110)

'The tragic events in Córdoba responded to an extremist organised force's action aiming to provoke urban insurrection' (General Onganía, message to the nation, 4.6.69).

In 1966, General Onganía assaulted the power of the state by means of a military putsch against president Illia. The authoritarian regime concentrated power in the state as never before. Although the putsch was supported by the Peronist trade union bureaucracy, which regarded Onganía's corporatist project as beneficial, the 'Argentine Revolution' aimed at the 'modernisation' of the economy on the basis of the suspension of political activity, the repression of union militancy and the worsening of workers' working and living conditions. By 1968, the rank and file militancy and renewed union leadership which had grown between 1955 and 1969 created the CGT de los Argentinos (CGTA). The CGTA gathered shop-floor stewards and workers, independent left-wing groups, artists and university students, and los Sacerdotes del Tercer Mundo (Third World Priests) to fight against the military regime and the bureaucracies within their own organisations. It provided the basis for the constitution and development of the Sindicalismo de Liberación (Liberation Trade Unionism) and gave the politics of resistance the status of a life style. On May 29th and 30th, a massive workers' and students' protest leading to an unprecedented and spontaneous urban insurrection in the industrial city of Córdoba shook the country. The workers' protest turned into a popular rebellion at noon, and became an urban insurrection in the evening (Brennan in Tarcus 1999). In the context of intensification and expansion of capitalist exploitation and ruthless repression, particularly unleashed against the labour and cultural worlds, the characteristics of the organisation (joint) and the massive participation of workers and students in the protest and the characteristics of the resistance made the Cordobazo signal a turning point for the constitution of a new form of trade unionism and class-oriented politics.

In this chapter, I address the process of class antagonism underpinning the struggle over the form of subjectivity disclosed after 1955 until 1969. I explore the *Cordobazo* as a moment of critical subjectivity located at ‘the intersection of two histories’ since it was the highest point of the resistance initiated in 1955, as well as the beginning of the movement which would end up tragically in 1976 (Torre in Tarcus, 1999: 19). The period 1955-69 was one of the struggle for and against the deconstruction of the centrality of the power of labour, achieved and consolidated under Perón.

Section I addresses the period 1955-1958. The period was characterised by a dictatorial regime that sustained the reestablishment of the agro-export role of Argentina. This meant an attack on the nationalistic identity of the working class and its unions at both political and workplace levels. As a result, the workplace became the battle field for the state and managers’ control over workers and the *comisiones internas*. Yet, the *Revolución Libertadora* helped the reshaping of subjectivity of labour into an even more combative form, called ‘la resistencia Peronista’ (the *Peronist resistance*).

Section II focuses on the period 1958-62. This period highlighted the emergence of the second phase of industrialisation via import substitution, which aimed for the development of heavy industry through the encouragement of transnational capital investments in key areas of the economy. The most significant contradiction of this period was the simultaneous need for the recognition and repression of the Peronist labour movement. This contradiction led to political and economic instability since capital and the military regarded the power of labour as a barrier to economic

development whereas labour regarded transnational and national capital and the military as their destructive enemy. In the light of this struggle, labour organisations shaped in two forms: 'institutional pragmatism' (James 1988) (co-operation) and grass-roots resistance (anti-imperialism).

Section III focuses on the period 1963-66. During this period, the union bureaucracy confronted the state's attempts to deconstruct their political power by means of legislation which restricted their action to the workplace. Unions did not support the UCR nationalistic struggle against transnational corporations. Rather, they joined transnational capital and supported a new putsch.

Finally, section IV addresses the Onganía regime (1966-1969) as the immediate context within which the *Cordobazo* took place. This period evidenced the intensification of the real subsumption of labour under capital. This was accompanied by a political regime which for the first time subsumed the whole society under repression. But the expansion of repression supporting the intensification of capital-intensive methods of production by transnational capital helped the *resistencia Peronista* and other sectors of society (such as students and artists) to develop joint action against both imperialist capital and political repression.

I

Deperonising Labour? The Resistencia Peronista (1955-58)

The overthrow of President Perón in 1955 produced an euphoric disposition to nostalgia. As argued in chapter 3, the Emergency Economic Plan launched in 1952 provoked a quick increase in productivity, but undermined the pillars on which Peronism was based. The 1955 'Liberating Revolution' had two main goals. First 'to abolish all the devices protecting the accumulation of national capital which had been erected in the epoch of import substitution'. Secondly, 'to establish a new economic policy whose principal beneficiary would be the agricultural sector, and within this, the land-owning class' (Laclau 1970: 4).

This major change in the balance of power of the capitalist class responded to a new shift from industrialisation via import substitution towards the opening of the economy and the penetration of foreign investments (large-scale North American monopoly capital) directed towards the basic productive sectors suffered by most Latin American countries. Since in Argentina the traditional alliance between imperialist capital and the local oligarchy of the beginning of the twentieth Century did not work any longer, due to the lack of 'modernisation' of those sectors for new markets, monopoly capital attempted to develop itself by implementing the necessary structural reforms in those countries (Laclau, 1970). The pressure from capital led to the transformation of the state and politics, as well as forcing the restructuring of the work place.

In 1955 Peronism was a form of existence. General Lonardi, the catholic nationalist head of the 1955 putsch, was unable to harness labour by proposing a Peronism without Perón owing mainly to the rank-and-file resistance which strongly defended Peronism as an existential place (Martucelli and Svampa, 1997) and opposed the military regime. As a result, a putsch within the putsch gave the conservative wing of the Armed Forces, represented by General Aramburu and Admiral Rojas, the command of the 'liberating revolution'. The new military coalition did not aim at the incorporation of the labour movement into the state, since Peronism was considered 'a bad dream that had to be exorcised from the minds of those enthralled by it' (James, 1988: 54).

The labour policy of the military regime consisted of the legal proscription of union activity, the repression and intimidation of grass-roots union organisation and rank and file activists and the rationalisation of production by means of increased productivity, holding back wages and the suspension of the collective bargaining system (James, 1988: 54-55/68).

New legislation aimed to break the power of trade unions by guaranteeing minority representation and allowing plural representation in a single industry (Lewis 1992: 229), and by giving all power to managers to implement the rationalisation of the labour process towards improvement of productivity, the latter becoming increasingly important in the light of heavy industrialisation (James 1988). The Decree 2739/56 'became the employers' bible', for it allowed labour mobility within the factory, special agreements

concerning new production systems and wages tied to productivity (James, 1988: 61-2; Cordone 1999: 34).

The employers' strategies aimed at eliminating incentive schemes and regulatory clauses in the collective agreements of 1946 and 1948 tending to regulate working conditions. But their main concern was the working class's culture and its values of social justice, which had become a barrier to the imposition of discipline. This culture was related to the self-confidence and resistance to managers' prerogatives at the work place, expressed through the real power of the *comisiones internas* (workers' committees, *committée d'enterprise*) in controlling the labour process.

The *resistencia Peronista* was born at the workplace to preserve workers' dignity against managers' attacks on the labour-culture-practice and the imposition of a discipline which undermined the Peronist notion of the humanisation of capital and co-operation. But the *resistencia Peronista*, organised through semi-clandestine groups (unofficial committees), also confronted the power of the union bureaucracy:

'[It was] an embryonic and gradual process which arose from the very roots of the labour movement and which was not dominated by the old bureaucrats but neither did it install a fixed leadership either locally or nationally....we were a little like islands' (Belloni, 1974 in James 1988: 64)

Comandos engaged in everyday sabotage and bombing with *caños* (handmade bombs) against the military. Although the *comandos* accepted the significance of trade unions if they served the cause of revolution, their strategy of direct clandestine action accelerated the contradictions within Peronism. This process resulted in the institutional separation

between the bureaucracy and radical grass-roots resistance. On the one hand, the 62 Organisations (*Las 62 Organizaciones Peronistas, 62O*) created in 1957, reaffirmed the Peronist doctrine in its institutional power and provided a renewed organisation and legal status to Peronist trade unionism post 1955.⁴⁶ On the other hand, the rank-and-file militancy organised in *comandos* structured a counter-discourse based on the pride of being workers and the political significance of the working class. Rather than super-structural negotiation, the *comandos* were a 'strange mixture of anarcho-syndicalism, Marxist economics and personal devotion to Perón' (James 1988: 93). They advocated direct confrontation with employers and with the enemies of the working class (James 1988: 91) and were argued to be political organisations (Goldar, 1985). This grass-roots militancy developed a class-based ideology which was matched by the political radicalisation of the middle classes, particularly university students. In the context of the revolutionary atmosphere of the 1960s, this development helped the weakening of the historical antagonism between the political left and labour militancy: 'the new working class began its political initiation outside both the democratic traditions of the middle classes *and* the internationalist traditions of the socialist movement' (Laclau, 1970: 13).

II Recognition *and* Repression (1958-63)

A deal with Perón from Madrid, in exchange for the promise of the recognition of trade unions and the suspension of the political prohibition of Peronism as a political force, gave Frondizi the Peronist vote to win elections in 1958. Frondizi allowed trade unions to

⁴⁶ There were in 1957, as a result of the reorganisation of the labour movement, four main groupings: the CGT Unica e Intransigente, the Comando Sindical, the CGT Negra and the CGT, all with 'very little

function, yet the Peronist party remained banned from political participation until 1962. The economic strategy of the new government conformed to the second phase of substitutive industrialisation leading to the strengthening of the predominance of foreign capital in industrial production (Azpiazu *et al* 1988).

Under a nationalistic discourse, the government opened the economy by encouraging foreign investments and introducing modern technology (on this see Lewis 1992; see Frigerio in di Tella and Rodriguez Braun, 1990). New legislation favoured transnational corporations, particularly those related to oil production, who from now onwards were going to be treated as a national partner (Calello and Parcero 1984, vol. 1).

Some 'concessions' to the unions were given too. In 1958, the Law 14,455 of Professional Associations gave unions back the legal recognition of only one union (*sindicato único*) with bargaining rights in any one industry. The law distinguished three levels of union organisation and structure: first degree, *trade unions* (workers of same trade or area of industry); second degree, *federations* grouping together first degree unions from various provinces; third level, the *confederations* grouping different federations (James, 1988: 166).⁴⁷ Alongside the already centralised union system, it authorised the retention of union dues on behalf of the unions by employers (James, 1988: 106).

influence over the Peronist rank and file' (James 1988: 73).

⁴⁷ See the struggle for and against this law in chapters 5, 6 and 8.

This Law must be seen as the crystallisation of a struggle of the labour movement which also matched the ideology of *Developmentalism (Desarrolismo)*. Frondizi's *Desarrolismo* was a new form of the state which aimed to recognise labour but adapt social relations to the new forms of capital. It was a version of nationalism which considered foreign capital under the strict control of the state to be an essential ingredient for national development, and which also emphasised the feasibility of the humanisation of capital around the notion of the common good.

The control of labour resistance was crucial to achieve stability to convince transnational capital and its local partners to invest in the country.⁴⁸ After the Cuban revolution, the circulation and allocation of transnational capital into the main sectors of the national economy was accompanied by the spread of the international doctrine of anti-communism led by the United States of America, the main investor in Argentina. As highlighted, 'potential investors were resentful of Argentina's militant labor unions and feared what might happen if Perón ever returned to power' (Lewis 1992: 365). In the Productivity Congress held in 1959, employers decided that the *comisiones internas* were a barrier to the rationalisation of the labour process (Munck with Falcón and Galitelli 1987: 154-5). At the end of the 1960s, private entrepreneurs refused to invest in Argentina's economy: a 'strike by capital' (Lewis 1992: 365).

At the end of 1958, the crisis in the balance sheet and increasing inflation led the government to launch a *stabilisation* plan to achieve fiscal equilibrium. An agreement

with the IMF aimed to stop inflation and a stand-by credit obliged the Argentine government to devalue the peso, restrict the fiscal deficit and eliminate price control, but above all to reduce salaries below the level of prices. As a result wages were reduced by 25 per cent, and the GDP fell by 6.44 per cent (di Tella and Rodriguez Braun 1990: 9).

As a result, the year 1959 showed the highest point in the history of the working-class struggle. Around 1.5 million workers went out on strike and around ten million days were lost in strikes (Munck with Falcón and Galitelli 1987: 152; Cordone 1999). Most of those strikes and factory occupation were organised by the *resistencia Peronista* against the rationalisation of the labour process imposed by employers by means of arrangements with the unions which restricted the power of the *comisiones internas*, and privatisation, considered by radical militants as the penetration of imperialist capital into the national economy.⁴⁹

As a response, in 1960, the Plan CONINTES (Commission Against Internal Upheavals) put the repression of unions' activity in the hands of the military forces. The plan was the result of military pressure on the democratic government to control the working class. Much of the endless questioning to Frondizi's government by the military (seven between January 1959 and April 1961) was due to its relationship with the Peronist trade unions, the powerful law 14,455 and the difficulties of controlling the workplace and the clandestine action of its militants.

⁴⁸Foreign capital US investment alone increased from U\$S 350 million by 1950 to U\$S 472 million in 1960 and then jumped to U \$ S 992 million in 1965' (Munck with Falcón and Galitelli 1987: 154).

The implementation of the plan CONINTES *increased* shop-floor resistance and deepened the existing distance between grass-root militancy and the *burocracia sindical*, trapped in the logic of 'institutional pragmatism' based on the constraint imposed by their need for financial resources (James 1988: 130). Yet, repression coupled with the consolidation of union bureaucracy led to the triumph of managers over workers. Working conditions worsened. Changes in the procedures in the forms of control of the labour process by the *comisiones internas* (see James, 1988: 140) as well as payment-by-result piecework schemes coupled with the persecution of militants shifted the power balance at the work place.

Although *Desarrollismo* policies made steel production increase sevenfold between 1954 and 1965, industrialisation via import substitution found new restrictions to its expansion to new branches. Imports were still important. The foreign exchange bottleneck produced inflation. This was attempted to be solved through increased agro exports to achieve balance. Devaluation followed to increase the value of exports. Devaluation and inflation affected wages and the living standards of the working class worsened (James 1988: 164)

Although labour was repressed, by 1962 the economic crisis deepened.

In March 1962, the union bureaucracy demonstrated its political strength by achieving a remarkable social mobilisation and popular agitation during the organisation of the Peronist electoral campaign. Dressed up as the *Frente Nacional y Popular*, Peronism won

⁴⁹ The most striking of all was the strike at the meat packing company Lisandro de la Torre, see James

in 11 out of 24 provinces in the local and provincial elections of March 1962. Yet, elections were annulled due to military pressure on the government. A 24-hour general strike followed, mainly in industry and transport. An internal upheaval within the military forces between *Azules* (Blues) and *Colorados* (Reds) was resolved in favour of the *Azules* liberals, who demanded President Frondizi's resignation.

III Transnational Corporations and Union Bureaucracy: The Fate of Democracy (1963-1966)

Under president Illia the labour 'problem' took a *political form*. In 1963, the UCR *del pueblo* won the general elections with only 25% of the vote, insofar as the Peronist party was banned and then Peronists opted for a blank ballot following Perón's order delivered from Madrid. The new government was, to some extent, more nationalistic than the previous ones (Lewis 1992; di Tella and Rodriguez Braun 1990). On the one hand, president Illia cancelled the oil contracts with foreign companies reached by Frondizi, considering them illegal. This was a key issue to put the United States of America against the government. An anti-foreign law of medicaments put the transnational corporations against Illia. The very national- oriented economic policy faced WB and the International Monetary Fund (IMF) pressure. On the other hand, whilst wages and pensions increased, the government attempted to deconstruct the power of the *burocracia sindical*. Decree 969 comprised a new regulation of the LPA which 'prohibited all acts of proselytism or ideological propaganda on the part of unions' (James 1988: 193). In response, the leader of the 62 O and UOM (Unión Obrera Metalúrgica, metallurgic workers union) Augusto

Vandor unleashed a war against President Illia. Due to the economic crisis and the attack on trade union power, over a five-week period 11,000 factories were occupied by nearly 4 million workers in 1964 (Munck with Falcón and Galitelli 1987: 158).

The Peronist trade union movement was being reshaped in the light of the transformation of capital and the state's attempts to deconstruct the centrality of labour since 1955. Vandor advocated the political independence of the CGT from Perón (see McGuire, 1997). His strategy, called Vandor(ism), was based on 'autocratic methods to consolidate the *tough line* of hit and negotiate and to regulate the internal life of unions' and control opposition by means of the use of *matones* (thugs or enforcers) to intimidate and persuade workers and militants (James 1988; c.f. Munck with Falcón and Galitelli 1987). This form of unionism developed particularly within the UOM and the 62 O. Vandor's project comprised the creation of a *partido obrero* (workers party) which avoided both abject *collaborationism* and the *tremendismo guerrillero* (James 1988: 197).

Two fractions of the labour movement opposed Vandor's project. On the one hand, the *línea dura* (tough line) attempted to maintain the 'true essence of Peronism' and regarded Vandorism as a betrayal of all the sacrifices made before the 1962 resistance era. On the other hand, the MRP (*Movimiento Revolucionario Peronista*), encouraged by Perón from exile, identified themselves as the left (James 1988). This new left, represented by John William Cooke, revived the anti-imperialist attitude against the 'oligarchy' and the bureaucrats and advocated 'guerrilla warfare, armed in all its many

ideological variants, [which] offered to these militants a solution to this dilemma' (James, 1988: 211).

IV Prelude to the Córdoba Barricades (1966-69)

In 1966, the liberal democratic form of the state was unsustainable. That year, General Onganía reached power with the support of transnational corporations, the national capitalist class, and the union bureaucracy. It was the first time that the state concentrated all its power to defeat labour (James 1988). The new bureaucratic-authoritarian state (O'Donnell 1988) marked another moment of political 'instability' and terror as the means to achieve stability. It was the first time that the *whole society* was under the repression of the state.⁵⁰ Political terror and the intensification of the real subsumption of labour under capital, by means of the introduction of advanced technology and capital-intensive methods of production sustained by foreign investment affected not only the working class but subsumed social development under the rules of capital and terror. Thus, 'dissatisfaction with economic policy coupled with repression extended towards a more civil opposition against repression' (James 1988: 221). It would be also the first time that the *whole society* confronts the power of capital and the state.

Industrialisation and technological development led to further steps in the process of real subsumption of labour under capital (see Munck *et al*, 1987: 155). In the last years there

⁵⁰ I.e. the suspension of political activity, collective bargaining, the intervention in universities and persecution of artists and intellectuals, restructuring plans in state-owned companies as well as frozen

has been a shift from labour to capital-intensive methods of production. As a result of foreign investment from multinational corporations, technological development increased in dynamic industries such as iron, steel, chemicals, petroleum derivatives, rubber, automobiles, and machine building (Lewis, 1992: 299-298). The number of establishments and workers had grown from 148,371 and 1,217,844 in 1954 to 190,892 and 1,370,483 respectively in 1964.

The contradictions within the CGT toward Onganía's regime led the union bureaucracy to enter a deep crisis. On the one hand, the union leadership lacked the support from the rank and file militants, engaged in more radical forms of struggle (see James 1988). On the other hand, the government limited industrial disputes. Law 16.936 of 1966 empowered the executive to decide on the solution of a labour conflict. The Law also allowed compulsory arbitration in solving industrial disputes. Another Law, 17.183, allowed the executive to dismiss state workers on strike without dismissal compensation



(Cordone 1999: 52-54).

However, the concentration of industry in some areas of the country had led to a change in the social

composition of the working class and therefore to a reshaping of identity and the strengthening of their local trade union organisations. Córdoba became the automobile

wages, mass dismissals, changes in pension and dismissal compensation systems, and the suspension of

industry paradise where IKA (Industrias Kaiser Argentina), later the IKA – Renault, and FIAT grew in a short period of time. Unions became stronger in those branches too. In Cordoba SMATA (Sindicato Metalmeccánicos), the light and power union (Luz y Fuerza, L y F), UTA (Tranviarios del Automotor) and UOM (Metallurgical).

Krieger Vasena launched a ‘normalisation program’ which entailed, among other measures, ‘the devaluation of the peso to a rate of 350 to the U.S. dollar (a 40% drop)’, liberalisation of the currency market and cuts in public expenditure. These policies were approved by the bourgeoisie and foreign actors, confirmed by the approval of the IMF stand-by loan of \$125 million ‘which opened the way for new credits from a consortium of European banks...United States banks...and the United States Treasury (O’Donnell, 1988: 85). The unpopularity of the economic policy, coupled with persecution and repression, increased the general unrest.

Some months after the military putsch, the CGT called for a 24-hour general strike. Although it was successful, the struggle did not continue due to the contradictions within CGT. On the 22nd February 1967, under the pressure of the local branches another general strike was organised by CGT. Repression was strong. Trade union leaders considered the strike a failure. They were paralysed. The light and power union in Córdoba demanded a *Plan de Acción* and positioned itself in clear opposition to the government’s economic plan (see Tosco in Lanot 1984: 42-43)

In 1968, a split within CGT created a new pole of opposition: The CGTA, led by the print workers' Raimundo Ongaro, the CGTA became the site for opposition against the dictatorship, imperialist capital and the trade union bureaucracy (*burocracia sindical*), the latter personified by Augusto Vandor. The CGTA proposed the renewal of trade unionism (*Sindicalismo de Liberación*) and gathered some sectors of the working class, grass-root militants, students, intellectuals and artists. Facing repression in an international atmosphere of revolution and protest, university students were highly mobilised through the *Federación Universitaria Argentina* (FUA). Onganía's regime was particularly hard with the public university. Students organisation joined social struggles against repression particularly after the murder of Santiago Pampillón by the police during students' protests in 1966. Also artists and cultural institutes, i.e. the *Instituto di Tella* in Buenos Aires, the *porteña* and Rosario vanguard of artists and the *Asociación Argentina de Actores* (The Argentine Actors' Association) accompanied workers' and students' resistance against repression (see Sigal in Longoni 1999: 37; 1998). Finally, the movement of Priests for the Third World embracing the *Teología de la Liberación* (Liberation Theology) was constituted in the Episcopal Conference held at Medellín in 1968.

In Córdoba, resistance was led by a group called *the independents* within the CGTA, led by Agustín Tosco, a man with 'Marxist roots' (Tosco in Lanot 1984(ed): 245),⁵¹ the president of the local branch of the light and power union (*Luz y Fuerza*). When CGTA was created, the Cordoba branch of light and power union led by Tosco disaffiliated from

the orthodox Peronist *Federación de Luz y Fuerza* and joined the CGTA. The CGTA was for him the CGT of *rebellion*. The *Sindicalismo de Liberación* advocated a political role for trade unions, i.e. unions would bring a solution to the immediate problems at the workplace but also fought against the 'international imperialism of money' (Tosco in Lanot 1984: 14-15):



'Although all of us were Peronists, our group had inclinations towards Socialism...We lived at the end of the Peronist era, with the great metallurgical workers' and sugar cane workers' strikes...the first generation of Peronists ...were the most grateful but the 'kids' were more rebellious. That generation's divisions were reproduced within the national CGT where, although the orthodox Peronist tendency predominated, one could see at the same time another rebellious stream under John William Cooke's influence...in our union we represented a new dynamic and renovating stream...the generation of 1953 opposed bureaucracy in the union, advocated a kind of revolutionary nationalism, the union had to give more' (Tosco in Winter 1984: 4).

Three episodes inflamed the tense atmosphere in Córdoba in May 1969. First, workers the metallurgical mechanics' trade union SMATA went on 24-hour strike against the companies' refusal to suspend the *quitas zonales* (the employers' right to decrease wages according to the area of work beyond the collective agreements). Secondly, metallurgical workers joining the UOM went on 48-hour strike against the provincial government's proposal of eliminating the *sábado inglés*, which allowed them to work half a day on Saturdays. Finally, workers belonging to the transport union UTA had been on strike and

⁵¹ 'Frente a Frente, Agustín Tosco y José Rucci en Las dos campanas, TV programme 16.2.73 in Lanot

planned further action. The CGTA endorsed those strikes and decided a joint action with the Córdoba branch of the FUA.

On the 16th May both CGT and the CGTA called for a general strike. Demonstrations and strikes spread in Corrientes and Rosario too. During a students' protest against the assassination of the student Pampillón, Juan José Cabral was murdered in Rosario. As a response, the University closed and the students demonstrated in a joint struggle with the unions. On the 18th May another student, Adolfo Bello, was shot dead. A silent March joined by the Priests of the Third World took place. Regarding the situation, the CGTA called for the constitution of a workers - students committee and called for a joint protest on May 21 as well as for a general strike on May 23. Struggles spread in Rosario, La Plata, Tucumán, Salta, Corrientes, Chaco and also Buenos Aires, where a demonstration on May 20th had resulted in 20 injured and 160 detentions. Tosco was detained for one day.



As a response, both the CGT and the CGTA launched a national *plan de lucha* which comprised a 37-hours general strike on 29th with mobilisation in the main squares of the country. On May

21st there was a student national general strike. The student Norberto Blanco was murdered in Rosario. Students created War Councils. On the 22nd May the students of the Catholic University declared a permanent assembly and were supported by students across the country. On the 23rd May, clashes with the police started on the streets of Córdoba. During the massive demonstration of May 29th, Máximo Mena a worker in the IKA-Renault car factory, was shot dead by the police. Following this, the city was occupied by barricades resisting the repression of the police troops, which were forced to retreat. The general strike of the 30th May was massive, yet the city was, this time, occupied by the army special forces. There were about twenty or thirty dead and five hundred injured. Around 300 leaders, workers and students were taken prisoner and condemned to years of incarceration.⁵² The *Cordobazo* resulted in the discredit of the provincial and national governments: resignation of the governor and of the whole national cabinet followed. On 30th June of 1969, Vandor, the epitome of bureaucracy, was assassinated. The dictatorial regime collapsed only one year after.

Concluding Remarks

This chapter explored the *Cordobazo* as a form of subjectivity which emerged out of the transformation of capital,



⁵² Tosco was condemned to 8 years and three months. He walked free one year after due to the protests and strikes (Lusardi, 1997) but was incarcerated again in 1970 and latter on he went into hiding until he died in 1975 from a brain infectious disease.

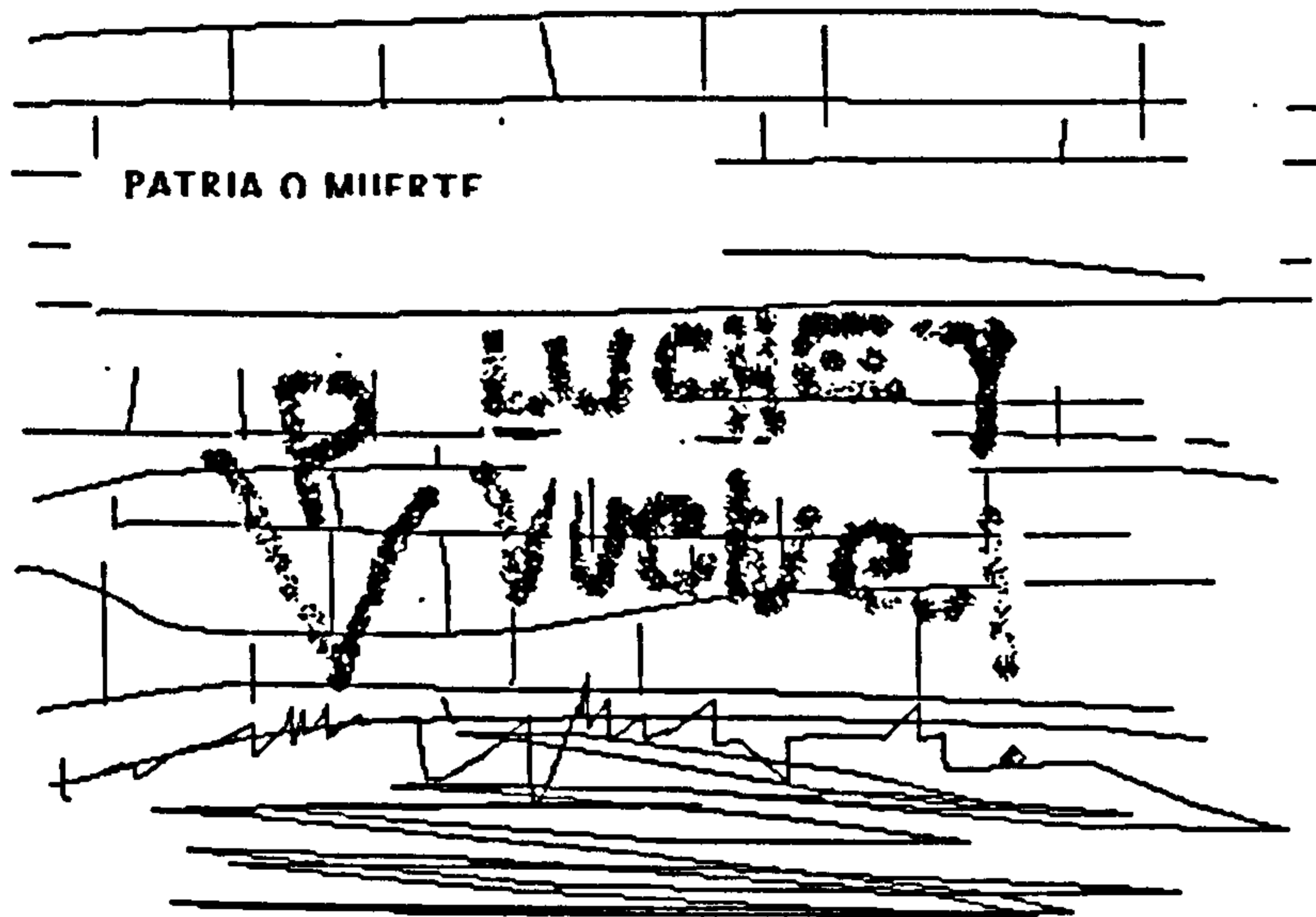
labour and the state during 1955-69. The period under consideration was marked by the increasing penetration and expansion of transnational capital in the country's economy as well as an increasing imposition of the United States of America in political matters. During this period, the state achieved democratic and dictatorial forms produced by the capitalist struggle over the form of subjectivity, which in this case meant the deperonisation of the working class. The economic and political instability of the period is characterised by the attempt to harness the radicalisation of grass-root militants at the work place as well as the union bureaucracy's political influence. The expansion of capital's command over and the intensification of repression also expanded resistance to other social sectors which joined the working class against imperialist capital.

The struggle highlighted some significant novelties with regards to the *17th October* which developed between 1955 and 1969 and became visible in the *Cordobazo*. First, the existence of a consolidated and combative industrial working class *explicitly* determined to fight imperialism. Secondly, a labour movement divided into the bureaucratic leadership and radical grass roots resistance. Thirdly, the unity between workers, students and the whole society against a common enemy broke the dichotomy labour movement *versus* university students entrenched by the Peronist doctrine, gathered the CGTA which maintained fragmented resistance alive, allowed grass root-militancy to become political and made possible the broad co-operation among different social groups and the working class.

The *Cordobazo* recaptured the ritual and expansive corporeality of the *17th of October* but pushed it forward. The anti-institutional and anti-capitalist spirit or Anarchist labour, seemingly superseded by the Peronist form, was put in motion again but this time by a new non-bureaucratic and anti-imperialist political movement with a nationalistic class-oriented ideology that was to become central to the Argentine politics during the 1970s. On 25th May 1970, also one year after the *Cordobazo*, General Aramburu, the military leader of the 'Liberating Revolution' that sent Perón to exile for 18 years, was kidnapped and assassinated by the *Montoneros*. In a press conference where they vindicated the murder, the guerrilla group which labelled itself as *the Soldiers of Perón* appeared for the first time in public. Together with other radical guerrilla organisations which constituted the New Left (Hilb and Lutsky 1984), they believed that armed class struggle was the means to recover and extend the meaning of the *17th October* towards a socialist Peronist revolution. Their action led to the final return of Perón to power in 1973.

Chapter Five

The Revolutionary. *Ezeiza*, Insurrection and Physical Disappearance



In 1972, I was attending my first year of high school. One morning, I was asked by some mates attending their third year, to go to the patio for one minute of silence. So I did. It was an homage to those 16 guerrilleros who had just been killed in Trelew. On the 22nd of August 1972, they were shot in the war maritime base Almirante Zar. According to the military report 'when trying to escape'. The truth was that the guerrilleros had

surrendered without resistance and they died in the firing squad. This act caused indignation and grief. Homages were massive throughout the country. One of the leaders of the Montoneros explained not long ago that Trelew was his first experience of death. My mates (those who organised the homage at the school patio) were disappeared by the military government. Trelew was, perhaps, my first experience of death too. It opened my eyes to the meaning of subversion.

'Those who are not with those interests, can take the 'camiseta' (vest) off and go...we need discipline. If discipline is lost, we are all lost' (J.D. Perón to the Peronist Youth Parliament Deputies', 1974 in *La República Perdida I*)

'It was an experience of power. But power as creation, as imagination, as production of culture' (in *Cazadores de Utopías*)

'A terrorist is not just someone with a gun or bomb, but also someone who spreads ideas that are contrary to Western and Christian civilisation' (General Videla to *The Times*, 4.1.78, London).

'Che' Guevara was like Evita' (*Cazadores de Utopías*)

On 29th of May 1970, on the first anniversary of the Cordobazo, the guerrilla group Montoneros publicly declared themselves to be responsible for the Operación Pindapoy which successfully kidnapped and murdered General Pedro E. Aramburu, the perpetrator of the military putsch against Perón in 1955 and the epitome of anti-Peronism. Perón celebrated this action from Madrid. After the reinvention of the populist state in 1973, they obtained massive support from the Peronist youth and moved from anti-imperialism to anti-capitalism, by emphasising the revolutionary potentiality of Peronism, and pushing it to its limits. In 1973 Perón was returned to the country after 17 years of exile in Madrid. Montoneros were in charge of the 'return operation'. A popular celebration was organised in Ezeiza to receive the leader.

The party ended up in a tragedy. Demonstrators expecting Perón's arrival were shot from the platform set for Perón's speech by the special forces belonging to the right wing of Peronism. Ezeiza embodied the explosion of '30 year old contradictions' within Peronism (Verbitsky: 1995: 13) and marked the beginning of the direct struggle to expel revolutionary Peronism from the movement. On May 1st 1974, these contradictions intensified. Montoneros were pushed out of Peronism by Perón. They radical left left half of the Plaza de Mayo empty and entered into clandestine action. After this symbolic action which broke the pact between labour and the state, state terrorism began to take shape. Montoneros as well as the Peronist Youth and left-wing militants were physically disappeared. With them, revolutionary projects disappeared from Argentine politics too.

In this chapter, I explore the guerrilla group *Montoneros*, a subjectivity emerging out of the radicalisation of politics after the *Cordobazo*. The *Soldiers of Perón* mastered all guerrilla groups searching for Socialism, to become the protagonists of Argentine politics from 1970 until 1976. Their creators having nationalist and catholic roots, Montoneros constituted a highly militarised organisation which conceived politics as a war, and postulated *foquismo* as the best strategy to defeat imperialist monopoly capital and its armed arm, the military forces. The debacle of *Montoneros* is usually

attributed to their 'cult of death', the (ab)use of violence (Wainfeld and Natanson 1996; Hilb and Lutzky 1984) and to its elitist, bureaucratic and arrogant leadership who miscalculated the Peronist potentiality for revolution (Gillespie, 1982; Geze and Labrouse 1975, Giusani, 1984 and Calletti 1979 in Hilb and Lutzky 1984). This chapter shall not assess the *Montoneros*' political or military strategies although they constitute an important dimension of the phenomenon that I aim to recapture.⁵³ I shall rather explore the emergence, contradictory development and final crisis of the *Montoneros* within the recomposition of the capitalist social relations during the first half of the 1970s.

I will show that *Montoneros* developed as part of the radicalisation of Argentine society in the 1970s (Ollier 1998) and put in motion the contradictions of the Peronist form. The struggle over revolutionary subjectivity asserted itself as a struggle over the form of the state. This struggle was personified in the relationship between Perón and *Montoneros*. I will pay special attention to two main events: the massacre of Ezeiza in June 1973 and the mobilisation of the 1st of May 1974. *Ezeiza* symbolises the explosion of the contradiction of Peronism. The 1st May 1974 highlighted the impossibility of revolutionary Peronism and the deconstruction of the pact between labour and the state (see chapter 3).

The chapter is divided into six sections. Section I, introduces *Montoneros* and the Revolutionary Left. Section II focuses on the reinvention of the Populist state in 1973, and the significance of this for the Izquierda revolucionaria (Revolutionary Left, IR)

⁵³ For a complete history of *Montoneros*, see Gillespie 1982. See recommended bibliography and assessment of the main works on the issue in Hilb and Lutzky 1984; also in Natanson and Wainfeld

and *Montoneros*. Section III addresses the significance of Perón's return and the massacre of *Ezeiza* in June 1973, the crisis of Peronism and the failure of the new social pact. Section IV focuses on the breakdown of the recognition of *Montoneros* by Perón on 1st May 1974. Section V addresses the economic as well as political crisis and the invisible struggle against *Montoneros* and the labour movement. Finally, section VI introduces the '*Proceso de Reorganización Nacional*' (1976-1982) which forced revolutionary subjectivity to physical disappearance and allowed the constitution of a new economic power.

I Montoneros

The Revolutionary Left

Montoneros belonged to the New Left (Nueva Izquierda, NI [Hilb and Lutzky 1984]), or IR. The IR comprised several organisations which considered themselves as part of a process of construction of a vanguard who would lead a popular war of national liberation in the Southern Cone (Ollier 1998, 1986; Hilb and Lutzky 1984).⁵⁴ This mission was, in the case of *Montoneros*, legitimated by Peronism (Ollier, 1998: 17). *Montoneros* embodied a synthesis between Peronist and Guevarist currents (Gillespie, 1982: 47). Its origins can be found in the catholic right groups such as *Tacuara* and their interaction with the *Priests of the Third World* who advocated liberation theology (Gillespie 1982).

1996.

⁵⁴ *Montoneros*, Fuerzas Armadas Revolucionarias (FAR), Partido Revolucionario de los Trabajadores (PRT), ERP (Ejército Revolucionario del Pueblo), FAP (Fuerzas Armadas del Pueblo) and FAL (Fuerzas Armadas de Liberación).

To *Montoneros*, Onganía's dictatorship 1966-1969 had been a crucial experience (Gillespie 1982: 67). The *Cordobazo*, followed by the strikes SITRAM and SITRAC (Lizaguirre *et al* 1997; Brennan 1994), the *Viborazo* and the *Tucumanazo* (Crenzel, 1991), had opened a 'Pandora's box of social and economic upheaval' (James, 1988: 235). These massive struggles reaffirmed the integration of other groups of society e.g. young people, to the struggle of the working class. Between 1970 and 1973 the guerrilla groups operating in Argentina 'embarked on a wave of actions which included direct attacks on military installations, the kidnapping and killing of industrialists and political figures, spectacular bank robberies and hijackings, and the assassination of leading military figures. Such actions found an often explicit support among the youth who were flooding into the Peronist movement at this time' (James 1988: 238).

Revolutionary Peronism

Peronism offered a popular alternative to *Montoneros*, since it was seen as the expression of national and popular unity against the oligarchy and imperialism (Ollier 1986: 50). However, nationalist revolution could only take place by the use of violence and the predominance of military over the political aspects of the organisation: Peronism will be revolutionary or it will not be at all.

The Peronist identity will differentiate *Montoneros* from other organisations in that they were simultaneously integrated into the state politics and rejected politics in favour of armed struggle and revolution. Peronism connected them with the past and imposed conditions on their future action which made a total rupture impossible

(Ollier 1986). Perón's own judgements on revolution contributed to it: 'They have not tolerated Justicialismo, very well then, they will have Socialism' (*Primera Plana* no 287, 28.6.68 in Ollier 1998: 135). *Montoneros*' 'asceticism, hardness, and a strong conviction to die for Perón or for Peronism can be equated to a priesthood' (Hilb and Lutzky 1984: 64): the slogan 'Perón or Death' illustrates this (Sigal and Verón 1988).

Montoneros substituted politics with war. To them, 'violence was the founding element of the economic, social and political order' (*Montoneros* in Ollier 1986: 65) so 'to what extent can such a violent power be opposed with pacific methods?' (interview, *Cazadores de Utopías*). Perón supported this strategy and called the IR the 'special formations' of the Peronist Movement (Perón in *Cazadores de Utopías*).

II

In and Against Peronism: Knocking on Hell's Door

The *Jotapé* and the Populist State⁵⁵

By 1972, guerrilla action spread.⁵⁶ President (General) Lanusse considered that the return to democracy emerged as the instrumental solution to solve the problem of the increasing power of the guerrilla movement, the labour movement and of Perón's reputation in exile (Ollier 1998: 144). On the one hand, the transitional military regime passed the Repression of Terrorism law (*Ley de Represión del Terrorismo*, no 19,081). Magistrates and the Armed Forces were given the faculties to intervene in case of subversive action and a special chamber was created to treat terrorist crimes in civil court (Ollier, 1998: 147). On the other hand, Lanusse opened the door to the return to democracy in November 1972. Peronism was legalised but Perón's name

⁵⁵ *Jotapé*: short name for the J.P., i.e. *La Juventud Peronista* (The Peronist Youth).

was to be excluded from the candidate formulas. Perón appointed Héctor Cámpora as his personal delegate, until he would definitely return to the country.



The FREJULI (Frente Justicialista de Liberación), won general elections with 49% of the vote in March 1973 with a 'Peronist' program including a dignified wage and job stability, housing provision and health service, justice, by means of a populist state within which the working class had

an important degree of participation (Verbitsky, 1995). The Jotapé, who had been increasingly incorporated to *Montoneros* columns and constituted the main force behind the electoral campaign (Munck with Falcón and Galitelli 1987), was ecstatic: the new government 'have a mandate to create a *Patria Socialista*' (*Socialist Fatherland*). Cámpora also liberated the political prisoners as a symbolic political action.

Although *Montoneros* probably lacked the direct support of the working class (Gillespie 1992; Munck with Falcón and Galitelli 1987), the IR provided a new generation of union leaders with an inspiring revolutionary political identification: 'within 20 days of Cámpora taking office there were 176 factories occupied by their

⁵⁶ On political violence during this period see O'Donnell 1988: 296-298.

workers...the class struggle in the plants continued unabated' (Munck *et al* 1987: 189).

A *Pacto Social* (social pact) between the CGT, the *Confederación General Económica* (General Economic Confederation, CGE) and the state aimed in May 1973 'to reconcile the opposing interests of capital and labour' (Lewis, 1992:420). 1971 and 1972 were characterised by a high and increasing rate of inflation (from 39.2% to 64.2% moving towards an annual rate of 101% during the first five months of 1973) (Torre 1983). The Cámpora administration aimed to control inflation, to direct the struggle for the distribution of income (Torre, 1983: 49-50) towards full employment and expand the internal market, in favour of workers. It included the protection of national industry from foreign competition as well as some incentives for national industry. It established one wage increase of 13% and a price freeze (Tedesco 1999: 18). The *Pacto Social* also aimed at the moderation of labour demands. It simultaneously recognised politically and institutionally the power of trade unions by means of the LPA 20,615 of 1973) which increased the centralised power of the union leaders (Cordone 1999: 70); and limited their functions as representatives of the workers' demands, by suspending collective bargaining.

III

EZEIZA: the Beginning of the End

The Significance of Perón's Return

Although *Montoneros* argued that they did not trust electoral means, Perón's brief return visit in November 1972 made them re-evaluate that decision and redirect most

of their energy into the Return Campaign, whereby *la Jotapé* would achieve an impressive mobilisation capacity.⁵⁷



Montoneros' peculiar paternalistic love-hate relationship with Perón was the symbolic expression of the relationship between revolutionary labour and the state. This relationship fostered a certain chaos within the

movement which was by all means incomprehensible for the radical left. The *Montoneros* saw themselves as the makers of Perón's return, the only ones who believed in Perón's return. The slogan *Luche y vuelve!*⁵⁸ captures this. Perón was the *embodiment* of the possibility to achieve a socialist state. Cámpora's was the first step towards Socialism. Perón would follow. Perón had played 'his guerrilla card' (Pion-Berlin 1989: 84) by supporting and integrating *Montoneros* into the Peronist politics in order to negotiate his own return to Argentine politics. However, Perón *as a personification of the state*, embodied the possibility for national liberation and socialism to be achieved, but also of the defeat of the revolutionary attempts, and of national unification. If Perón was not able to perform as a synthesiser leading to the

⁵⁷ The organisation spread and obtained massive support at the University of Buenos Aires and through the JP Regionales which worked in the neighbourhoods (barrios). Montoneros worked with JUP (Peronist University Youth), JTP (the Peronist Working Youth), the AE (Evita Group of the Feminine Branch) and the MIP (Peronist Tenants Movement), the UES (Secondary Students Union) MVP (Peronist Shanty Town Dwellers Movement), the latter two being the largest. All these organisations together became known as the Tendencia Revolucionaria (Gillespie 1992: 134).

⁵⁸ Fight and he will come back!

unity of the country, there was a serious possibility of a civil war in Argentina (J M Abal Medina in *Cazadores de Utopías*).⁵⁹

The Massacre

Perón was returning to the country after 17 years of exile in Madrid on the 20th June 1973. That day was meant to be a second *17th of October* for among the 1½-4 m



gathered at Ezeiza, half of them congregated by the revolutionary tendency (Gillespie 1992: 135), FAR and *Montoneros*

wanted to impress Perón by deploying their mobilisation and organisation



capacity (Verbistzky, 1995). But special anti-guerrilla forces occupied places in the site prepared for Perón's speech and, following a predetermined plan, *shoot the demonstrators from the platform set for Perón's speech.*

⁵⁹ The symptoms of radicalisation of the youth (not only the Peronist but also the UCR's) and increasing violence led to the polarisation between Perón and the military regime (Ollier 1998: 133), the latter transforming Perón into a crucial actor for peace to be achieved, the only 'legitimate interlocutor for the military regime and the political leadership'(Ollier 1998: 145), as well as for Revolutionary Peronism.

For the Peronist Youth, *Ezeiza* implied ‘the irruption of the other’ (Sigal and Verón 1988: 152). The illusion of a ‘pure’ paternalistic relation between Perón (the state) and his ‘muchachos’ (labour) was contaminated by the possibility of deconstruction of the project from within it. The idea of the internal enemy and of a forthcoming military putsch spread (Garré in *Cazadores de Utopias*). *Ezeiza* was, in short, ‘the great representation of Peronism, the explosion of its 30 year old contradictions’ (Verbitsky: 1995: 13).

Ezeiza marked a turning point. Whilst the Peronist IR was rethinking their place within Peronism and in Argentine politics, the labour movement, led by the leader of the CGT Rucci, moved against Cámpora, ‘who had begun to incur the displeasure of Perón by his apparent inability or unwillingness to control mass mobilisations’ (Munck with Galitelli and Falcón 1987: 191). Cámpora resigned to facilitate Perón’s return to the country.

Perón was elected President in September 1973. The background for his political campaign was an underground armed struggle between the urban guerrilla and the Anti-Communist Argentine Association (AAA). *Montoneros* had by then a relatively well developed logistic and also at the end of 1973, the idea of developing a guerrilla war in the mountains of Tucumán was elaborated by Santucho from the Partido Revolucionario de los Trabajadores (PRT) (Ollier 1998: 163).

The *Acta de Compromiso* between the three parties, launched by President Perón in 1973, reaffirmed the *Social Pact*. Yet, class struggle intensified in the light of the global capitalist crisis. On the one hand, ‘businessmen argued that they were “caught

in a squeeze between climbing costs and a price freeze” (Lewis, 1992: 426-7). On the other hand, strikes and industrial measures at the workplace around debts and unpaid wages, strikes against redundancy and for the restatement of dismissed workers, working conditions, protests against violence and repression (Torre 1983: 66) spread in spite of the union bureaucracy.⁶⁰

In October and November 1973 new legislation aimed to control labour by means of repression and increasing the power of the labour bureaucracy: the reform of the LPA (see Munck with Galitelli and Falcón 1987: 192) and the regressive Penal Code reform bill. Whilst the former reinforced the power of the *burocracia sindical*, the latter allowed the repression of any subversive movement as well as strikes which could be considered unlawful (Sigal and Verón 1988: 200). This new legislation provoked a political crisis within the Peronist Movement since the *Jotapé* MPs could not support any of those projects. In January 1974 when Perón put more pressure on them by warning: ‘If discipline is lost, we are all lost’ (to the MPs of the JP 1974, *La República Perdida I*), all deputies resigned their posts as MPs (Gillespie 1982: 145).

⁶¹ Furthermore, in September 1973 Montoneros killed the executive secretary of the CGT, Rucci.⁶² But his death was experienced as a ‘mistake’ by the Peronist youth,

⁶⁰ From October 1973 until February 1974 the most important conflicts took place in big companies such as Philips (electronics) General Motors (American Cars), Terrabussi and Molinos Río de la Plata (food), Astarsa (shipyard) and Acindar (metallurgical). See the significance of the struggle in Acindar Villa Constitución in Torre 1983: 87-88; Lewis: 1992: 427; Munck 1987: 115; Tosco in Winter 1984: 55, see Torre 1983: 87, Cordone 1999: 73 and Gillespie 1982: 173.

⁶¹ *Montoneros* had 8 deputies out of 145 from the FREJULI. They also had 50 posts in provincial governments and some seats in local legislatures. See their influence in the Parliament in Gillespie 1982: 130-133).

⁶² Rucci’s death was identical to that of Vandor and Alonso at the hands of the Ejército Nacional Revolucionario. They had been accused of being traitors. After Rucci’s death, and asked about how to interest trade union leaders in their negotiations ‘Firmenich had suggested that one way would be to offer not to kill Lorenzo Miguel, leader of the UOM and 62 organisations’ (Gillespie, 1992: 171).

and pushed the relationship between Perón and his *muchachos* towards its breakdown, on the May Day in the symbolic Plaza de Mayo.

IV The Breakdown of Recognition: *La Plaza Vacía*⁶³

On the 1st of May 1974, around one million people gathered in the Plaza de Mayo. The meeting was extremely symbolic: the leader was going to talk to the multitude again. This was the last opportunity for the renovation of a new pact between labour and the state. The control of the power of class solidarity and the strength of the organisation of the working class (see Petras 1981) were at stake on May Day 1974.

That day *Montoneros* pushed Peronism further to its complete radicalisation (see Firmenich in Gillespie 1982). They expected a definition from Perón and rejected Isabel Perón's authority for she was the political puppet of the *burocracia sindical* (McGuire 1997) and the Peronist right. But now Perón distrusted that guerrilla warfare was the proper method to organise mass support (Perón 20.8.74 in Gillespie 1982: 122).

In an almost opposed dialogue to the one that occurred on 17th October 1945 (chapter 3), Perón behind an armoured glass located at the balcony of the Pink House, Perón attempted to reinvent *Bonapartism* by vindicating the union bureaucracy and rejecting the IR (see Gillespie, 1992: 150). *Montoneros* demanded a real popular assembly and blamed Perón for the presence within the movement and his cabinet of the terrorist

⁶³ The Empty Plaza.

right: 'What's going on General, that the popular government is full of *gorilas*'.⁶⁴ They sang against Isabel and claimed for Evita: 'If Evita lived, she would be a Montonera'. Perón, furiously, accused *Montoneros* of being 'those stupid people who shout'. He called them 'infiltrators who work within' and 'mercenaries in the service of foreign money' He called for an internal war 'if the pernicious elements don't give way' (Gillespie's translation in Gillespie 1992: 150).

Montoneros counter-posed another radical decision: they decided to become *invisible*, for the organisation was not prepared to subordinate themselves and their revolutionary project to Perón (Ollier 1986; c.f. Gillespie, 1982). As is well known, one-third of the Plaza de Mayo was left empty in the middle of the leader's discourse.

⁶⁵ With this historical 'retirada' *Montoneros* moved to clandestine political activity: 'We left the Plaza de Mayo with a great pain. No one threw us out of there'.

Montoneros attempted to push *the recognition* forwards, towards the creation of a Socialist state. Perón's decision was the phenomenological expression of the impossibility for the state to incorporate revolutionary labour. The *retirada* implied a deep crisis of identity. *Montoneros* felt that "something was broken after 30 years" (Lizaso in Gillespie 1992: 150) that "something" being the magical revolutionary relationship which they had believed to exist between Perón and the masses, and which they had hoped to experience in the *Plaza* (Gillespie 1992: 150). They had genuinely believed that there were two projects in dispute and that the right was going to be removed by Perón. The feeling of betrayal based on the idea that Perón might

⁶⁴ Anti-Peronists

have used them to achieve his return and then left them when he was already in power, was shared by most of the militants. The breakdown of their central role in the political arena devastated the organisation: clandestinity meant the destruction of the links between the organisation and its bases. To that extent, the option of clandestinity was the first step to their isolation and further *disappearance*.

V

The Invisible Struggle and the Crisis

Perón died on 1.7.74. The AAA, a 'right-wing death squad' which was illegally sponsored by López Rega, the Minister of the Interior and *Isabelita's* chief adviser, became the main tool for a terrorist campaign against workers, students, guerrillas and sympathisers (Pion-Berlin, 1989: 87). Street posters publicly called: 'Help the Motherland: Kill a Montonero'.

Clandestinity or 'strategic withdrawal' fostered a twofold debate. First, the organisation suffered from its polarisation between those who were scared (particularly those militants in workplaces and neighbourhoods) and those who, by believing in 'the worse the better' proposed to increase the struggle. Whilst for the former, the coup d'état had been a misfortune, for the latter, it was a form for the contradictions to fully develop. Secondly there was a need for the decentralisation of the organisation to protect their militants. *Montoneros* was unable to provide security for all the militants who had been activated at home, or in their workplace or

⁶⁵ Although 'only trade union banners and flags were permitted by the organisers to be carried into the Plaza' (Gillespie 1992: 149), it was clear that one third of the million people deemed to be gathering at the historical Plaza de Mayo belonged to or sympathised with the revolutionary movements.

neighbourhoods and thus could be easily identified. Political autonomy of each 'cell' and financial decentralisation of the distribution of weapons and money was a solution. Yet, this was not accepted by the leadership which remained in control of the whole organisation, thus 'leaving thousands of militants and sympathisers at the mercy of the repressive forces, with no personal resources or means to pass to clandestinity' (Wainfeld and Natanson 1996: 11).

Coupled with increasing signs of economic crisis and unlawful repression, the government dismantled the bastions of labour movement opposition. The Law (20.840) imposed prison from one to three years to those who, after the authorities of

the



Ministerio de Trabajo y Seguridad Social (MTSS) characterised a strike as unlawful, persisted in their industrial action (Cordone 1999: 72). The authorities removed from their positions the leaders of the CGTA and representatives of classist unionism. Perón's death provoked also the redefinition of strategies within the Peronist labour movement. The polarisation between grass-

roots militants and the labour bureaucracy intensified. In the CGT Congress of 12th July 1974, both the CGT and its dominant stream 620 lined up behind president Isabelita (Torre 1983). Labour conflict decreased. But since the power of labour was no longer identified *just* with the working class, intimidation and repression was extended to almost the whole society.

The Rodrigazo and the Operativo Independencia

In June 1975, in an attempt to stabilise the economy, the new minister Rodrigo announced a 50 per cent devaluation of the peso and increase in public tariffs (Tedesco, 1999: 19). The shock to correct disequilibrium of the balance of payments and the fiscal imbalance led to the deepening of the economic crisis, intensified this time by massive capital flight (Fanelli and Frenkel 1989 in Tedesco 1999: 20) under the form of 'unregistered capital outflows' (Lewis, 1992: 443).⁶⁶ The *Rodrigazo* was seen as 'the savage response towards a furious redistribution of income against that established by the *Social Pact* in favour of the working class' (Porta in *Cazadores de Utopias*).

Workers reacted with a wave of strikes which *forced* the CGT to call for a general strike for the first time against a Peronist government (Munck G 1998: 53). Economic crisis coupled with the repression of radical trade union leaders and grass-root militancy at the hands of the AAA increased guerrilla action.⁶⁷ In December 1975, under the international demand for governability against the danger of communism and capital pressure for stability against 'social chaos', Isabelita empowered the military Forces with the faculties to repress guerrilla insurgence in the northern province of Tucumán. Now, by lawful means, the military have 'almost unlimited powers to pursue their "war against subversion"' (Munck G 1998: 55) while the social imagery of chaos and the need for a strong hand grew and spread.

⁶⁶ Slightly over \$2 billion left the country between the beginning of 1974 and the end of 1976 (Lewis 1992: 443).

⁶⁷ 'From the day [Perón] died [1.7.74] to September 1975 some 248 leftists were assassinated by the AAA, another 131 were shot by the police, and 132 unidentified bodies ... were discovered (Lewis 1992: 435)

VI

The 'Proceso de Reorganización Nacional'

On the 24th March 1976 a military putsch took power. The military junta advocated the National Security Ideology (NSD) inspired by the international struggle against communism. The state was considered as the main tool to guarantee national security. The armed forces had a special role in providing that 'domestic security' and 'exterminating' all kinds of threat to it (see Pion-Berlin, 1989).

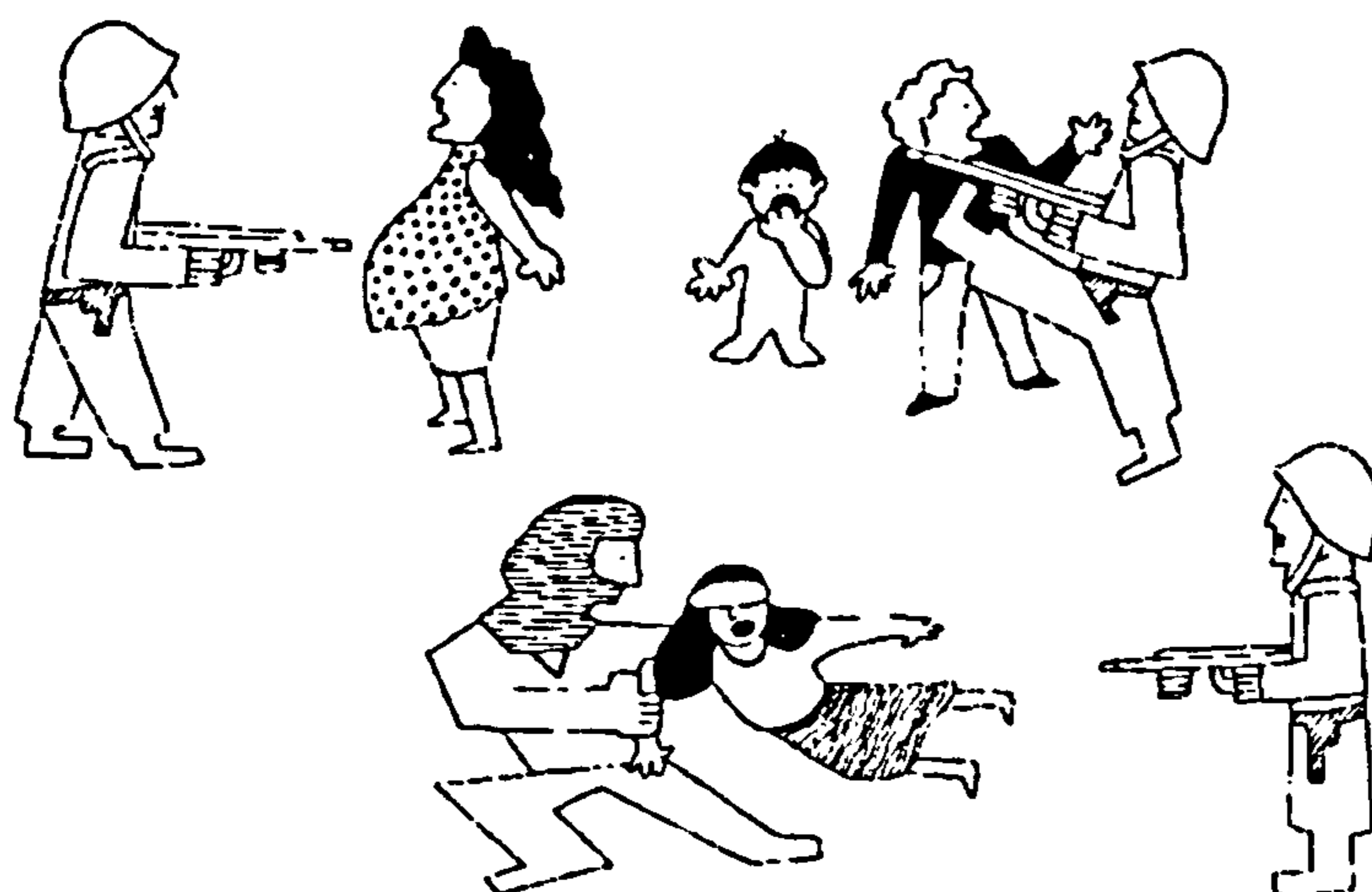
Whilst state terrorism was justified as a crusade in defence of the national interest against subversive international communism, transnational capital took power in the banks, financial centres, industry and stock markets, taking advantage of the new economic plan launched by the military regime based on the transference of resources from the working class to capital. The Argentine economy was converted into capitalist heaven. The period 1976-1982 is well known.⁶⁸ In what follows I will refer to it insofar as it produced the definitive collapse of Montoneros and the transformation of subjectivity by means of three forms of violence: state terrorism; legal repression and economic violence.

State Terrorism and the Forms of Disappearance: the annihilation of opposition

The main goal of the regime was to destroy political and union activism, 'particularly at the rank-and-file level of the labor movement, where guerrilla organisations were seen as having the greatest chance of infiltration' (Munck G 1998: 67). Most of the

disappeared were young workers who disappeared from their homes at night, at work and in the streets. This highlights that the armed guerrilla had been defeated by 1976 and now the target was the whole society. Repression focused on particular geographic areas i.e. Buenos Aires, Rosario and Córdoba where insurgence had taken place for the last decade (Munck G 1998: 67) .

Argentina became a *hidden battle field*. The methods leading to the disappearance of around 30,000 people differed from previous dictatorships. The forms of getting *invisible, of disappearing*, documented in the book *Never again*, the official report of



the National Commission for Missing People, CONADEP (CONADEP 1984; interviews *Cazadores de Utopías*) were detention in torture, concentration and extermination camps, forced

disappearance without knowing the crime committed and the fate of the body of the victims, mass execution by firing squad, and the handing over in unlawful adoption of the children born in captivity or captured with their parents in military operations, appropriation of the victim's and family's material possessions, legalised prisoners in prisons of extreme security, exile in Latin American or European countries and domestic exile, with the loss of elementary rights (Bellucci, 2000: 3). The horrors of

⁶⁸ Sequence of events 1976-1982 see Troncoso 1983, 1984, 1988, 1992,

this experience are inexplicable and ‘hard to believe’ (Dworkin in CONADEP, *Never Again*, 1986: 9).⁶⁹

Exile particularly to Mexico and Spain, which sometimes represented an option, was, for the majority, another form of disappearance (Rozitchner, L 1998). Finally, those who *remained alive* suffered from the disappearance of themselves vis-à-vis the others: ‘Day after day, I felt more and more lonely, lifeless... I think I was sharing the disappearance of my mates with them, I felt like another “disappeared”’ (Interview, *Cazadores de Utopias*; see Heker 1998; Martinez, T.E. 1998b).

The Dictatorial ‘Law’

A set of Laws repressed unions’ and workers’ activities as well as suspended their rights. The regime modified the Labour Contract Law (*Ley de Contrato de Trabajo*, LCT) The modification of the LCT, which reinforced unions’ central role and direct participation in business matters (Abós 1984:19), was symbolic of workers’ defeat, as was the author of the Law, Dr Centeno’s, murder in July 1977. The new Law of Professional Associations (22.105) passed in 1979, labelled as a ‘legal freak’ by experts (Abós, 1984), dissolved the CGT and meant the prohibition of both unionising and political activity for trade unionists (see Richards, 1995). The Redundancy Law 21,274 was enacted and allowed the public sector also to be ‘cleaned’. The suspension of collective bargaining and the strict wage increase as established by the state

⁶⁹ Introduction to *Never Again*, published by Farrar Straus Giroux, New York, quoted in The Vanished Gallery, (<http://www.yendor.com/vanished/conadep.htm>, additions based on the report in brackets, 19.05.00).

allowed a 40% wage reduction in the first three months with a price increase of 75%: recession with inflation (see Cordone 1999: 79).

Terrorism of Money

The policy of the military regime attempted to radically restructure the economy on behalf of a new concentrated and transnational capitalist power by deconstructing national industry and imposing social discipline on labour. The programme included the following points: freeing of prices, liberalisation of the exchange market, of imports and exports, of urban house rentals, of wages, of foreign investment and technology transfers, a financial reform, the elimination of subsidised fuel and prices in other sectors of the economy (Martinez de Hoz, 1990). The control of inflation was a priority. Wages were frozen for three months, the control of prices was suspended and the exchange rate was increased. Once these problems were overcome, a second phase would privilege investments as a driving factor (Azpiazu *et al* 1988: 91 also Flichman 1990: 11).

A new law to favour foreign investments was passed in 1976 (law 21,382, 13.8.76), modified in 1980 to allow invested capital to go back to the country of origin (Minsburg 1987 vol. 1: 86), the state assuring extraordinary rates of profit. During 1977- 1983 there were 699 allocations of foreign capital allowed into the country, 514 out of them were approved by the government between 1977 and 1980 and they allowed the creation of 166 companies, most of them (47%) were dedicated to services and finances (Minsburg 1987 vol. 1: 93-94; Fuchs, 1993). The rest was

directed to gas and oil, car industry, finances and banks. USA, Italy, France and Western Germany being the most important investors (Minsburg 1987 vol. 1: 93).

In December 1977 the government implemented 'the most fantastic instrument' to control industrial prices: the *tablita* (little table). It was an 'anticipated scheme of increases in the exchange rate under the inflation rate' (Peralta Ramos 1988: 60). The market was inundated by foreign products and prices went down. The financial reform allowed capital to 'transfer income violently towards the financial sector it pushed capital forwards. and thus to impose a new form of industrial development based on the leadership of some branches of industry: agro-industries' (Peralta Ramos 1988: 61).

The *tablita* allowed capital to enter the country in dollars. Dollars were transformed into overvalued pesos which produced a fantastic profit based on the high interest rates. Afterwards, capital was transformed into dollars again and taken back home. This was done by means of financial speculation supported by the wage reductions, the decrease of public savings and the repression of labour (Tedesco 1999).

The lack of democratic control over expenditure and credit created an external debt by means of a dynamic involving international private capital, IMF, WB and the national bourgeoisie and landed classes led by the Chicago think-tanks (Petras 1981: 100; Ferrer in Teubal 1986: 23). The *creation* of the external debt is explained by the expansion of private international business by means of the creation of the market in eurodollars and the consequent availability of credit on a global scale: 'foreign credit was resurrected in unlimited supply'(Canitrot, 1994: 79; Marazzi, 1996). This was

accompanied by the facilities and pressure that the governments of powerful countries put on the Latin American ones. For instance, the main nine international banks gave to Latin American countries an amount equal to 135% of their capital (Teubal, 1986: 23).⁷⁰

Whilst in December 1976, the external debt -private and public- was 8,279 million dollars, in 1983 it had reached 47,234 million dollars and 90% of this figure corresponded to financial debt (Minsburg 1987, vol. 1: 100). The essential component of the external debt was 28 billion dollars of *capital fugado* (escaped capital) (Minsburg, 1987 vol. 1: 102; Fuchs, 1993; Lewis 1992). The explosive growth in 1979-81 was 'the product of transactions made by Argentines who had deposits abroad' (Basualdo in Tedesco 1999: 44): 'They brought the money back to Argentina and these transactions appeared as a new credit. Capital flight during 1979-81- which amounted to US\$16.2 billion – was around 23 per cent of Argentina's GDP' (Fanelli and Frenkel in Tedesco 1999: 45).⁷¹ The external debt produced by several mechanisms was used for military and repression costs (!), gigantic public works, and events to build up popularity such as the 1978 World Cup. Argentina took advantage of the process of petrodollars recycling (Martinez de Hoz, 1990: 160; see Canitrot 1994).

⁷⁰ The 1970s and early 1980s was a period of debt-led (and inflationary) growth in Latin America (Gwynne and Kay, 1999). Whilst in 1976 the total of the external debt -private and public- in the area represented no more than 100,000 million dollars, in 1983 it represented 336,230 million dollars. 'The total amount of credit required by the poorer countries has been calculated at \$40 billion in 1976, while about 50% of the profits of the major US banks now come from loans to these same countries – a situation which makes it unlikely that moratoria will be widely permitted' (Marazzi 1996: 86; Teubal 1986: 36).

⁷¹ See role of public enterprises in the creation of the external debts in Minsburg 1987: 103; also Fuchs 1993.

Socialisation of Risk and the New Economic Power

In 1982, credit was cut off. A drastic solution to the problem of the external debt was undertaken in the last months of the military rule by Domingo Cavallo, later to be the creator of stability under Menem (Cavallo, 1990): the reduction of private debt by means of a financial reform and the Central Bank subsidies in the form of guarantee contracts and swaps (Peralta Ramos, 1988: 72). This not only helped the private sector to cancel its external liabilities at a subsidised price (Tedesco 1999). The most important implications brought about by this corrupted mechanism was that a large amount of the private external debt was *nationalised*: ‘the Central Bank assumed the private dollar debt and became creditor of local debtor firms in domestic currency’ (Canitrot 1994: 80). The public sector took responsibility for 52.3% of the external debt in 1979 and that rate increased to 62.2% in 1982.⁷²

The process of deindustrialisation and the reposition of the accumulation process on a new basis led to the predominance of financial valorisation of capital and the flight of capital abroad over industrial investments. The emerging capitalist class was large capital organised in integrated or diversified transnational enterprises, with multiple firms throughout different sectors of the economy and a high level of concentration of capital (Azpiazu *et al* 1988).

This transformation had another side: the impoverishment of the working class (Tedesco, 1999: 40). Whilst in 1974 the wage bill as a share of national income was

⁷² See the evolution of the external debt and the non-justified movement of capital and debt non explained by the balance sheet in Fanelli and Frenkel 1990.

50.5%, in 1981 it had fallen to 32.5 (Orsatti A 1983 in Tedesco 1999: 27). Industrial employment decreased (see Canitrot 1981 in Tedesco 1999: 36; Basualdo 1992).

The effects of the economic policy over the industrial labour market where *desalarización* and *terciarización* (reduction of wage labour and increase participation in the service sector). Whilst 'from the employer's point of view, labour costs fell from 43 per cent in 1974 to 35.7 per cent in 1976...productivity increased 37.6 per cent from 1974 to 1983. Those two factors meant that the absolute profit rate increased. As wages decreased it was calculated that the funds appropriated by the industrial employers increased 69 per cent from 1974 to 1983' (Tedesco 1999: 40-42; also Minsburg 1987).

Instability: the 'Failure' of the Military Regime

Yet, the military government was unsuccessful in settling the basis for long term capitalist development. Its failure in achieving stability asserted itself as *inflation*, the monetary expression of the class struggle over the distribution of income (Tedesco, 1999; Peralta Ramos, 1988). The anti-inflationary policy of the military regime was unsuccessful in the light of class struggle. Two years after the coup d'état, inflation remained around 200% annual (Schvarzer 1990: 65). Although 'the annual rate of inflation went down in 1980...the collapse of the economy in 1981 and the failure of economic policy in 1982 took the rate of inflation back into three figures' (Flichman, 1990: 24). On the one hand, a fierce competition was disclosed among different fractions of capitalists through the 'uncontrolled development of speculative

practices' (Peralta Ramos, 1988: 52). On the other hand, by November 1977, thousands of workers were on strike: railway, water and light and power, oil, telephone, airlines mainly against the wage flexibilisation, i.e. the breakdown of the power of bargaining of the trade unions and the wage fragmentation and differentiation (Abós 1984: 35). Progressively the whole society was increasingly involved in protests and mobilisations against the military and for the return of democracy against the same enemy - the military forces and 'capital speculation'.

The labour movement reshaped itself. In January 1977, a document signed by representatives of 78 unions against the dictatorship's policies was made public. They demanded 'wage increase, a lifting of the ban on union activity, and end to the "intervention" of the CGT as well as of individual unions, the repealing of the law No 21,476, which modified the "special regimes" that regulated the activities of workers in the state sector, the release of unionists held without cause and the clarification of the status of all detained unionists' (Munck G 1998: 83). After the appearance of such a document, the *Commission of the 25*, (The 25) was created. It became 'the first site for debate among the top labor leadership level constituted *outside* a government-sanctioned framework' Within the 25, the Peronist Syndicalist Movement (*Movimiento Sindical Peronista*, MSP) was predominant (Munck G 1998: 83, pp 244 and 87).⁷³

In August 1978 another group, the National Labor Commission (*Comisión Nacional de Trabajo* CNT), was formed (Munck G 1998: 86). On the 24th April 1979, the first

general strike against the military government was carried out (Munck, G 1998: 89). Protests multiplied and strikes spread in Buenos Aires and Córdoba, particularly in the car factories of Chrysler, Ford, Fiat and Ika-Renault. In August 1979, divisions were attempted to be solved by means of the creation of the *Conducción Unica de Trabajadores Argentinos* (CUTA). Yet, 20 trade unions did not join the CUTA and created instead the *Commission of the 20* which would later be part of the CGT *Azopardo* (Abós, 1984: 60). By mid-1979, there were two labour groupings: whilst *the 25* represented the *confrontacionistas* (those who confronted the government), the CNT was *colaboracionista* (collaborators), and the latter grouping created the *Movimiento Sindical Peronista* in 1978 (Cordone 1999).⁷⁴

New forms of resistance emerged from the new forms of repression implemented by the Juntas, and reshape labour struggle under the form of a struggle for human rights. The *Asamblea Permanente por los Derechos Humanos* (Permanent Assembly for Human Rights) was created in 1975 as a reaction to the AAA. The organisation of *Relatives of the Disappeared and Imprisoned for Political Reasons* was created in 1976. In 1977, a unique form of struggle emerged from the darkness and suffering brought about by disappearance: the *Mothers* of the Plaza de Mayo, mothers of the disappeared started a weekly protest at the central square of Buenos Aires, demanding the *aparición con vida* (reappearance alive) of their sons and daughters. Their form of protest (walking in circles around the main monument of the historical square with

⁷³ The first executive committee was composed by representatives of sparkling water (soda), food, state workers, ship drivers, truck drivers, telecommunication (telepostales), railway, paper and food, power and light, miners, travellers, metal mechanics and telephone workers (Abós 1984: 35).

⁷⁴ The CNT gathered the big unions such as UOM (metal workers), AOT (textile workers), UOCRA (construction workers) light and power workers (FATLyF) and commerce workers (CGEC). The *Comision de los 25* was heterogeneous and comprised 78 trade unions which, unlike the CGT, were not intervened by the junta (Fernández, A 1988: 163; Cordone 1999: 81; Munck G 1998: 83).

white scarves on their heads on Thursdays), as well as the significance of their motherhood becoming increasingly public and 'political' (Bellucci, 2000, Guzmán Bouvard 1995) developed into a leading group among human rights social movements. During the dictatorship the *Mothers* called the attention of the whole society, other countries and international bodies to the Argentine 'disappeared' (see next chapter). Some months after the creation of the group *Mothers* (October 1977) a group of women looking for their grandchildren organised as the *Grandmothers*. In March 1980, the *Centre for Legal and Social Studies* was also created to support Human Rights movements (see Jelin, 1985). Also a powerful neighbourhood movement was organised in the last years of the dictatorship, producing the *vecinazos* in 1982 (see García Delgado in Jelin, 1985).

At the end of 1980, the CGT was born again, unifying *the 25* and part of *the 20*. Led by Ubaldini (beer workers) it implied a new challenge against the dictatorship. In July 1981 a second general strike was organised this time by the historical CGT and in November 10,000 people marched against the dictatorship under the slogan 'Pan, Paz y Trabajo' (Bread, Peace and Work) (Abós 1984: 80). Political parties, trade unions and human rights social movements were increasingly engaged in the struggle for the democratisation of the political system and economic stability. Class struggle intensified. A wave of dismissals in car factories, as well as port workers protests against unemployment at the beginning of 1982, led to another massive demonstration on the 30th of March 1982, (Abós 1984: 85) to reoccupy the Plaza de Mayo: It was as if by occupying the Plaza, people recovered their own materiality. Demonstration was severely repressed.

The occupation of the *Malvinas* islands in April 1982 was the last dictatorial attempt to retain and legitimise its power. The war divided Argentine society, including those in exile, and awoke nationalistic feelings among the population. During the war the CGT was divided again: the CNT became the CGT Azopardo and the CGT took the name of the street CGT Brasil (opposition). Paradoxically, the defeat of this belligerent policy allowed for the return to democracy, not least because of the credibility gained by unions and democratic political parties in their opposition to the war.

Concluding Remarks

This chapter explored the emergence, development and disintegration of the revolutionary *Montoneros* in the light of the recomposition of capitalist social relations during the 1970s. The *Soldiers of Perón* evolved as part of the constitution of the Revolutionary Left in Latin America, and the radicalisation of politics in Argentina after the *Cordobazo*. *Montoneros* put in motion the contradictions underpinning the Peronist form and pushed it toward its limits.

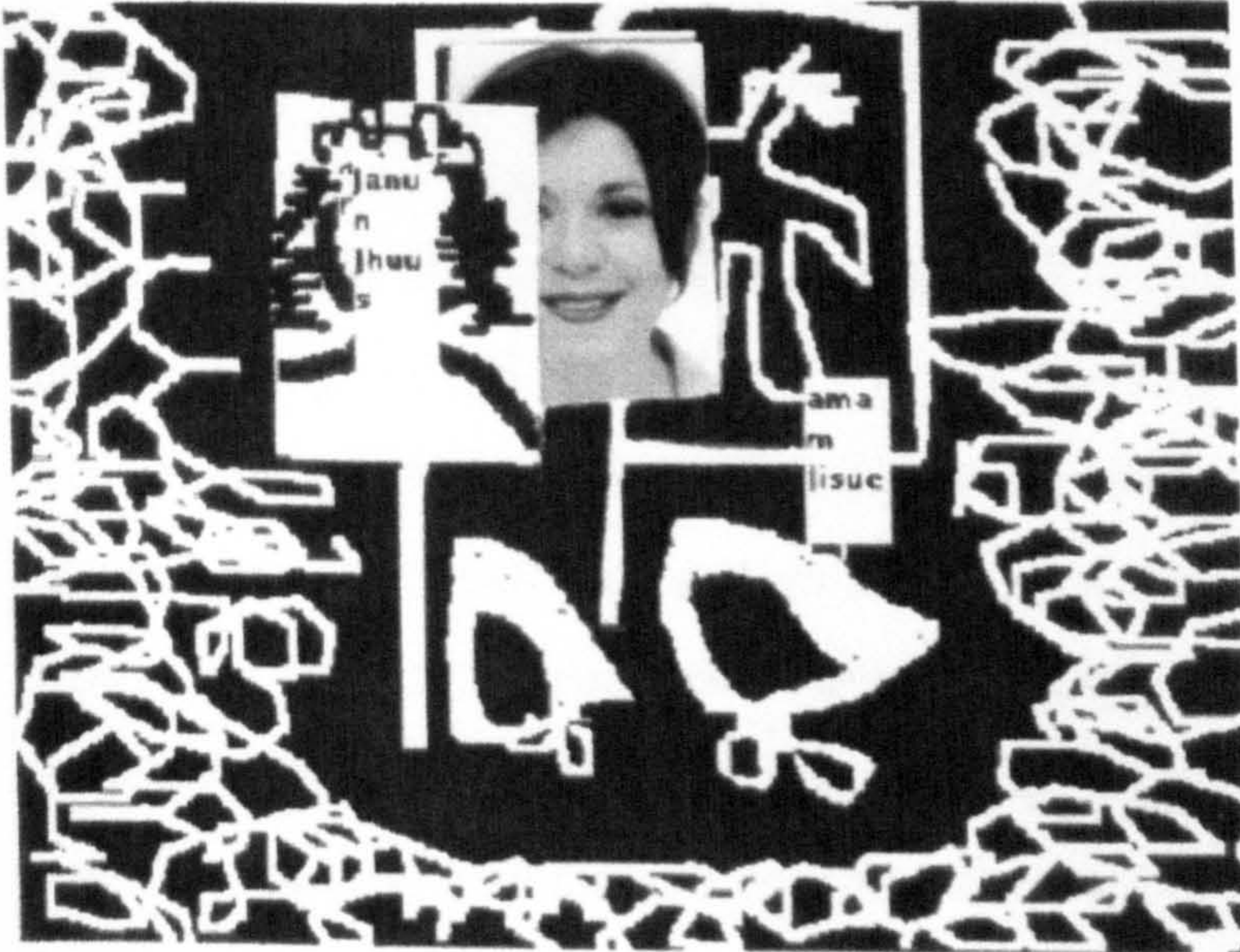
Montoneros revolutionary subjectivity asserted itself as a struggle in and against the state, personified in the contradictory relationship between them and Perón. In *Ezeiza*, the pure relationship between revolutionary labour and the state, as well as the possibility of revolutionary Peronism were called into question. On 1st May 1974, the pact between revolutionary labour and the state was broken. Insofar as the radicalisation of *Montoneros* developed as a dimension of the radicalisation of Argentine society in the 1970s (see Ollier 1998), the ‘disappearance of *Montoneros*’ implied the defeat of both the Peronist project and the socialist dream and paved the

way to the crisis of politics not only for the Peronist or the left, deeply affected by the repression and economic crisis, but for the whole society, and mainly for the working class. The period 1976-1989 marked a decisive moment of both the *abstraction of capital and the 'disembodiment' of labour*.

State terrorism killed and disappeared one generation of militants and advocates of social change who died or remained alive yet deeply depressed or damaged by repression. The features of the victims indicate that, whilst the guerrilla in the north of the country was their excuse to intervene, the *real target for the military forces was the labour movement* (basically Peronist) (Abós, 1984; see Pion-Berlin 1989, Fernández, A 1985). The physical annihilation of opposition allowed the military regime to transform the state and the economic structure by reversing the process of industrialisation and populist state towards the realignment of Argentina into the new international division of labour and the creation of a new capitalist power. The economic policy of the military regime led to a dramatic reduction of industrial activity (20% less in 1983 than in 1977) increased wage differentiation, increased precarious and marginal jobs and unemployment and reduced the share of wages in national income (Basualdo *et al*, 1991; Richards, 1995). However, the regime could not solve the instability created by class struggle but intensified it, since it asserted itself in the monetary form of inflation. The dictatorial period fostered the seeds for its own collapse in 1982. During this democratic period (1982-1989) labour would confront the two spectres of state terrorism and the terrorism of money: the disappeared and hyperinflation respectively. The two emerging subjectivities of the *Mothers* and the renewed CGT correspond to the struggle against these two spectres in and against democracy.

Chapter Six

The Democratic, *Aparición con Vida* and *Sindicalismo de Base*, Visibility and Disillusion.



'To dream alone is only a dream, but to dream with others is revolutionary. I feel like a revolutionary Mother, a fighting Mother every day, resisting and combating' (*Mothers* in Guzmán Bouvard 1995: 189)

'I did things I wouldn't have done had it not been for the fear of instability, and I didn't do things I would [otherwise] have done, because I had the obligation to consolidate democracy' (Former President Alfonsín, April 1993, interview in McGuire 1997, 202-3)

'Our Peronism is not shameful. We have never been part of the *patota* and we have always believed in the existence of a transforming Peronism' (German Abdala, 1984 in Jelin 1985: 65)

In December 1983, democracy 'returned'. On the one hand, the horrors of the period 1976-82 to come to light. The report Nunca Más by the CONADEP published in 1984 condensed the most amazing and horrific stories of abduction, torture, rape and crime. I started to suffer from insomnia and paranoia for nearly three years. The feeling of guilt for having remained alive although just by chance did not leave me alone, and has never gone away. I was scared any time a military upheaval seemed to threaten 'democracy' again and strongly supported the Alfonsín government. However, on the other hand, the political world opened before me: participation was in the air. I left my drama studies and began my degree in Politics. I also became a shop-floor representative for the capital city branch of the telephone workers trade union FOETRA, the latter going through an exciting process of democratisation and renewal under the leadership of Julio Guillán, a Peronist from the CGTA. We firmly struggled against President Alfonsín's attempts at privatising ENtel, the telephone company. We also joined the struggle for Human Rights.

*Dancing with the missing
Dancing with the dead
Dancing with the invisible ones
They dance along...'* (Sting)

In 1983, democracy was socially revalorised as opposed to state terrorism. The struggle for human rights opened a new political space, non existent in Argentina before 1976. The Movimiento por los Derechos Humanos' (Human Rights Movement) demands performed as the engine for democratisation insofar as democracy was the new 'mobilising utopia' (Sonderéguer 1985: 27). The Movement of the Mothers of the Plaza de Mayo became the voice of the disappeared behind the slogan aparición con vida and juicio y castigo a los culpables.⁷⁵ From the Plaza de Mayo, their claim circulated (Sonderéguer, 1985) and expanded. The Association of the Mothers of the Plaza de Mayo (created in 1979) built up a significant information network and solidarity support through 14 branches throughout the country. They decided to wear a white baby shawl on their heads with the name of their children embroidered on it. A group of women who looked for their grandchildren constituted Abuelas (Grandmothers) and also formalised their organisation. Under the principles of independence from political parties and the values of peace, brotherhood, justice, Madres and Abuelas built international reputations and a world solidarity network.

The labour movement also resumed the open fight for the recovering of wages and workers' living standards as well as an intense activity towards their reorganisation and democratisation, and the recovering of their bargaining and political power. Like human rights activists, workers and trade union leaders aimed at the recognition of the power of labour organisations by the state. During the 1980s, unions confronted international bodies and the capitalist pressure with regards to stabilisation policies and the solution for the external debt. The background for human rights and unions' struggles was economic instability and military unrest.

This chapter argues that during 1983-1989 class struggle took the form of a struggle over the meaning and content of democracy. I suggest that the period of transition to democracy cannot be fully grasped by focusing on the transformation of the political regime. The Transitions perspective (Lievesley, 1999) deprived democracy of its class

⁷⁵ Apparition alive and punishment to the guilty.

content (Borón 1995a) thus preventing the 'other' transition underlying the 'political' one to be grasped (Dinerstein and Repetto 1991). The *other* transition underpinning the shift from a dictatorial to a democratic political regime is the transition from economic instability to the legitimisation of the terrorism of money in the form of *stability* in the 1990s. The analysis of the struggle over the form of subjectivity during this period allows an account of 'the other transition'. State terrorism constituted the means for transnational capital to penetrate the national economy and expand in the form of uncontrolled credit and economic instability. Financial speculation meant a perverse monetary circuit of easy profit-making which led to the simultaneous flight of capital abroad and the concentration of economic power in the hands of a few corporations, as well as the impoverishment of the working class caused by unemployment and falling wages. An authoritarian and indebted state as well as fragmented labour organisations were also the visible outcomes of the period. The 'consolidation of democracy' by means of the reestablishment of a sound political system which assured the rule of law and respect for human rights, as well as the 'stabilisation of the economy' by means of the halt of inflation and the modernisation of the state, were the two main goals to be achieved by the Alfonsín administration.

However, by looking at the Mothers and unions' subjectivity, I aim to show that the most important contradiction of the period with regard to labour lay in that whilst democracy made *visible* the outcomes of state terrorism and of the economic policies by legitimising human rights and the political re-emergence of the labour movement, it also imposed significant barriers to them. Their demands were met *if they allowed the stabilisation of*

the economy and therefore did not threaten the consolidation of democracy. In other words, human and social economic rights as well as the recognition of the power of labour were both the basis for the consolidation of democracy and the barriers to it. As a result, the democratic state imposed limits on the subjectivity created during the dictatorship and legitimised during the democratic period, insofar as they presented a barrier to the stabilisation of the instability created by the terrorism of money (Marazzzi 1996) and the discipline of labour during the 1970s. The Alfonsín's period in office crystallised the peak of the struggle of global monetarism over the political, in this case social democracy.

The chapter is organised in five sections. Section I presents the subjectivity of the Mothers. Section II focuses on their struggle in and against the state (i.e. the CONADEP, the public trial of the Juntas and the Law of Due Obedience and the *Punto Final* bill). Section III addresses the main transformation faced by the labour movement during this period. Section IV focuses on the unions' struggles in and against the state and the international bodies (i.e. the Mucci Law to *deperonise* unions, the *normalisation sindical* and the unions' struggle in and against the external debts and the stabilisation plans launched by the Alfonsín administration). Section V focuses on the crisis of hyperinflation as the ultimate expression of the class struggle disclosed during this period and which would lead to the legalisation of uncertainty and the rule of money under Menem.

I

Dar a Luz : The Madres of the Plaza de Mayo⁷⁶

Within the Movement for Human Rights, the *Mothers* are special case.⁷⁷ *Mothers* were born in a climate of uncertainty and fear shared by most Argentines. Initially, the disappearance of a daughter, a son, or a close relative produced a personal and family shock. The private drama transformed their views and ideas about the world and their role within it (Guzmán Bouvard 1995), and they became political mothers. They met in the corridors of police stations, hospitals, ministries, consulates, embassies, churches, official and military dependencies, political parties, morgues, and fought uncertainty by contacting people who could help them in their desperate search. On the 30 April 1977, 14 of them appeared in public by walking in circles around the pyramid of the Plaza de Mayo (Guzmán Bouvard 1995).⁷⁸ The ‘circles of madness’ (Agosin, 1990) led them to be named as ‘viejas locas’ (mad old women) by the dictators.



The process of awareness of a shared situation with others was, to some extent, the same experience as the whole society (see film *The Official History*). Their walk in circles around the monument of the square is very

symbolic. The circle is an emblem of irresolution and frustration in their enquiries. It is

⁷⁶ In Castilian, *dar a luz* means give birth. Literally: to give to light.

⁷⁷ See existing human rights organisations in Guzmán Bouvard, 1995, Bellucci 2000, Sonderéguer, 1985; Fóscolo in Bellucci 2000.

also a symbol of their persistence. The march in circles with the photographs and names of those who had left the Plaza empty allow their *visibility*, their 'resurrection for a couple of hours' (Nora Cortiñas, in www.madres.org). By so doing they forced society into collective memory and became the living memory of a political tragedy, therefore *memory becomes deeply political* (see Bellucci, 2000; Kerber, 1986).

The action of the *Mothers* questioned gender relations (see Feijoó in Shanley and Ackelsberg 1992; Shanley and Ackelsberg 1992: 58), and the separation between public and private spheres. Although most of the *Mothers* were housewives, they called into question that separation and connected both spheres in their own form of being. What made the *Mothers* political activists was their motherhood, the latter being permanently redefined in the light of their political activism. Within their politics, *Mothers* presented an alternative form of rationality by 'the reuniting of thought and feeling from their artificial separation into reason, on the one hand, and emotion on the other' (Guzmán Bouvard 1995: 247).

II

The Limits of Democracy: *Mothers* In and Against the State

As soon as the new government took office, the *Mothers* implacably reaffirmed the slogan *Aparición con Vida* (Guest 1990:381): if their children were alive when they were abducted by the 'task groups', then it is not the *Mothers* who 'must' accept their death,

⁷⁸ See Asociación de las Madres de Plaza de Mayo 1999.

but it is the government which has to investigate who did what and punish the guilty (Cortiñas in Jelin 1985: 33-35).

Aparición con vida did (does) not search for the impossible. It rather illuminated the complexity brought about by a 'disappearance' in terms of identity, death and social relations. The *disappeared* was a non-existent person being: 'It is not, neither dead nor alive, does not have entity at all' (General Videla, 1979 in *La República Perdida II*).

The need to bury the dead is not only emotional and psychological but social, and it is based on the need for recognition of the temporality of life: 'to obliterate its end is to obliterate life itself insofar as it cancelled the temporal reality of history' (Beresin 1998: 71). The recognition of the other as an equal and the recognition of the rights of existence are violated not by the interruption of life but by the uncertainty created around one of the moments of the cycle of life. The *Mothers* were tortured by uncertainty. The disappearances became political for they created the insecurity of the whole 'polis' (see Beresin and Kamkhagi in Beresin 1998). The ceaseless mourning implied in the impossibility of burying the dead was transformed, by the *Mothers'* collective claim, into an endless moaning for the *Aparición con Vida*.

The *Mothers'* restless demands opened a contradiction within the state. The *mission* of the Alfonsín administration was the consolidation of democracy. The re-establishment of human rights and the punishment of those who had massively violated them were the *musts* in the government agenda. However, 'too much democracy' could unleash unrest

within the military, and prevent political stability from being achieved. Without political stability, economic stability and steady growth, international support would be withdrawn. Alfonsín launched his own campaign to undermine the political power of the military yet, at the same time, attempting to temper the anxiety and thirst for justice of the human rights movements and society in general.

The government abolished the military self-amnesty law 22.924, sanctioned by the military regime in March 1983, by another law 23.040 passed on December 22, 1983.⁷⁹

After the failure to promote the self-cleansing of the military by means of a reform of the Military Code Law (see Tedesco 1999: 65). Decree 158 of 1983 brought the military to trial for the human rights violations of the period 1976-1982. As required by the *Mothers* and the human rights organisations, the government also chartered the CONADEP to investigate the fate of the thousands of *disappeared* people.

The CONADEP compiled 50,000 pages of documentation with evidence and information about abduction, disappearance, torture and executions. During the first four years of democratic rule, the victims of abduction and torture as well as their relatives went through a painful process of acknowledgement and sharing of the experience of terror towards the punishment of the juntas. All is documented in the CONADEP (1984) shocking summary.

⁷⁹ See Ley de Autoamnistía in www.nuncamas.org

The *Mothers* disliked the rationale behind the CONADEP investigation which was to provide the required information for the trials by assuming that the *disappeared* were *dead* (Guzmán Bouvard 1995). The report also produced an expected military unrest which the government attempted to solve by the theory of the two devils, and, secondly, the *due obedience* and the further 'full stop' bill. Whilst the former equated guerrilla with state terrorism, the other two led to the punishment *only* of the heads of the military Juntas. These two actions became the main points of confrontation between *Mothers* and the democratic government since both *aparición con vida* and *juicio y castigo a los culpables* were jeopardised.

The Theory of the Two Evils, 'Due Obedience' and the Full Stop Bill

The theory of the two evils suggested that radical militants' violence was responsible for provoking the anti-subversive military campaigns. The *Mothers* aimed to keep alive their children's struggle for a 'better world' by forcing society to exercise its collective memory (*La Voz de los Pañuelos*). Yet, the leaders of *Montoneros* as well as other guerrilla movements were going to be brought to trial too. Thus, the *disappeared* became the victims of both state and guerrilla 'terrorism(s)' and their revolutionary project was condemned for being either mistaken or violent.

The public case against the *Juntas Militares* began on 22 April 1985. The public prosecutor Strassera presented the case on the moving evidence provided by the victims and their families in 709 cases of abduction, torture and murder, during '17 dramatic

weeks of hearings'(Strassera in <http://www.nuncamas.org/document>). He accused the military of several types of crimes. The sentences for the nine members of the three military juntas went from life imprisonment, perpetual disqualification from holding public office and loss of military rank to nine years of imprisonment.⁸⁰ The trial was a unique case in Latin American politics and it was exemplary for human rights militancy in the world (Guzmán Bouvard 1995: 159).

But the 'due obedience' proposal was extremely controversial. It was based on three different levels of responsibility in the violations of human rights: the degree of punishment will differ according to the following criteria: those who planned and supervised, those who committed 'excesses' and those who obeyed orders (Tedesco 1999: 65). Thanks to this criterion, those who participated in the infrastructure and development of state terrorism (e.g. those working in the *grupos de tareas* and in the torture camps) walked free after they and their actions were identified by the investigation carried out by the CONADEP.⁸¹

Facing increasing military unrest, the government passed in December 1986, the *Punto Final* (full stop) law, which set a 60-day deadline for initiating further prosecutions (McGuire 1997: 186). The law was sent by the government when the judiciary was on holidays to prevent the judges from reacting. Yet the judiciary suspended their holidays

⁸⁰ General Videla 'was found guilty of 66 counts of homicide, 306 counts of false arrest aggravated by threats and violence, 93 counts of torture, 4 counts of torture followed by death and 26 counts of robbery' (Guzmán Bouvard 1995: 160). See complete argument put forward by the public prosecutor as well as the sentences in www.nuncamas.org/documents/soea.html.

⁸¹ The Law of Due Obedience, 23,521 was passed in June 1987.

in some part of the country like Córdoba, Bahía Blanca, Tucumán, Rosario, Mendoza, Comodoro Rivadavia and La Plata ‘in order to clear the backlog of judgements before the new law came into force’ (Tedesco 1999: 123).⁸²

The differences between the government and the *Mothers* over trials, exhumations and pacification took the form of a war ‘over the substance of democracy’ (Guzmán Bouvard 1995: 154). By asking for the ‘impossible’ they confronted the government idea of what consolidation of democracy meant. By so doing they became *a permanent obstacle* to stability and the consolidation of democracy. Thus, under the pressure of the military and international bodies, the government disclosed a campaign to discredit the *Mothers*. Whilst President Alfonsín explained that ‘the political objectives of the *Mothers* did not coincide with the national interest’, the Minister of the Interior called them the ‘*Mothers of terrorists*’ and the press (*La Nación*) also claimed that ‘the *Mothers* were exercising another kind of terrorism –“sentimentalism”—and described them as dangerous’ (Guzmán Bouvard, 1995: 156).

Although democracy allowed the *disappeared* to come to light and recover their identity, since the punishment of all the guilty did not take place and the revolutionary project was equated to state terrorism, the *Mothers* and human rights militants felt that their children were assassinated again, this time by democracy, for the issue was now buried.

⁸² ‘By the date of the deadline of the Punto Final Law, 487 cases had been presented to courts against over 300 officials, 30 per cent of whom were on active duty (*Clarín* 22.2.87 in Tedesco 1999: 123-24) The

A military rebellion caused by the confrontation between different levels of the army hierarchy (Tedesco 1999: 124-125) carried out in 1987 by the *Carapintadas*⁸³ led by Captain Rico, brought political instability back. The 'Holy Week Rebellion' was massively rejected and democracy obtained absolutely massive support by all political parties and social, political and labour organisations and led to the *Acta de Compromiso Democrático* (Democratic Commitment Act). After negotiating with the rebels, President Alfonsín stated: '*la casa está en orden*' (the house is in order). This famous expression epitomised the limits of democracy at the hands of terrorist demands, i.e. capitulation (Acuña 1994: 35).

III

The Reshaping of Trade Unions: Regaining Power in Opposition



The labour movement emerged out of the dictatorial period deeply damaged and fragmented. First, the physical disappearance of workers and militants and the suspension of unions' elections favoured the bureaucratisation of the leadership and the fragmentation of shop-floor struggles (Fernández, A 1985).

Secondly, the working class share of national income decreased from 45% in 1974 to

Punto Final bill was passed thanks to the UCR MPs who were the majority in the House of Deputies. The majority of the MPs from the Peronist Party and very few from the UCR voted against it.

30% in 1976, declining to 24% in 1989 (Basualdo, 1992). Deindustrialisation led to a decrease of unionised workers by 30% (Fernández 1985: 95) and the displacement of industrial activity towards finances as the most profitable forms of capital (Basualdo 1992). In addition to the internal migration as well as migration from neighbouring countries, the trend towards the informal and black economy, underemployment and unemployment (Pozzi and Schneider 1994) resulted in a less homogeneous, less male, less industrial, and more state-related and urban working class (Heller and Grana, 1993).

Thirdly, Peronism went through an ideological crisis particularly marked by the bad reputation of Vandorist unionism, and after *Montoneros* and the *AAA* experiences, both being born in the bosom of the Peronist movement. The crisis increased around the need for the trade union leaders to take a position towards the military violations of human rights (Fernández 1985; also López and Lozano 1993). But the institutionalisation of the Peronist Party in opposition for the first time in history (McGuire 1997) helped the unions to rebuild their opposition capacity (Bisio, 1999: 130). They aimed at the reestablishment of the connection between leaders and shop-floor activism and workers, the recovering of workers' living standards and wages, and the recomposition of their political relationship with Peronism. The three aims were an obstacle to the government's attempt at controlling the process of trade union democratisation, stopping inflation, and fighting the alliance Peronist Party-Peronist Trade Unions to dilute, co-opt or integrate opposition, respectively.

⁸³ They painted their faces like soldiers do on the battle field to reaffirm their conditions as soldiers.

IV The Limits of Democracy: Unions in and Against the State

The Anti-Peronist Labour Reform

The UCR government aimed to 'dilute both the political and economic strength of the Peronist-dominated CGT' (Richards, 1995: 58) and 'democratise' them in order to control inflation (Roudil 1993). To democratise the trade unions was, in the government's view, to *deperonise* them (Tedesco 1999). This purpose was sustained by the widespread pluralist diagnosis which proclaimed that unions and military corporatism were the major causes of political instability.⁸⁴ Democracy could be only sustained by means of a political engineering towards the full functioning of the party-system (see de Riz in Munck with Falcón and Galitelli 1987: 225, O'Donnell and Schmitter, 1988, O'Donnell, Schmitter and Whitehead 1986).

Whilst the crimes against humanity were coming to light in the anteroom of the public judgement of the military Juntas, the CGT rejected the government's new Law of Professional Associations proposal, which they understood as a direct intervention of the government into trade union matters.⁸⁵ The law encouraged the reorganisation of trade unions 'from the bottom to the top... without any influence from the state, the political

⁸⁴ On corporatism in Latin America see Wiarda 1981

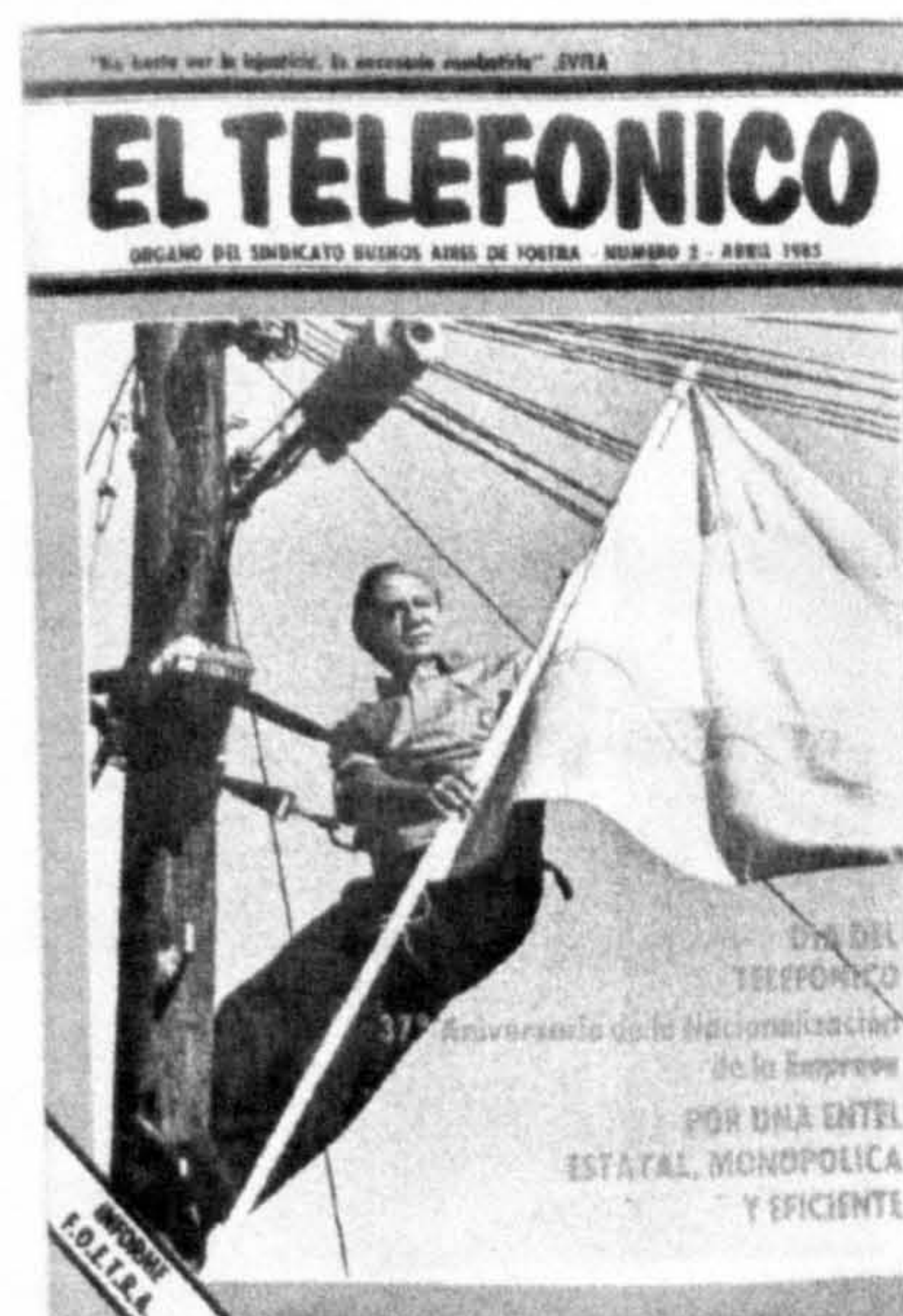
⁸⁵ The CGT had split into two in 1982 when the CNT became the CGT Azopardo and the CGT took the name of the street where its headquarters were, CGT Brasil (in opposition) (see chapter 5). Now four general secretaries were appointed. Lorenzo Miguel from the '62 organisations' was excluded. The four secretaries were the leader of the beer workers Ubaldini and the rubber industry workers' Borda for the CGT Brasil and the leader of the plastic industry workers Triaca and Baldassini of the post office workers for the CGT-Azopardo.

parties or the business organisations' (Alfonsín 1983 in Tedesco 1999: 71).⁸⁶ Ironically, the 'Mucci law' empowered the Minister of Labour to appoint a *delegado normalizador* (a delegate) who would control the electoral process within trade unions. The delegate 'would form a *Junta Fiscalizadora* (Regulation Board)' (Tedesco, 1999: 74).

The *Mucci* bill failed to be passed in the chamber of senators where the majority was held by Peronists (see Acuña 1994) and influenced by the CGT leadership. The government replaced the Minister of Labour and appointed a delegate in union matters (Barrionuevo) and new legislation aiming to *normalise* elections within trade unions was passed by the government.

Renovation

In 1982, the working class was extraordinarily mobilised by the return of democracy. Resistance increased, particularly in state and city councils, railway and telephone workers, the renewal of their shop-floor delegates and local branch leaders. The new legislation facilitated a genuine bottom-up renewal that had been taking place since 1982. The return to work of some of the revolutionary and anti-bureaucratic leaders coupled with the emergence of a young new shop-floor activism led to a new configuration within the labour movement (see



⁸⁶ Like President Illia in 1963, Alfonsín aimed at the democratisation of the shop-floor to break the link

Palomino 1985; Pozzi and Schneider 1994; Roudil 1993; McGuire 1997; see De Genaro in Calello and Parcero, 1984vol.85: 252).

The *normalización sindical* (Law 23,071 of 1984) led trade unions to go to elections. Their results indicated the existence of opposition lists which were constituted to confront union bureaucrats.⁸⁷ Many of these new groupings won union elections with a high percentage of votes by means of the creation of pluralist fronts with the participation of a wide political and ideological spectrum (i.e. Peronist, UCR activists, socialists, communists and others' (Palomino 1985; also Pozzi and Schneider 1994). There was also an increase in workers' participation in union elections.⁸⁸

Leadership within the CGT also recomposed. Three heterogeneous groups co-existed within the CGT: the traditional *sindicalismo Peronista* (Peronist Unionism), the *Sindicalismo de Base* (or anti-bureaucratic 'Rank-and-file Trade Unionism)' and *Gestión y Trabajo* (Palomino 1985). Whilst the two latter constituted an homogeneous group close to the CGTA and non-Peronist and democratic political groups respectively (Palomino 1985: 48), the *Sindicalismo Peronista* gathered in the unified CGT was heterogeneous. It was composed by *the 62 O* that advocated the Vandorist tradition and those joining the '25', which emerged as the first opposition group to the military regime. The 25 had won elections held in 1984 in three of the largest unions: railway workers

between Peronism and trade unions (see chapter 4).

⁸⁷ Whilst in 1973-76, 67.4% of the trade union elections took place with the presentation of only one list of candidates, in 1984-85 this went down to 21.6% (DIL in Pozzi and Schneider 1994: 47).

⁸⁸ Going from 53.9% in 1965-68 to 66.3% in 1984-85 (Pozzi and Schneider 1994: 47).

(143,000 members), retail clerks (408,000) and state workers (86,000) (McGuire 1997: 192).

Ideological differences between the two groups also arose. Whilst Lorenzo Miguel argued that he was an anti-leftist, *the 25* stood against transnational capital and U.S. policy (McGuire 1997: 193). *The 25* were also close to the human right issue and ‘vocal advocates for the families of the disappeared’ and held the post of Secretary of Human Rights within CGT (McGuire 1997: 196). The tense coexistence between the different groups within the CGT and the ‘25’ was solved with the emergence of ‘*Ubaldinismo*’ i.e. the leadership of the beer workers Ubalдини from the CGT Brasil, appointed when they unified in 1984. This produced a recomposition of alliances between *the 62 O* and some leaders from the *Gestión & Trabajo* grouping (McGuire 1997: 197).

The Concertación Social

After the failure of the Mucci law, the government shifted to a strategy of social agreement by means of the creation of the *concertación social* between labour and business organisations and the government ‘to attack inflation and change the economic situation’ (Tedesco 1999 75). In fact the government’s aim was to control trade unions and stop labour demands which, during 1984, increased affecting 4.5 million workers (Munck *et al*, 1987: 224; also McGuire 1997: 199).⁸⁹ Strike activity was facilitated by the

⁸⁹ ‘Of these 62 occurred in the sugar industry (496 hours lost to capital), 29 took place in the car industry (149 hours lost), 608 hours were lost in the metallurgical sector and 584 in the construction industry’ (Munck *et al*, 1987: 224).

government refusal to endorse collective contracts 'that included wage hikes above specific ceilings' and by the pressure from the delegates from the interior branches of the trade unions joining the CGT (McGuire 1997: 199-200; see Battistini 2000b).

In order to rebuild *political power* and achieve wage increases but at the same time show capacity for democratic renewal, the CGT agreed to participate in the *concertación* process yet it held a Vandorist strategy of *hit and negotiate*. A general strike strategy (13 in total), accompanied the acceptance of *concertación*, serving the purposes of opposing the government's economic plans, regaining political power and unifying the labour movement behind the CGT leadership. The first of the 13 general strikes was carried out by the CGT in September 1984 when after giving a wage increase of 18 per cent, the government refused to give wage supplements over the increase.

By February 1985 inflation was growing and the government was under pressure from the IMF to stop it *in order to renegotiate the external debt*. The debt crisis coincided with the democratisation of the state but in the context of the decrease of real wages and the consequent increase in the rate of exploitation of Latin American labour by both local and international capital (several authors in Richards 1997:23 Pastor and Dymski, 1991).⁹⁰ The politicisation of the issue by the government failed. The first financial arrangements between Argentina and international creditors and the IMF over half of the interest on the debt amounted to 70% of the country's exports (Drimer 1990). By 1985, the service of

⁹⁰ Between 1982-1989 under the WC, 'Latin America transferred to developed countries a 'net flow of resources amounting to 203 billion dollars (Iglesias in Tedesco 1999: 83).

the debt and default were both impossible (MacEwan in Richards, 1997: 23, c.f. ECAC 1990).

The stabilisation plans launched by the Alfonsín government during his period in office highlighted the government's struggle to resist, on the one hand, the imposition of international creditors over the domestic economy and, on the other hand, the pressure from the CGT in a framework of military unrest. The plans went from a 'Keynesian' strategy, to a non orthodox plan to control inflation, and from there to the implementation of the economic and financial measures imposed by the IMF.

The Plan Austral



After the failure of the first heterodox stabilisation plan launched by Minister Grinspun in 1983, based on the reactivation of the economy, to prevent the rise of inflation (Tedesco 1999; Acuña 1994), the 1985 *Plan Austral* aimed directly to diffuse the threat of hyperinflation (Fanelli and Frenkel 1990: 194) in order to negotiate the external debt without a deep economic adjustment.

Supported by the IMF and the US government, the new plan's seven points (Lewis 1992: 484) rested upon three main pillars. First, a general wage and price freeze was decreed

after a wage increase of 23%. Second, the plan aimed to reduce the fiscal deficit from 12.8 per cent of GDP to 2.5 per cent. Third, a new currency, the austral (one austral = 1000 pesos) and the de-indexation of the economy were applied to prevent 'inertial' inflation (Tedesco, 1999: 103). The CGT reacted against the *Plan Austral* by publishing a document called *Los 26 Puntos* (the 26 issues) entitled 'Defending production and employment in order to defeat inflation' and CGT called another general strike for the 29 August (see Beliz in Tedesco 1999: 116).

The plan was successful in the short term: inflation fell and the fiscal deficit declined. The balance of payments improved and industrial activity grew (see Machinea and Fanelli in Tedesco 1999: 105). The support from 'highly ranked officials in the U.S. government' (Canitrot 1994: 83) and the public judgement of the military juntas led to a rise in the government's popularity and its victory in the September 1985 congressional elections (Acuña 1994). Namely, the plan Austral seemed to achieved 'democracy plus stability' (Canitrot 1994: 82). But this was just a remedy for short term stabilisation but in no way a deep programme towards economic growth (Tedesco 1999: 104). In October the armed forces were given a wage increase of 5%. In order to avoid the idea that this was a concession the government also gave an increase to teachers, this time of 25%. These political measures undermined the main pillar of the plan *Austral*: wage control. The IMF withdrew its support for the government and economic stabilisation declined (see Tedesco 1999: 106).

The withdrawing of support meant that, insofar as the plan was 'bolstered by the refinancing of the current external debt in exchange for the payment of debt

arrears'(Canitrot 1994: 83), the government needed a plan to reduce the fiscal deficit. This was done by the state reform and the attempts at the privatisation of public assets (Acuña, 1994: 35).

The shop-floor
from local
25' and who
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as the airline
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activism, as well as leadership
branches of the unions joining 'the
were going through a process of
democratisation encouraged by the
started a furious campaign to resist
the privatisation of 49% of the
telephone company ENTel as well
Aerolíneas Argentinas by minister
elaborating alternative proposals to

privatisation.⁹¹ The struggle against privatisation led to a deeper union organisation renewal. In many cases, the shop-floor and local leadership confronted the national leadership of those unions. In others, alliances between historical 'enemies' were constituted to fight the Alfonsín reform of the state. Most of the renewal of the trade union leadership took place in the public sector and state-owned enterprises and there was a democratic yet nationalistic euphoria in defence of public and state assets by workers and the trade unions (see next chapter).

In November 1985, workers joining the UOM (metallurgical), the UOCRA (construction), AOT (textile) and LF and UF (railway) were pressing for wage increases

(Tedesco 1999: 116). The CGT centralised these fragmented demands and called another general strike to be held in January 1986. In February 1986, a second attempt at stabilisation was launched. Alfonsín announced the new stages in front of a massive demonstration in the Plaza de Mayo. In April 1986, price control was abandoned for a price administration and nominal wages (private sector) could be increased (Tedesco 1999: 109) But going further seemed to be, like *aparición con vida*, impossible. In March and June two more general strikes organised by the CGT rejected new economic measures and demanded a wage increase.

The Bureaucratic Pact

The government shifted to co-optation by first encouraging negotiations between trade unions and employers without the intervention of the CGT and, secondly, by creating a pact with the most orthodox sector of the labour movement (Goldin 1997 in Freytes Frey 1999: 199). *The 15*, constituted by leaders from *the 62*, *the 25* and *Ubaldinismo*, belonged to big industrial unions and aimed at their integration into the state. They rejected the CGT general strike strategy and constituted a *bureaucratic pact* with the government (Muñoz and Campione 1994: 105). The pact led one of its leaders Alderete, from the light and power workers, to be appointed as the Minister of Labour in 1987.

The *bureaucratic pact* was undermined by two more general strikes on December 9, and April 14 (Tedesco 1999: 153-54) carried out by CGT and by the confrontation between

⁹¹ See AA's privatisation in Badía *et al* 1992; Dinerstein 1993, Thwaites Rey 1993; 1994, chapter 7 of this

the Labour Minister Alderete and the Economics Minister Sourrouille on labour legislation. Minister Alderete was replaced by Tonelli after the electoral defeat of the UCR in parliamentary elections.

The Plan Primavera

A new plan attempting to control inflation and to establish an alliance with the most important industrial organisations was launched in 1988. The *Plan Primavera* was based on an agreement with the Unión Industrial Argentina (Argentine Industrial Union, UIA) and CAC. It reduced the rate of inflation by the use of the exchange rate 'as a brake on internal prices'. The plan was supported by the IMF and the WB but rejected by the 'agriculture and livestock associations' (Acuña 1994: 36).

At the same time, metallurgical workers started an 'indefinite strike which represented a loss of 1.5 per cent of GDP. The Economics Minister Sourrouille authorised the private sector to transfer the costs of the wage increase to price rises. 'After 33 days of the strike, the agreement determined in August 1988 a wage increase of 48 per cent which would be paid in different steps (Gaudio and Thompson in Tedesco 1999: 118; Acuña 1994: 36).

Two more general strikes demanding a general wage increase followed on October 9 and January 26 1987.

The CGT attempted not only to win wage increases and free collective bargaining but to unify the labour movement (e.g. control the UOM) against the IMF. The IMF and international actors 'lost confidence in the Plan *Primavera*. The government was not meeting the IMF targets and could not reduce the fiscal deficit'. In April 1988 Argentina 'decided to unilaterally suspend the service of the debt without declaring a unilateral moratorium...but continued negotiations' (Tedesco 1999: 134-135).

V

Crisis, Hyperinflation and Distrust: the Terrorism of Money

The Plan *Primavera* collapsed in July 1989 'when wholesale and retail prices skyrocketed 208.2 and 196.6 percent, respectively....During the period spanning the plan's initial application in August 1988 through the end of July 1989, retail prices rose 3,610 percent, while wholesale prices increased 5,061 percent' (Acuña 1994: 37). The US government withdrew its support for the Alfonsín government till elections were held (Canitrot 1994: 86). The suspension of \$350 million credit, and 'a run against the *austral* due to the approaching elections and the uncertainty of the economic strategy of Carlos Menem' (Tedesco 1999: 141 led to a break of the alliance between the UIA and the CAC and the government, and the resignation of Economics Minister Sorrouille: 'The value of the dollar in the parallel market nearly tripled during these months (Acuña, 1994: 37).

A new capitalist grouping, the 'group of the 8' (UIA, CAC, Association of Banks of Buenos Aires [ADEBA], Chamber of Construction, Commerce Stock, Union of the Construction, SRA and Association of Banks of Argentina [ABRA]) proposed to the

government and the new Economics Minister Pugliese a plan based on an improvement of exports and reduction of the fiscal deficit (Tedesco, 1999: 145). In May 1989, Carlos Menem, from the *Renovación* wing of Peronism won general elections with 47 % of the votes (see Tedesco 1999: 146; Martinez, O 1991). After winning elections while Alfonsín was still in office, Menem proposed some measures to favour the international creditors and the agricultural sector, i.e. Alfonsín's enemies (Tedesco 1999: 146). After this metamorphosis, which paralysed the trade unions and all those who expected a populist programme, *uncertainty* and *instability* grew.

The distrust in the national currency led to a very low dollar supply and an extremely high demand. The *crisis* appeared as an increasing demand for dollars and the exhaustion of the central bank capacity to fill that demand. The same banks that had facilitated the creation of the external debt in Argentina were now closing the 'circle of madness' by the manipulation of money as a means of social discipline.⁹² With this action, the exploitative nature of capitalist social relations were temporarily (openly) de-fetishised since the national currency was unable to perform as the sound means of exchange, and therefore to reproduce the social imagery of exchange among equals in a free market: 'the incapacity of central bank authorities to contain it does not have another explanation but

⁹² 'The Republic of New York Bank bought US\$ 35 million; The French bank, US\$ 24; Morgan, US\$ 24; Citibank, US\$ 20; Chase Manhattan, US\$ 8 and among national banks, Crédito Argentino bought US\$ 14 million, and Provincia de Buenos Aires US\$ 7 million (Majul 1990 in Tedesco 1999: 142). In chapter 5 it was argued 'the total amount of credit required by the poorer countries has been calculated at \$40 billion in 1976, while about 50% of the profits of the major US banks now come from loans to these same countries – a situation which makes it unlikely that moratoria will be widely permitted' (Marazzi 1996: 86). The same banks, like the Chase Manhattan Bank, were producing the economic coup d'état.

the loss of unanimity on which money is founded, and which plays a catalytic role' (Aglietta and Orléans 1984: 184).

The Central Bank suspended sales in February 1989 and the price of the dollar exploded. Inflation followed. 'The exchange rate of the dollar rose from 14.7 *australes* in February to 650 *australes* in July. The Central Bank's exhausted foreign currency reserves were replenished in just a few days. Some referred to this inflationary episode and its denouement as a "market coup d'état"' (Canitrot 1994: 86) This 'economic terrorism' (Martinez, O 1991) must be regarded as the national expression of the 'monetary terrorism', whose 'first consequence is a loss of autonomy of national states and which makes the *shift of state power to the world level – the level at which monetary terrorism operates*' (Marazzi, 1996: 85, author's emphasis).

Hyper-inflation proved that money is constitutive of social relations and not just the means of exchange. Inflation is not a distortion produced by monetary expansion or the pressure of organised labour for wage increases (Tedesco, 1999: 87) but rather a 'particular manifestation, within a given historical context, of the social divisions and conflicts which such an economy tends always to generate' (Goldthorpe in Tedesco 1999: 87). Under the form of hyperinflation, money ceased to be the efficient means of exchange to become the means of *uncertainty*. Looting, police repression, the middle classes' discontent, financial speculation and the pressure from international bodies and banks meant that some of Alfonsin's advisers 'warned that the collapse of the economy

could actually lead to a social explosion' (*Latin American Weekly Report*, 1.6.89).⁹³ The Alfonsín administration ended with the resignation of the President before completing his term of office, forced by new military uprisings, the unrest of human rights militants, the Peronist unions and the international creditors allied with the Peronist Party.

Concluding Remarks

In this chapter, I investigated the emergence and reshaping of subjectivity by the Mothers of the Plaza de Mayo as well as the labour movement during the period 1983-1989. During the democratic period, demands and resistance which emerged in and against physical legal and economic repression during 1976-82 were legitimised and expanded. The human rights and the labour movement constituted the basis for the consolidation of democracy. *Mothers* emerged out of the physical elimination of labour into a form which appears to be of another kind since it is classified as another kind by the state, i.e. human rights. Although the *Mothers*' cannot be considered as the struggle of the working class, I argued that the significance of their struggle lay in that they emerged within the process of recomposition of capital and the consequent struggle over the form of subjectivity, took over the struggle of their children and by so doing they became a barrier to the recomposition of the state and capital. The Mothers' demands became subversive as they implied not only the recognition of the revolutionary struggle of the past decade but asserted itself as a barrier to political stability vis-à-vis the military claims for recognition of their action and the US government demand of governability.

⁹³ On looting during 1989-90 see Iñigo Carreras *et al* 1995.

On the other hand, democracy allowed the reorganisation and renewal of the labour movement which had gone through a deep crisis during the 1970s. New trade unionism grew and organised around democratic claims and struggle against the union bureaucracy. It was shown that the popular claim of national independence as well as distribution of income in favour of workers was also seen as subversive and the source of instability vis-à-vis the IMF and international bodies and banks to make the external debt effective and achieve economic stability. Like *'Aparición con vida'*, the CGT's *'Defending production and employment in order to defeat inflation'* became the barrier to achieve stability under the new rules of global money.

I argued that during this period class struggle took the form of a struggle over the *meaning and content* of democracy. It was suggested that the transition to democracy could not be grasped by focusing on the transformation of the political regime. I proposed that the struggle over democracy was the political expression of a deeper transformation underpinning the transformation of the political regime. Namely, the struggle over the subjectivity of labour towards the *legalisation* (democratisation) of the terrorism of money. Pluralist analysis pictured the period of transition to democracy in Latin America as a problem of gobernability (Dos Santos 1996), i.e. as a simultaneous 'process of democratisation of the political regime that was tending to be politically inclusive', *and* a 'process of modernisation of the state that was tending to produce social exclusion' (Calderón and dos Santos 1990).⁹⁴ However, in order to pose the right question,

⁹⁴ Also Colombo and Palermo 1984; Tula, J 1990; Alfonsín 1985; Alfonsín in Pinto 1988; Floria in Pinto 1988 vol. 2; de Riz in Oszlak 1985, Portantiero in Oszlak, 1985; Morlino in Pinto 1988, vol. 3; Lechner 1990, Acuña 1994.

democracy has to be seen as the deeply embedded political form of the social relation of capital. These accounts fail in grasping the transformation of the political sphere as one aspect of the crisis and reshaping of the capital relation, wherein subjectivity, in their words 'social actors', are the central issue.

Although human rights' and unions' struggles could be perceived as two discrete issues, the separation is the result of the separation between the political and the economic spheres which underpins capital and is reaffirmed by liberal democracy. This separation imposed limits to the *Mothers* and the unions' strategies yet both forms of social subjectivity were unified by the struggle over the form of subjectivity, namely by the struggle for recognition and for visibility after more than seven years of physical disappearance and economic and political exclusion in and against the democratic state. Alfonsín's period in office crystallised the apex of the struggle of global monetarism over the political. The external debt and the pressure from international creditors and bodies for stabilisation plans were not just constraints to democracy, but defined a particular form of it, since they provided the specific material form to be articulated with the political regime. The discussion is not formal or participatory democracy but a more fundamental one: that of the *form* of the political vis-à-vis the increasing legitimisation of the terrorism of money. In 1991 the Menem administration put an end to economic instability. Yet, as will be shown in the next chapters, the stability of the 1990s was not achieved through economic growth and participating democracy, but the result of the legitimisation and legalisation of the global terrorism of money under the form of *Stability*.

Part II

Deconstructing Labour.

***Stability* and the Violence of Stability.**

Chapter Seven

Privatisation, Decentralisation and the Politicisation of Class Conflict (the Struggle over the Form of the State)



The *White Tent for Dignity* not only represents teachers' demands but embodies the critical situation of the whole country...In two month more than 300,000 people have visited it to bring their solidarity' (CTA Capital no 1, June 1997, Buenos Aires: 3).

'I want to stress once again that my friends and mates, the workers will cease to be mere spectators to become the main actors in this process of transformation in Argentina' (President Menem, 8.6.91, III Congress UOYPEP, San Juan in *Página/12*, 9.7.91: 5)

'In a practical day-to day sense state workers *are* the state' (LEWRG, 1980:77).

'The government has institutionally broken the structures which prevented the transformation of the state from taking place. Many things were not done optimally. The Law of Economic Emergency --of my authorship wasn't a democratic law. But it had to be issued ... it was necessary in order to make progress towards a deeper transformation' (M Ikonicoff).

'I resisted till the end. But if I did not go, my mates would have become the victims of my action ... They were not going to stop until they had destroyed the last one' (shop floor representative, *Gas del Estado*, author's interview, 1996).

The process of privatisation was hard for those who opposed it from within. In Gas del Estado, the opposition at the work place organised by the Lista Gris had to confront a powerful enemy since the trade union confederation was the best ally for both government and managers. Many things were at stake: contracting out, deregulated services and the management of the millionaire share property programme for state workers. This enemy would (did) not hesitate in using any method available to 'convince' workers that privatising the second most profitable state-owned company in the country was the best option. The 'war' for and against this privatisation entailed for me the form of direct and everyday intimidation at the workplace and outside it coupled with the dismissal of my husband, my confinement to a sector two hours away from my house without any assigned task, and a wage decrease. Most of us were forced to move on...to the other 'war' that was taking place outside the workplace, in the streets of Buenos Aires and at the roadblocks in the interior of the country. They were experienced as chaotic forms of protest, but also as a new form of saying 'enough' to capital's expansive power of destruction.

The reform of the state in Argentina was one of the fundamental processes leading to the transformation of the subjectivity of labour. Public administration perspectives understand privatisation and decentralisation as technical processes, i.e. neutral administrative tools towards the improvement of efficiency and efficacy in the provision and administration of public services and social policies on behalf of the community.⁹⁵ Others contest this view by considering these policies as political strategies to relocate the bases of social domination and legitimisation by reorganising the distribution of power within the state and in society.⁹⁶ Finally, privatisation and decentralisation are regarded as instruments of macroeconomic policy aiming to reduce the external debt and alleviate the fiscal deficit. The role of the state is transformed in the light of the pressure of global capital .⁹⁷

An extensive literature on labour studies has addressed the various aspects of the transformation of labour vis-à-vis the recomposition of the state. Research focuses on trade unions, the transformation of industrial relations, as well as regional effects of privatisation and the economic adjustment on the labour market and forms of employment in a context of social exclusion and poverty including the study of social protest (see the next chapters) .

The reform of the state involved the policies of privatisation of state-owned companies, the administrative and financial decentralisation of health and education

⁹⁵ See CLAD 1992, Oszlak 1994 (ed.), Klisberg 1984, La Serna 1988, Basco *et al* 1988, Ilchman 1984, Vickers and Yarrow 1993, Calleja 1992, Donahue 1989.

⁹⁶ See the tension between political and administrative aspects of both policies in IDEP 1998; Oszlak and O'Donnell 1982. See the effects of privatisation and decentralisation on individuals and social groups (Rozas y Reveco in Minsburg 1993: 94). See the crisis of social policy, the problem of Federalism and the fiscal pact in Hevia 1991, Tenti 1990, Isuani and Tenti 1989, Isuani 1991, Lo Vuolo 1990a, 1990b, Marshall 1988, Campanini *et al* 1993, Grassi *et al* 1994.

services, the redefinition of the fiscal pact between central and provincial governments, the restructuring of the public sector and central and provincial state apparatuses. It also comprised the freeze of wages and the regulation of collective agreements and the restriction or even cancellation of state subsidies and protection of national capital.

This chapter focuses on the privatisation of state-owned companies and the financial and administrative decentralisation of the education system. It will be shown that the recomposition of the state and state-policy making emerged out of the struggle over the form of subjectivity and comprised the deconstruction of the identification of workers with the national interest, of the relation between the trade unions and the state and of the institutional forms of resistance. Although privatisation and decentralisation were supposed to reduce the level of politicisation of labour conflict as well as fragment workers' and unions' struggles, they led rather to the politicisation and nationalisation of workers' demands, articulated by new organisations like the *Central de los Trabajadores Argentinos* CTA and new forms of resistance like the White Tent of Dignity.

The exploration of the deconstruction and recomposition of the form of labour affecting particularly workers in state-owned companies, central and decentralised administration, and public services in the areas of health and education (Orlansky and Orciani 1994: 9) is explored in five sections. Section I addresses the historical background and the main features of the process of privatisation and decentralisation of education during the 1980s and the 1990s. Section II focuses on the politics of

⁹⁷ See Basualdo 1992, Sánchez 1993, Azpiazu and Basualdo 1995, Yarrow 1999, Vickers and Yarrow

depoliticisation and decentralisation launched by the government at the political, industrial relations and shop-floor levels to neutralise resistance and deconstruct the existing forms of labour. Section III addresses the reshaping of trade unions into two main forms: the CGT business trade unionism and the CTA opposition. Section IV approaches one of the main forms of struggle emerging as a new form of politics of resistance: *roadblocks* and the *White Tent* organised by teachers on hunger strike. Finally, in the conclusion I assess the notion of the power of trade unions in the light of the transformation of the forms of resistance produced in and against the recomposition of the state.

I

The Recomposition of the State in the 1980s and the 1990s

The urge to stabilise the economy and to solve the debt crisis and the fiscal deficit pushed the Alfonsín administration to introduce privatisation in the government agenda (see Boeker 1993). Deindustrialisation and financial valorisation of capital had led to the lowest levels of investment ever (Basualdo 1994: 28-9; also 1992). By 1983, most state-owned companies showed a high financial deficit, low productivity, growing debt, technological anarchy and long term disinvestments (Gerchunoff and Canovas in Margheritis 1999: 125). The crisis of the state presented an opportunity for the *pescados gordos* (big cats) who emerged and grew through the use of state subsidies, cheap or free services from state-owned enterprises, state credit and tax exemption between 1975 and 1981 (see Margheritis, 1999).⁹⁸

1993, Gerchunoff 1993, Lozano 1999b, Minsburg 1993, Rojze, 1991, Pirker 1991, Keifman 1991, Bocco and Minsburg 1991, Suárez and Kozulj 1991, Thwaites Rey *et al* 1995.

⁹⁸ e.g. Techint, Perez Companc, Soldatti, Bunge & Born, Loma Negra.

However, under Alfonsín, privatisation failed owing to the impossibility to stabilise the economy. Strong workers, unions and political opposition in defence of national interest and sovereignty contributed to this. 1988 marked the highest number of strikes (949) of the decade, the reasons being the worsening of wages and working conditions in the public sector and the attempt at privatisation.⁹⁹

In 1989 privatisation and decentralisation became the two chief issues of the programme supervised by the WB, which intervened directly in its implementation (Fuchs, 1993: 147; Sánchez, 1991; Narodowski 1991; see introduction to this thesis). In the government's rhetoric, the improvement of the quality of public services, the promotion of economic efficiency, and the democratisation and generation of new investments in key areas like education were the priorities. The privatising and decentralising solutions to the state crisis presupposed *in abstraction* 'the existence of an inefficient public sector within an efficient society and an efficient economy' (Madoery, 1990: 80; also Yarrow, 1999; Vickers and Yarrow 1991, 1993). Beyond rhetoric, the projects of privatisation and decentralisation sought to achieve macroeconomic stabilisation, the reduction of the fiscal deficit and the re-negotiation of the external debt with the IMF

Two emergency macro laws provided the legal framework for privatisation and the restructuring of the state. The Law of Reform of the State (23,696 of 1989) declared an administrative emergency of the state in the provision of public services for a one-year period, established the legal framework for the privatisation of state-owned

⁹⁹ The unions which led the conflict in 1986, 1987 and 1988 were the Asociación de Trabajadores del Estado (ATE) and the Unión Personal de la Nación (UPCN), CTERA and FOETRA (Federación de Obreros y Empleados Telefónicos de la República Argentina) (Orlansky and Orciani, 1994).

companies and 'gave the executive the function and faculties to scrap (*desguazar*) the state by decree' (Lozano and Feletti, 1991: 132; IDEP 1993b). The law established the Property Share Programme (PPP) for workers in those companies to be privatised. It gave the executive the power to rationalise the public sector (by reducing 'over-staffing' and eliminating 'unprofitable sectors').

The law of Economic Emergency (23,697 of 1989) restricted the possibility for any administrative unit to hire employees in public sector and state-owned enterprises and authorised the executive to undertake policies towards efficiency and productivity in the public sector. The law also allowed the government to revise the employment regimes and labour contracts within public administration and state-owned companies and to modify the amount of redundancy payment in case of unjustified dismissal established in the LCT no 20,744 (IDEP, 1993b). Privatisation was a good 'option' for external creditors, local and foreign investors (Basualdo 1994a: 30) and also for the government, which was under pressure from foreign creditors trying to collect debt payment in arrears and therefore wanted to re-establish the state's cash flow and put the foreign accounts in order (Gerchunoff 1993: 18-19; Goldin, 1997: 9). It offered the possibility to achieve a quick reduction of the external debt by means of debt-equity swap (Fuchs 1993; Keifman 1991).

The ambitious and accelerated programme sold most of the 93 state-owned companies in 4 years.¹⁰⁰ Whilst only 7 capitalist corporations were benefited by privatisation

¹⁰⁰ The first phase (1989-1991) included the sale of the telephone company ENTel and Aerolíneas Argentinas, but also TV channels, some railway branches and national oil reserves. After the implementation of the Plan of Convertibility by the Economics Minister Cavallo, in a second phase (1991-1993) it included the privatisation of electricity, gas, metallurgy, water, the rest of the railways, subways, oil and hydroelectric energy (see Margheritis, 1999: 130; Sánchez, 1993, Goldin, 1997).

(Sanchez, M 1993: 39 and 42)¹⁰¹, by 1993 there had been 280,509 job lost, with a cost to the state of 2,035 million dollars in 'voluntary redundancy', the latter financed by the national treasury and credit from international bodies (Goldin, 1997: 73).

Privatisation was accompanied by strict provincial economic adjustment, reinforced by the fiscal pacts I and II reached between the central and provincial governments in August 1992 and 1993 (Axelrad, 1998: 103),¹⁰² which aimed to reduce the fiscal deficit by means of three measures: i. the reform of the revenue-sharing system towards the restriction of provincial revenues, which obliged local administrations to share the deficit of the national pension system (through their 15% contribution) and to reduce expenditure (from revenue sharing) by 10% (Feletti and Lozano 1992:16; see Richards 1997); ii. the rationalisation and privatisation of official provincial banks; iii. and the financial and administrative decentralisation of the provision of health and education aimed to alleviate the national budget.

The Law 24,049 of 1992 allowed the transference of secondary and tertiary education to the provincial and the city of Buenos Aires county halls (Campanini *et al* 1993).

Decentralisation was presented as a democratic instrument *per se*. However it left local governments of several provinces and districts unable to pay wages in time, and incapable of delivering public services properly. The Menem administration aimed to achieve fiscal balance 'by devolving greater responsibility to provincial governments

¹⁰¹ Perez Companc, Soldatti, Astra, Techint, Benito Roggio, Citibank, Macri. Redundancy was distributed as follows: 26% railways, 16.5% telephone companies, 13.3% oil company, 8.1% electricity, 8.1% Somisa, 3.8% AA, 3.3% water and the rest to other privatised companies). 114,538 (40.8%) out of the 280,000 left the public sector through voluntary redundancy (Goldin, 1997: 73).

¹⁰² The decrees 435, 612 and 1757 of 1990 allowed the reduction of the public sector staff (IDEP 1993b: 78) by means of the suspension of overtime hours, the suspension of promotions, and forcing retirement on those of pension age and the freeze of vacancies and job opportunities (Goldin, 1997: 27; Recalde, *Página/12*, 8.3.90). On Fiscal Pact see Carciofi 1990

to provide social services at the same time that federal revenue sharing has been cut' (Richards, 1997: 34).

The 'provincialisation' of the education system reinforced the inequality in working conditions and wages (Paviglianitti in Campanini *et al* 1993: 19). The transference increased political disputes related to teachers' working conditions, wage differences and health services. In addition, the new Federal Law of Education passed in 1993 which aimed at the 'modernisation' of education became, together with decentralisation, the most important reason for the labour struggles in the sector.

Teachers' unions indicated that insofar as 90% of the investment in education was invested in wages, in conditions of uneven development and poverty, with lean and overdue wages the restructuring of the education system was impossible to be undertaken. They opposed the financial sources for the reform, i.e. the *fondos coparticipables* since they came from regressive taxation rather than direct taxation on wealth and profit. They also questioned the fiscal pacts agreed between the central and provincial governments that sustained the transference (Grassi *et al* 1994: 96) and warned of the potential distributive struggle between the provinces and the nation-state as well as among provinces, and of the danger of large differentiation in wages and working conditions among teachers (Campanini *et al* 1993: 32).

II The Politics of Depoliticisation

The Anti-Strike Decree

During the period 1989-1990, state workers and unions became the major barrier to the privatisation euphoria of the Menem administration. By 1990, the telephone

workers joining the FOETRA as well as the aeronautic workers joining the *Asociación de Personal Aeronáutico APA* were engaged in a massive campaign to defend their companies.¹⁰³ Strikes, demonstrations and public campaigns in defence of public enterprises and the central role of the state in the provision of health and education (and against the ‘scrapping’ of the state organised by telephone, airline workers, see below) and the public sector, particularly by teachers, spread. In April 1990, a massive strike organised by railway workers joining LF joined the struggle and paralysed a major part of public transport of the country (see Battistini, 1999).



labour conflict and the deconstruction of the political role of state workers and their union leadership as the guardians of the national interest. This would lead, first, to the achievement of a stable framework to offer to the buyers; secondly to ‘privatise the labour conflict’ and, thirdly, to divide the labour movement at the political level, and therefore neutralise and fragment opposition at the shop-floor level (Falcón, 1993).

¹⁰³ The defence of ENTel included wage increases, investments and the participation of the unions in the company matters, and pointed to corruption (IDEP 1998) and the weakness of the government to ‘exact a fair value for its assets’ and the role of the debt in reshaping the profile of Argentine capitalism’ (Adelman 1994: 87; *El Telefónico*, several issues). See issues on valuation of assets in Adelman, 1994: 87; also Lozano 1999b; Gutierrez, 1995: 31; Sanchez 1993: 33; Madoery, 1990.

The strike constituted a turning point in the relationship between the state and trade unions. The government decided to regulate the right to strike in the public sector (Battistini, 1999: 275-6; López Artemio and Lozano C 1990). Coupled with coercion at the work place and suppression of union militancy from the Ministry of Labour managed by Triaca, a former leader of the CGT, the proposal aimed at the *depoliticisation* of

On 17th October 1991 the executive issued the 'anti-strike' Decree (2,184). Symbolism aside, the decree forced the companies to provide minimum (essential) services during industrial disputes, the former being determined by the executive power. Workers' refusal to work in minimum services during the strike would be considered as a justified cause for dismissal. The executive power could force workers to provide essential services by means of the security forces. Those public services considered as essential were health services and hospitals, transport, provision of water, electricity, gas, telecommunications, as well as justice and education at all levels.

Fighting the Public Powers

In the case of the privatisation of *AA* not only the workers and unions but also democratic procedures became a barrier to the quick privatisation restructuring of the state. APA led the opposition by demanding an air transportation policy which defended state property. Their criticism was, firstly, that the sale-price did not cover even the cost of the twenty-nine Boeings.¹⁰⁴ Secondly, the legal contradiction in creating a commercial association with State minority participation. Thirdly, that nobody knew either the economic situation of the buyer nor the real global assets of *AA*. Fourth, that the company was profitable, efficient and in no way was it a monopoly. Fifth, that privatisation was immoral because they were really selling the national sovereignty; but above all because it was an uncertain transaction within which the national state had few possibilities to gain benefits. Sixth, that the Government had no idea what would happen to air transportation policy after the sale. Seventh, the real and significant reduction in the external debt was doubted. Eighth,

¹⁰⁴ This fact had been recognised by the buyers themselves who had said that certainly, with the sale of six Boeings, they would be able to pay the debt to the national state.

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that the Shared Property Programme PPP (see later) was a fraud. Ninth, that the government sold the company taking charge of its previous debts hence providing the new owners with a tidy company that had no existing debts (*Aerogremial*, several issues).¹⁰⁵ The campaign organised by APA and the National Commission of Aeronautic Workers Unions created in 1988 involved many strategies: workshops in the streets of Buenos Aires to encourage a public debate; radio and press; mass pickets at the workplace; regular mass meetings and demonstrations legal appeals to the Courts against Decree 1591 (*Aerogremial*, January 1990),¹⁰⁶ and the publication of documents based on technical research which suggested ways of improving efficiency without privatising.¹⁰⁷ The unions also provided broad and detailed information about privatisation for the press, radio and to the Comisión Bicameral de Seguimiento de las Privatizaciones (CBSP) such as dossiers, research papers and data.¹⁰⁸

Given the high level of social mobilisation around AA's case and the pressure against the sale by the judiciary, political parties, MPs and unions, the Supreme Court of Justice, under the government pressure, used the *Per saltum*, to allowed the sale-process to go on, this being an extraordinary resource that the Supreme Court uses only in an emergency case, when the security of the nation would be in danger. By so doing, the Supreme Court went over all the other constitutional powers and

¹⁰⁵ See 'Abdala y Guaragna polemizan sobre privatizaciones' in *CASH, Página/12* 12.5.91

¹⁰⁶ APA, created in 1946, represents all the employees who work on the ground (4,000 workers); APTA is composed by personnel repairing planes (1,000); AAA are the non-technical flying staff: air hostesses and air stewardess; APLA is the pilots' union (600); ATVLA are the technical flying staff (100); UPSA is the high level management union; UPADEP is the union of workers who belong to foreign enterprises; ATEPSA is formed by air traffic control employees who belong to the Air Force.

¹⁰⁷ The papers charted issues such as external debt, management efficiency, including some suggestions on the autonomy of management, another concept of 'enterprise', and the importance of labour participation in policy making.

institutions of the democratic political regime to allow IBERIA to be chosen as the only buyer in a very corrupted process.¹⁰⁹

Paving the Way: Flexibilisation at the workplace and the Decentralisation of Collective Bargaining

The features of industrial relations at the shop-floor level in state-owned enterprises were a barrier to selling the companies. State-owned enterprises possessed almost no financial or management autonomy, but had a close relation to the state which subordinated their finances and management to political or economic objectives, i.e. cheap services to the widest sector of the population (Tomada and Senén González C, 1998), or lower service prices to capitalists. This subsidiary role was assured by the centralisation of bargaining and a high level of unionisation among workers, who enjoyed some additional benefits which made them a special category within the working class.

Most transnational corporations conditioned their participation in the sales to the reaching of collective agreements *before privatisation* (Tomada 1999: 185). Significant changes (instrumental at first, but legalised by collective agreements latter) modified employment and working conditions as well as industrial relations in the public sector and state-owned enterprises subjected to privatisation. The union bureaucracy signed collective agreements in their respective branches to allow the changes related to the lengthening of working hours, flexibilisation, functional polyvalence, fragmentation, decrease in staff members by 40% or more by means of

¹⁰⁸ The parliamentary commission (Comisión Bicameral de Seguimiento de las Privatizaciones), was created by Law 23,696 and was composed of 6 senators and 6 deputies to control the application of the law and the process of privatisation.

voluntary redundancy, dismissals and early retirement, the losing of some components of the salary and the introduction of temporary jobs according to the 1991 New Employment Act (NLE) (Tomada and Senén González C 1998: 132-136; Tomada, 1999: 186-188; Bisio *et al* 1999). Whilst these collective agreements neutralised labour conflict at the branch level, they did not stop the increasing unrest and conflict at the level of the enterprise, where a climate of uncertainty and coercion under a new and foreign management coupled with the recomposition of trade union activism against bureaucracy was widespread.

From Proletarios to Propietarios: ¹¹⁰ the Logic of Money into the State

The PPP included in the Law 23696 enabled state workers to become the holders of 10% of the shares of the ex state-owned enterprise. The PPP has been considered by many as the carrot of privatisation since it constituted a tool for the co-optation of union leaders (Goldin, 1997: 43; Furman in *Página/12* 1994; Ramirez 1999). The programme created business, aimed to control workers' resistance, as well as improve discipline and productivity. In 1994 more than 70,000 workers in the 30 privatised enterprises owned shares valued at 2,150 million dollars.

However, the PPP posited major contradictions at the heart of the state-owned companies. The first one being the contradiction between being simultaneously a worker and a shareholder. As shareholders, workers were supposed to be interested in reducing the labour costs and improving the productivity and efficiency of the company. This clashed with the workers' rights and resistance: 'things that [were]

¹⁰⁹ For a complete analysis of this privatisation see Thwaites Rey 1999, 1994, 1993 and Badia *et al*

convenient for the shareholder, [were] not convenient for the worker, for instance to reduce the labour costs!' (Ruiz, 1996 and Moreno 1996 author's interviews; Lozano L *et al* 1992: 21 and 41). This destroyed solidarity and identities, changed the relationship of workers and trade unions with the management, and deeply affected the trade union as a workers' organisation.

The second contradiction brought about by the PPP was that, since the law did not make explicit how to organise the PPP, but only suggested the trade union as the 'natural organisation' to do it,¹¹¹ the PPP disclosed a war between those trade union leaders 'designated' by the government to deal with the millionaire PPP and the rank-and-file opposition.¹¹² Whilst through the negotiations with the government, the state labour bureaucracy benefited from unionised shares (*syndicates*), that is, the workers obtained the right to have a workers' director within the executive of the PPP to represent workers' interests, the rank-and-file opposition either used the PPP to fight the union bureaucracy by winning the syndicates or rejected the involvement of the union in business.

The case of the privatisation of *Gas de Estado* is illustrative in many respects.¹¹³ It was achieved by two corrupted actions. First, an electoral fraud in the main union, organised by the bureaucracy and supported by the government, aiming to destroy left-wing opposition to privatisation of the ex-state-owned company Gas del Estado

1992; Gosman 1991.

¹¹⁰ From Proletariat to Proprietors.

¹¹¹ The 'silence of the law' 21,696 leaves open the specific role of trade unions in the PPP, which had to be regulated by other legislation such as the LPA, the LCT or the Collective Bargaining Acts (Lozano L *et al* 1992: 99-100).

¹¹² See the unsuccessful case of Entel in *CASH, Página/12* 14.5.93: 9; 20.3.94; 24.3.95: 11; 23.5.93: 12. Others in Murillo 1997 and Chumbita 1993.

¹¹³ On the privatisation of Gas del Estado see *CASH Página/12* 6.12.92; Calleja, A 1992; Suarez and Kozulj 1991.

(see Dinerstein 1993; see *Frente V G Lista Gris* Pamphlet). Second, the corruption within the Parliament in the discussion and vote regarding the form of privatisation of the company.¹¹⁴ In light of this, privatisation also led to a struggle around the management of the millionaire PPP, particularly because those in opposition who had been the victims of the electoral fraud won the election for workers' director within the PPP. This unexpected situation made the union and management develop a series of strategies to 'get rid' of this disruptive position.¹¹⁵

Against a climate of fragmentation, discontent, unrest, fear and political betrayals, difficulties, negotiations and struggle the workers' directors of the PPP managed to run it successfully but not without difficulties. They overcame the lack of practice in these matters and achieved the necessary consent.¹¹⁶ As they put it,

'How about this: 300 people who don't know how to get the 30,000,000 dollars of the shares have chosen you to solve their problem! I have spent months and months 'rowing' among deep, changing and touching loyalties, betrayals, miseries, and regrets' (R. R, director for the workers, PPP TGN, former *Gas del Estado*, author's interview, 3.11.99).¹¹⁷

¹¹⁴ In March 1992 MPs had to vote the fate of Gas del Estado. 130 MPs approved the privatisation of the state-owned company. The vote was taken with the minimum quorum required since the opposition (UCR) announced its decision not to vote. Parliamentary journalists alerted that fake MPs had participated in the ballot. MP Samid had been replaced by his adviser Kenan the day of the ballot (*Página/12* 26.3.93: 12). He was called Diputrucho (Dip = deputy; *Trucho* = slang for fake). The ballot took place again. The absent MP this time turned up and voted for privatisation. Due to the scandal, a commission for the investigation of the event was created ad hoc, although it never said anything about it. One year after (April 1993), the MPs voted the end of the investigation (*Página/12*, 30.4.93: 2; See also Thwaites Rey 1999: 164).

¹¹⁵ Once having been elected as the director of the PPP on the workers side, RR was dismissed by the company after having been offered 200,000 dollars for 'voluntary redundancy'. The Catalan management did not understand either the significance or the history of opposition for these workers. Since RR's answer was 'No thanks, I am not going to be unemployed because you want me to be so' the managers dismissed him with the compliance of the union. Yet, workers' directors did not (but should) enjoy any legal immunity. He was given back his job after a trial and a favourable legal decision on the matter.

¹¹⁶ The PPP being a plc, it requires to be organised as such through two bodies: an assembly of shareholders and an executive committee (composed of a few members elected by the shareholders). The third body is a controller one (Lozano L *et al* 1992: 56). All shareholders of the same type should be part of a 'General Transference Agreement' and a 'Pact of Syndication' gives them the advantage of agreed collective action. In this form of association the unanimity in the decisions of the shareholders is essential, for the contracts are not constituted by the vote of members, but by the general consent of all shareholders (Lozano L *et al*, 1992: 61-62).

¹¹⁷ For a general assessment of the whole process see Goldin 1997.

Breaking Solidarity at the Work Place

Sálvese quien pueda! ¹¹⁸

The transformation of the work place comprised the restructuring of sectors, the policy of 'voluntary redundancy', transference to other sectors in the same city, other cities or other companies (contracting out), the dismantling of all those welfare and social benefits provided by the state-owned enterprises (e.g. children's recreation park, holidays, accommodation facilities). These changes had a significant impact on everyday private and social life, within and outside the enterprise, since privatisation involved workers and their families' lives, culture and traditions as well as labour relations and forms of trade unionism. As a result, the workplace became, as in the past, *the site for the opposition* to bureaucracy and the government's policy

The changes produced before and during the privatisation led to the meaninglessness of work, the break of a paternal and protective form of labour relations, the rupture of a sense of belonging experienced by state workers' direct relation to their workplace and the company, the break of the sense of solidarity, trust and confidence and, indirectly, with the state and the public goals of the enterprise.

The restructuring of the workplace led to the disclosure of power conflicts already existing used by managers to reduce over-staffing and achieve the flexibilisation of labour most of times with the compliance of the union. The workplace became a coercive and uncertain place where individualism and atomisation of workers

¹¹⁸ Save yourself if you can

flourished against cooperative action. The selection of workers to be dismissed disclosed betrayals, sadness, competition. Workers described the process as a war:

‘we were knocked out... injured...we have been shocked in many respects and in many forms....they change the working culture with technology, and new management things such as psychological tests of the employees, video recorders, cameras, etc. Then came the betrayal from the union, from the government, from your mates at work. We remained asking: who can I trust?’ (Risuto, author’s interview, 1996).

The Retiro Voluntario

The two forms of decrease of staff employed were voluntary redundancy (by the emergency decree 287/92, reaching 179,647 workers) and dismissals (reaching 180,898 cases) (CISI in *Fundación Sindical* 1993: 12). ‘Voluntary redundancy’ was most significant before privatisation, to make the companies more profitable, and during and after by reducing staff without breaking the promise made to the government of not dismissing workers after privatisation or concession of the company.¹¹⁹

The individual solution was a temptation, insofar as they were offered considerable amounts of money to become ‘self-employed’, as well as the way out of the unrest experienced at the workplace. Yet, as soon as unemployment increased and those who had accepted this form of concealed dismissal went bankrupt, resistance to voluntary

¹¹⁹ Before privatisation, there were 302,600 workers working in state-owned enterprises. In 1994, there were only 53,600. Thus, the reduction of personnel was 249,000 workers. 114,400 out of them were re-contracted by privatised enterprises under new and in general unfavourable conditions. Out of the remaining 134,600, 103,100 were made redundant or took voluntary redundancy and 31,500 got early retirement. (Furman, *Página/12*, 1994). See staff reduction by voluntary redundancy in *CASH*, *Página/12*, 26.5.96: 4.

redundancy increased. Then, the offer of voluntary redundancy became a psychological torture with dramatic consequences.

Specific research on the issue (Ramirez 1999) reconstructed the ways and means by which management aimed to convince workers to leave the company: i. all employees who did not 'enter into the company plans' were included in a payroll under the title *inducidos* (i.e. induced to accept voluntary redundancy)¹²⁰; ii. the circulation of internal memoranda with explanations of what to do with those *inducidos*; iii. some members of high-level management were attributed the special task of 'convincing' workers: first workers were informed that they had no future in the enterprise. If they didn't accept quickly, the human resources management kept interrogating them till they gave a positive answer (some cases indicated that this happened more than 10 times a day). If this kind of pressure did not work, managers started a series of reprisals such as compulsory transference to another province; discrimination in the adjudication of tasks which generate more income like those which required overtime; the suspension of any task and sending the worker home waiting for them (like prisoners); to transfer workers to sectors with no tasks to let them think about it; giving workers some tasks with a higher skill demand, impossible to achieve or very stressful tasks; iv. punishment of shop floor representatives and stewards making them lose some additional sums of money; inclusion into the payroll as *inducidos* of workers after their participation in strikes or demonstrations organised by trade unions (Ramirez 1999: 355). The implications of this management 'strategy' were in some

¹²⁰ Military jargon during the Dirty War.

cases very dramatic, i.e. heart attacks, strokes, depression and suicide (Ramirez 1999: 359).¹²¹

The pressure increased when the worker who was offered voluntary redundancy was a shop-floor representative. Labour bureaucracy was involved in the process of selection of those who were offered 'voluntary' redundancy, so 'voluntary' redundancy was not only the main tool for the management to get rid of those workers with the age to retire, or with health problems, but above all of shop floor militants. In most of the sectors of the ex-state-owned company there was a policy of persecution of union reps who opposed privatisation and the trade union bureaucracy.

The Peinador case is paradigmatic. After 20 years working for *Gas del Estado*, and being a shop-floor representative of 200 workers of Gas Natural Ban, he was forced into redundancy by the company. Managers aimed at restructuring the sector and aimed to dismiss 17 workers. Since he resisted to collaborate with the company he became himself the target of persecution and redundancy: 'The company threw me away, but the union supported them, *la cama me la hizo el sindicato*' (Peinador, authors' interview, 1996).¹²²

III

The Reshaping of Trade Unions: Business or Politics?

Menem's redefinition of Peronism in 1989 unleashed fundamental contradictions within the labour movement which favoured an increase in the historical distance

¹²¹ Research was based on denunciations by workers and put together by MPs in a petition to the government (resolution 2248, 5.3.97) where workers demanded an explanation of the procedure to achieve voluntary redundancy in France Telecom, Telefónica, Telintar and Techint from the government (Ramirez 1999).

¹²² See also *Página/12*, 26.5.96: 4-5.

between the bureaucracy and grass-roots militants. In October 1989, the CGT split into two (Falcón, 1992). On the one hand, the CGT San Martín unified those unions who supported Menem and which constituted the 'Club de Amigos' (Friend's Club). They were workers in the plastic and food industries, taxi drivers, council workers, meatpackers, the public sector workers joining UPCN, and construction and sugar cane workers, the unions from sectors and companies under privatisation like SUPE (Sindicato Unico del Petróleo) and Obras Sanitarias. These leaders explicitly supported Menem's project.¹²³ In order to recompose their financial and political power (Falcón 1992: 7), they accepted the proposal of integration through their participation in privatised business as well as in the management of the PPP (McGuire 1997 236-237).

On the other hand, the CGT *Azopardo* unions in the public sector and industrial workers who remained lined up behind the general secretary of CGT Ubaldini. They were the beer workers, CTERA, UTA; FATUM (University Administrative Workers), some members of 'the 25' like ATE, lorry drivers, ship and dockers, commercial travellers, and some autonomous groups such as post office workers and railway workers joining *LF*. The UOM joined the CGT *Azopardo* too.¹²⁴

A third group called the *independent* or *Critical Menemist* were close to Menem without constituting his political support. They were the big union corporations in the private and service sector FATSA (*Sanidad*), banks and commerce, and also FATL y

¹²³ See joint document between union bureaucracy and the representatives of the SR, Bunge & Born, Perez Companc and the City Bank in Fuchs, 1993: 199-200.

¹²⁴ However, disagreement between the 'duros' (tough) led by Ubaldini and the 'moderados' (moderate) led by Miguel (UOM) grew within the CGT *Azopardo*. Whilst the 'duros' aimed at confrontation, the 'moderados' aimed to maintain a certain degree of negotiation capacity with the

F. Whilst their political power deteriorated, financial resources were scarce and questioned by the economic transformation, and membership dropped, 'the independents' aimed at developing a strategy to restore power by means of transforming the union into an 'economic unity' (IDEP 1993b: 23).

The strategy of business 'attempted to compensate for the loss of political resources produced by the combination of the abolition of their quota of representation in electoral candidacies within the party and policy shifts by the party that strained its historical alliance with the unions [by] purchasing firms in their sector; creating retirement funds to participate in the privatisation of social security; establishing firms that provide services to privatised enterprises and jobs to former employees of those companies; reorganising welfare funds to compete for health care provision; and managing the employee-owned stock of privatised state enterprises' (Murillo 1997a: 84 and 86).

In 1992, the CGT reunified to increase its power of negotiation towards the defence of the union-sponsored health system of *Obras Sociales* (OS) as well as to oppose the flexibilisation of labour introduced by the 1991 Employment Act. The first 24-hour general strike organised by the CGT against Menem's policy-making was carried out (see next chapter). However, neither the idea of business nor the general strike contained the unrest brought about by privatisation, decentralisation, and provincial economic adjustments that became visible around 1994.

government. The strategy developed by the industrial sector, led by UOM and the 62 organisation, remained tied to the traditional orthodox strategy to recover the trade unions' power within the CGT

Unemployment increased dramatically from 6% in 1991 to 18.5% in 1995 (see Palomino and Schvartzer 1996: 17; Feldman 1995a: 58; Barbeito 1995). For the period March 1992-March 1993, 342 out of 657 conflicts in the public sector were around political issues such as demands for investments in education. These 342 conflicts led to 535 political demands. In the following year, the politics of depoliticisation and decentralisation led to an increasing level of politicisation of labour conflict. Political and union demands occupied the second place after wage demands and before redundancy (Zeller *et al* 1993).

In 1995, the plan of stabilisation launched by Minister Cavallo entered into a crisis (see chapter nine). The IMF aimed to renew the pressure to discipline the national and provincial economies under the stabilisation plan launched in 1991. The government cut all sorts of financial support to the provinces and demanded from them the repayment of some advanced loan they had received as part of the Federal co participation (Axelrad, 1998: 104). For the period 1989-1995, regional and decentralised conflicts increased, as well as industrial disputes against redundancy and unemployment increase from 46.6% to 70.6% in 1995 (Gómez *et al*, 1996: 134).

The provinces' strikes and mobilisations marked a different stage in industrial conflict owing to the scale and location of the uprising and the extension and expansion of the strikers' demands beyond the centralised unions' organisation. The *motín* in Santiago del Estero in 1993, i.e. the *Santiagazo* (Iñigo Carreras and Cotarelo 1999; Auyero 2000), was followed by numerous manifestations particularly in the provincial public

sector and those areas of the country where the main resource of employment and development had been privatised or restructured (closed).¹²⁵

In 1996-97 onwards, riots became *roadblocks*. As it will be shown later, under Menem, the roadblocks became the most important form of protest. Between the *Santiagazo* and October 1999 there were 685 roadblocks throughout the country (except the province of Formosa). Most of them took place in the capital city (24%), Santa Fe (14%) and the rest in Jujuy, Neuquén, Córdoba, province of Buenos Aires, Gran Buenos Aires and Tucumán (Iñigo Carreras and Cotarelo, 1999). Nine general strikes accompanied decentralised and local struggles.

Fighting Fragmentation and Organising Diversity: the Creation of the CTA

The increase in grass-roots resistance and social conflict coupled with the CGT goal to recompose its super structural power led to the emergence of a pole of trade union opposition. In 1992 the *Encuentro Sindical por el Proyecto Nacional* gathering 500 trade unions of the public sector (ATE and CTERA), ex-state-owned companies (APA) some other industrial and service unions (miners and port workers), the local branch of the metallurgical workers (UOM branch *Villa Constitución*) and the small maritime workers and pneumatic workers' unions pointed out that the CGT was 'an appendix of conservative politics' (*Página/12*, 8.11.92: 4).

¹²⁵ Conflicts took place between 1993 and 1995 in Córdoba, Chaco, Jujuy, Salta, Santiago del Estero, San Juan, Tierra del Fuego, Rio Negro, La Rioja y Tucumán (See *Clarín* several issues, 1993-5). According to a study done by the *Centro de Estudios Unión para la Nueva Mayoría*, 67.4% out of the 322 labour conflicts that took place between 1.6.94 and 31.5.95 were led by state and public sector workers, particularly teachers.

The *Encuentro* created the CTA which aimed to constitute a new current of union opposition at the workplace, as well as at the political level, by organising fragmented struggles against unemployment and for welfare provision. The CTA contested the traditional state-sponsored Peronist unionism. It proposed three new premises: independence from the state, independence from political parties, and direct affiliation to the central union, the latter including the unemployed and those who were technically 'socially excluded' (see López Artemio and Lozano, 1993).

At the work place, they encourage individual membership and a relationship between the individual workers and the central union. At the political level, they aimed to give *voice* to the public sector and state workers as well as the diversity of subjects emerging from the process of transformation such as the unemployed, pensioners and the poor (see De Genaro, Basteiro and Depetris, CTA, 1997, author's interviews).



The idea of autonomy comes from the renovation that ATE (the main union within CTA) experienced under Alfonsín, led by Abdala and De Genaro. They advocated pluralism and independence from the state and introduced the direct vote of affiliates in their statute of 1989 as well as encouraged horizontal organisation through the creation of union regional autonomies, and *organismos colegiados*. They also aimed to break the rule that it was necessary to be Peronist to become a union representative (Martucelli and Svampa, 1997: 280).

With regard to membership, the CTA has produced a renewal in that individual workers and the unemployed as well as pensioners or other social groups can join the central union and vote for the executive committee directly, avoiding the traditional hierarchical system.¹²⁶ These three premises stood consciously against the three pillars of previous forms of trade unionism: statism, political dependence on the Movimiento Justicialista and centralisation and bureaucratisation of the labour movement (see IDEP, 1991).

The creation of the CTA differs from previous splits within the labour movement for it reflects the need for a renewal of trade unionism in the light of the new form of struggles, regional and grass root based. Unlike the CGT, the CTA aimed to coordinate fragmented labour conflict that was taking place in isolated areas of the country as well as the work places.



In 1994 the CTA called for a national and annual plan to oppose the labour reform and the new Fiscal Pacts. It organised regional meetings and encouraged alliances with medium and small entrepreneurs. The CTA general

strikes are not imposed from above but co-ordinate fragmented protests as well as measure the capacity of the new confederation to centralise dispersed conflict.

In July 1994 a massive *Marcha Federal* over Buenos Aires, severely criticised by the CGT (*Página/12* 7/7/94: 3), was followed by a general strike that took place on the

¹²⁶ See CTA statute.

2nd August 1994. The general strike was accompanied by strikes, demonstrations, marches with torches, as well as open radios and debates (*Página/12* 7.12.94: 4) and the creation of the *Congreso del Trabajo y la Producción* (CTP).¹²⁷ In 1995, CTERA, the teachers union joining the CTA, called for a teachers' general strike on March 13. Another general strike 21.4.95 was organised by CTA and MTA with great provincial impact in Rosario, Córdoba and the provinces of the north-west. The reason for this strike was the death of workers in Tierra del Fuego, and against the economic plan.¹²⁸ During 1995 there were to more *Marcha por el trabajo y la justicia* In August 1996, another general strike. In 1997, the teachers union CTERA organised another *Federal March* for investments in Public Education.

IV

The Politics of Resistance: The Teachers' Hunger Strike

In 1996, roadblocks organised by public sector workers and the unemployed were widespread throughout the whole towns of Cutral-Có and Plaza Huincul. The roadblocks marked the beginning of a new form of struggle that became widespread in the following years (see chapters 9 and 10). The popular rebellion in these two small communities of Patagonia was produced by the privatisation of the state-company *Yacimientos Petrolíferos Fiscales* (YPF), which was the main resource of economic development in the southern province of Neuquén, a historical provider of

¹²⁷ Also constituted by the University Federation (FUA), the Assembly of Small and Medium Enterprise (APyME), the Agrarian Federation (FAA), and the Instituto Movilizador de Fondos Cooperativos (IMFC).

¹²⁸ In 1996, there were 3 general strikes organised by the CTA, MTA and also the CGT. The strikes were interpreted by the liberal paper *La Nación* as a political: 'No one could expect a change in the economic policy as a result of the strike. There is only one objective behind this strike: to obtain public attention and to get institutional recognition ...The strike renews the struggle for trade union power' ('Otra vez la huelga política', *La Nación* 23/4/95).

energy, oil, gas and electricity (see Alvarez Guerrero O 1993). The closure of the plants left thousands unemployed. The quasi welfare state developed around the companies collapsed and with it the whole community (see Favaro *et al* 1993, Favaro and Bucciarelli 1994; Axelrad, 1998; Mases and Rafart 1997). Between 20 and 26 June 1996 5,000 people gathered and literally 'besieged the city' of Cutral-Có and Plaza Huinca, in Neuquén.

In 1997, provincial teachers from Neuquén initiated a protest against overdue wages and for new investments in education. Teachers were against the transference of education services from the central to the provincial administrations (1992) as well as against the Federal Law of 1993. The general secretaries of the CTERA met in Viedma and called a national strike for the 20th of March. The struggle received support from representatives of other unions joining the CTA and from Río Negro and San Juan, who also marched on the 26 March to Neuquén, to dialogue with the governors and support the struggle in Neuquén. However, provincial authorities were not receptive to workers' demands and teachers joining ATEN (*Asociación de Trabajadores de la Educación de Neuquén*) and more than 18,000 people went on a roadblock of the national and provincial highways 22 and 7. The government repressed the demonstration violently. A group of 100 youngsters between 14 and 20 years old who confronted 400 gendarmes during several days armed with slingshots, sticks, stones and some Molotov cocktails, firmly prevented any movement of traffic. They called themselves *fogoneros* and emerged clearly to support the teachers, in spite of the fact that most of them were illiterate or with a low level of education (Klachko, 2000: 24). Unlike the *Piqueteros*, who commanded the roadblocks in 1996, the *Fogoneros* did not want to negotiate with the government (see Favaro *et al*: 1997:

21).¹²⁹ Coupled to the teachers' demands, the roadblock also demanded job creation, for those dismissed by the privatisation of YPF and Gas del Estado. They also demanded discounts in the gas and electricity bills, and productive investments. The roadblock was the result of the destruction of the welfare state and privatisation, since the area had got the highest rates of unemployment in Patagonia.

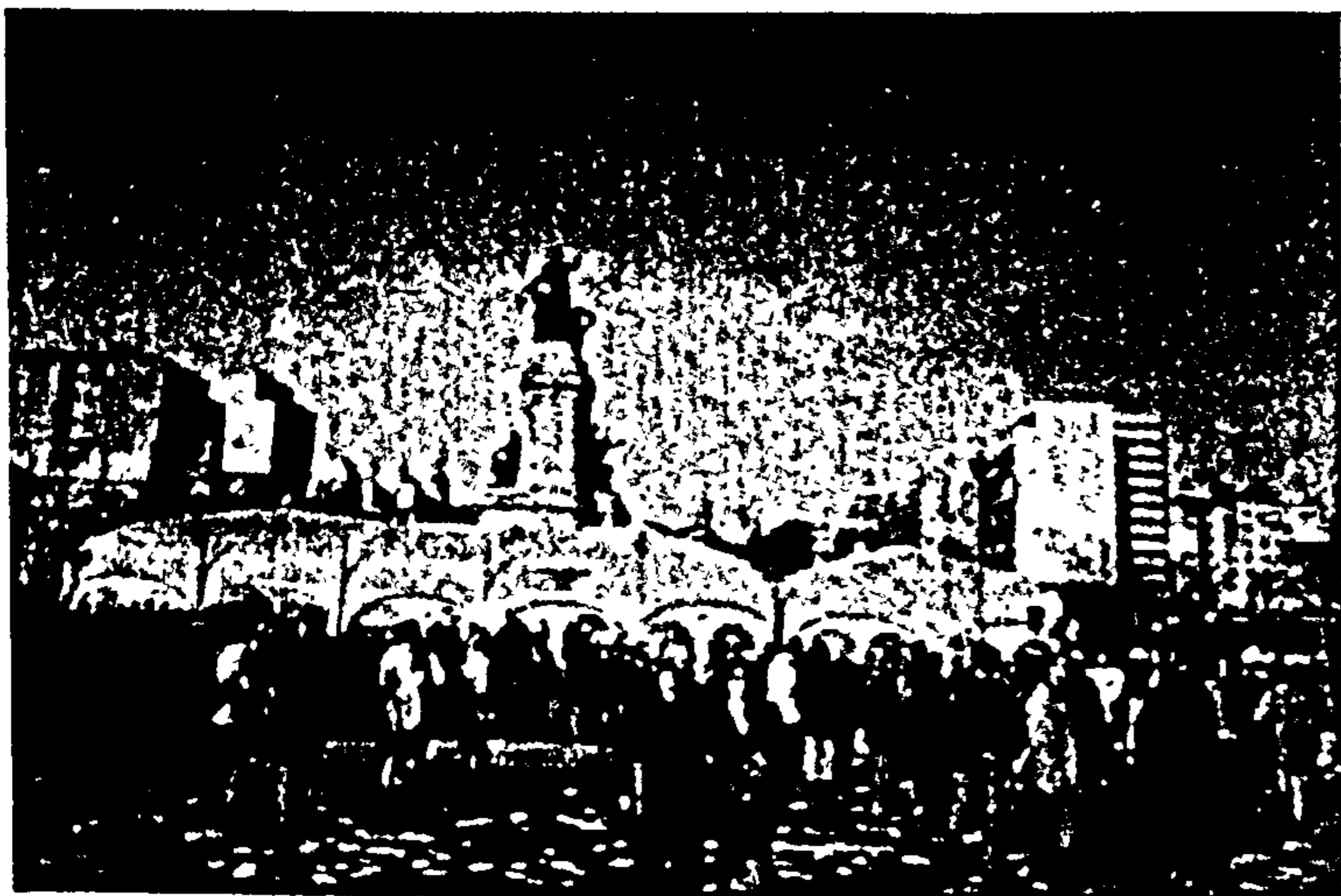
The CTA called for a repeat of the struggle and not to isolate Cutral-Có from the rest of the country (Fuentes, President of CTA, Río Negro and Neuquén, in *Conectandonos*, no 11, April 1997). The result of the repression was a growing solidarity among teachers, *fogoneros* and the whole community. Leaders of the CTERA repudiated repression and rejected the 180 million dollars (pesos) that the government aimed to send to neutralise social conflict. The CTERA called a general strike on 31 March against repression and a deep solution to the problem of education. 90% of teachers then went on strike.

Fighting Depoliticisation and Fragmentation: La Carpa Blanca de la Dignidad

In April 1997, to reinforce their demand, the National Congress of the teachers' union, in solidarity with the struggles of Neuquén, Río Negro and San Juan went on a hunger strike under a big white tent called The White Tent for Dignity (*Carpa Blanca de la Dignidad*) located in front of the national parliament in Plaza Congreso, Buenos Aires. 59 teachers from different regions of the country demanded the creation of a special fund to finance public education, the suspension of the reform of the state, the suspension of the Federal Law of Education, overdue wages, job stability and wage

¹²⁹ More on the privatisation process in Neuquén see Kozulj, 1993, Calleja 1993; Stagni, 1993, Alvarez Guerrero, 1993.

increase (*Conectandonos*, no 12, May 1997: 3). The idea was not only to support provincial struggles but to centralise, nationalise and universalise teachers' demands.



On the 3rd April, CTERA called for a new 24-hour national strike for the 7th April to protest against the repression of hunger strikers who had occupied the highways in Neuquén. More than 15,000 people marched over the

streets of Neuquén to support the teachers' strike (*La Nación*, 8.4.97, On line).

Repression continued. On the 12th April a 24 year-old teacher and mother of three died after she was shot in the carotid by the police (*Clarín*, Internet, 14.4.97). As a response, 95% of teachers and lecturers all over the country went on the third massive strike 'against the police repression unleashed during a workers' protest last Saturday 12th April in Neuquén'. The strike was *massive and national* -- there was a silent march with 20,000 persons organised by teachers, lecturers, CTA and MTA. CTERA called another general strike for the 14th April (*Journal CTA Capital*, no 1: 3).

The *Multisectorial* of Neuquén, constituted by many different political, social and union organisations, also repudiated the violence. They made the National Military Police and the Provincial police responsible for Teresa's death and demanded the resignation of ministers of the interior (national and provincial) as well as the political trial for the governor as the person responsible for the repression in Cutral-Có and Plaza Huincul (*Conectandonos*, no 11, April 1997). An agreement was reached after

37 days when the government promised to suspend teachers' dismissals and new redundancy and to pay 50% of the 37 days loss.

The teachers' hunger strike under the white tent persisted.¹³⁰ The *Carpa Blanca* articulated the problem of education with unemployment, poverty, exclusion and the significance of education to overcome uneven development and inequality. It embodied a national concern: it expressed not only teachers' and lecturers' demands but the socially critical situation of the whole country. By June 1997, more than 300,000 people had visited it' to sign petitions, show solidarity, bringing from poems to money, drama, music (*Journal CTA Capital*, June 1997: 3; also Steimber, in *Clarín* 3.8.97: 10).

The *Carpa Blanca* achieved an horizontal 'network of solidarities and an expanded public support through the media' (Behrend, 1999: 170). It penetrated into every house since education is a crucial social issue. Solidarity came from all sorts of national and even international organisations. As a form of struggle, the *Carpa Blanca* achieved visibility and permanence as well as dynamic and movement. The teachers physically and *literally* confronted power (the tent was located opposite the national parliament): '*La Carpa* is like a pimple for the government' (Miguens in *Clarín* 3.8.97: 10).

The rotating hunger strike gave the tent a dynamic of struggle and circulation: 'around 1,400 teachers participated in it and hundreds of thousands participated in the mobilisation and marches organised by teachers, and a million signed a petition for

¹³⁰ It lasted for two years and was deconstructed under the de la Rúa administration in 2000.

the creation of an education emergency fund' (Behrend, 1999: 9). The *Carpa Blanca* articulated the individual and the universal: on the one hand, the slogan ALL OF US ARE TEACHERS universalised and politicised the teachers' partial struggle. On the other hand, it highlighted, the teacher *striker*, who perhaps came from an isolated area of the country, achieved a central attention as never before since she became part of a national struggle taking place in front of the mass media who visited the tent and reported daily the hunger strike. 'Teachers suspend their everyday life for a while and deposit trust in the tent and its leaders' (Martinez in *Clarín* 3.8.97: 10). The tent became

'a peaceful and cheerful form of demanding: it is not a place of sorrow with suffering people ... teachers on hunger strike are under medical cares...artists and children come along...it is a place where people reconcile with politics as future, as an antithesis of corruption. It is a serious thing, responsible, strongly organised' (Puigrós in *Clarín* 3.8.97: 10).

Concluding Remarks

This chapter explored the transformation of the subjectivity of labour with regard to the privatisation of state-owned companies and the decentralisation of education under Menem. I argued that these policies were not administrative or political tools but the embodiment of the struggle *over the form of subjectivity* leading to the discipline of labour under monetarism. This implied the deconstruction of the Peronist form of labour but also the social construction of Menem(ism) as a form of class antagonism.

The recomposition of the state was asserted as a crisis of identity for those workers in the public sector and state-owned companies; as a redefinition of trade union organisation and their relationship with the state, and as a weakening of rank-and-file

resistance. As opposed to the process of imagery integration of the working class into the state (see chapter 3), state workers lost their central significance and became many other multiple fragmented identities: workers in ex-state-owned companies under foreign management and ownership, workers contracted out, unemployed workers, self-employed, early retired or voluntarily left. Insofar as the state-owned companies performed as a quasi welfare state organised through the unions, providing welfare and social activities, deconstruction affected labour relations but most importantly impacted on workers' personal and family lives. The struggle in and against privatisation entailed a struggle in and against the deconstruction of themselves.

Within this process, the collective 'us' at the workplace was broken by means of the changes in the forms of the administration of labour which fostered the fear of losing the job and joining the union. Union representation was weakened by coercion, the introduction of the logic of money, the isolation and dismissal of shop-floor stewards. The personal and collective pride of belonging to a state-owned company, as well as of having their job as a source of wealth, culture and world knowledge (Offe, 1985; Catalano, 1995) was shattered. The identification of interest of the state-workers with the interest of the nation ceased to exist. Furthermore, the interest of state and public sector workers became a barrier to the realisation of the new national interest: stability.

Privatisation and decentralisation also contributed to the change in the forms of industrial dispute and workers' struggles. Whilst 1990 showed a record in strikes (864), in 1991 they decreased to 581. 1992 was marked by the lowest number of

strikes in ten years, the most important sector on strike being education workers joining the CTERA.

Over the period 1989-1991, the struggle against privatisation found many sectors of the labour movement together. Whereas during 1989-91 labour conflict associated with the reform of the state constituted 20% of all labour conflict calling into question public policies, in 1992, it decreased to 15.6%. Towards 1994, when the process of privatisation was complete, there was a visible diminution of labour conflict (Goldin 1997: 52) The co-optation of the trade union bureaucracy led to the belief that conflict had decreased, but it was asserted under new forms.

In view of this, some argued that 1991 marked *the end of a period in which trade unionism was a factor of power* (Orlansky and Orciani 1994; see *Página/12* 1.9.96). The reasons argued are the impossibility for unions to impede the process of privatisation, the expansion of deep reforms affecting safety at work, employment and the regulation of strikes; and the break of the identification of trade unions with the Peronist political structure.

It is argued that after a period of confrontation, trade union leaders, pushed by the decrease in their political power,¹³¹ the decentralisation of negotiation, the decrease in the power of industrial workers, the decline in membership due to the massive redundancy in privatised companies,¹³² found new bases for constituting power: their participation in the marketisation of those privatised areas of the state and society (see

¹³¹ Whilst in 1983, there were 35 trade union MPs, in 1985, there were 32; in 1987, 29; in 1989, 23; and in 1991 only 19 (Ríos, *Clarín*, 8/11/93, p.12-13).

¹³² In 1989 before privatisation there were 300,000 workers and only 110,000 remained in their posts (Orlansky and Orciani 1994: 10).

Orlansky and Orciani, 1994; also Fernández, 1993; Goldin, 1997; IDEP 1993b; Murillo, 1997a; 1997b; McGuire 1997). By so doing, they would have gained economic power by means of their participation in the PPP, and the privatisation and deregulation of pensions, safety at work, and health (Orlansky and Orciani 1994: 5-6; Murillo, 1997a, 1997b.)

In fact, some unions were successful in doing business out of privatisation. Through the privatisation of YPF, the 'SUPE (Federation of United Unions of State Oil Workers) set up 215 firms that hired 7,194 laid-off workers, and was in the process of establishing another 39 firms utilizing 663 workers slated for dismissal' (SUPE 1993 in Murillo 1997: 86). This national union, together with the regional union and the workers, 'bought part of YPF fleet and shares of an oil equipment firm...It also charged a fee to a private retirement fund for referring union members to it and started organizing a welfare fund for the workers of the newly created firms' (*La Nación*, 2.8.93; *Página/12* 8.5.94, and SUPE leader in Murillo 1997: 86).

The union managed the 10% PPP. In this case the state authorised in July 1997 the sale of the 10% workers' shares that were worth initially (in 1993) \$19 per unit at \$31 in 1997. This implied that most of the workers (4,596) agreed to sell (with the exception of 4) (see Goldin, 1997: 43; *La Nación* 13.7.97: 2).¹³³ However, the chapter aimed to give an account of the other side of the contradictory process of privatisation and decentralisation. It was shown that the deconstruction of the subjectivity of state and public sector workers led to the renewal of opposition trade unionism and to the emergence of new forms of resistance like roadblocks and the *Carpa Blanca*, which

led the politicisation and nationalisation of the fragmented struggles in and against the recomposition of the state.

As highlighted, the increase of productivity and profitability of the companies on sale came from redundancy and sector restructuring, contracting out and the flexibilisation of labour, the de-legitimisation and persecution of shop-floor representatives and the trade unions and the cut of wages and social provision (Goldin 1997: 81). Privatisation and decentralisation, coupled with the general economic adjustment required to maintain the stability, led to poverty, unemployment, casualisation of work and the isolation of many areas of the country where the state-owned companies were the only source of employment and welfare.

The general impact of privatisation on the labour market (from 347,240 employees in 1989 to 66,731 in 1993 [Goldin 1997: 72-73]) was deeply deconstructive in those areas whose economic and social development depended on the privatised company. The privatisation of the national companies impacted on regional and local employment and regional development. The dismantling of the quasi-welfare state developed by the former state-owned companies, which dominate the local economy and were in the past privileged places to live and work since life developed through and around the industry, led to new forms of protest and solidarity networks in many regions of the country.

The contradictory process of recomposition of the state led to the transformation of power *itself*. Business and opposition unionism are not just organisational strategies to

¹³³ The same strategies were devised by FATLyF , UF and FAC (The Argentine Federation of

survive financially or politically (Murillo 1997) but rather the result of the struggle over the form of subjectivity unleashed by the recomposition of the state. The construction of the Menemist form of labour proposed the integration of trade unions into the logic of money. Whilst the CGT represents the historical institutionalised labour bureaucracy which accepts the game devised by the state, the CTA embodies the spirit of the CGTA and the *sindicalismo de base* which rejects subordination and aims to organise the fragmented identities and resistance emerging out of the same process.

To the CGT leaders 'a union leader must be up-to date. He has to 'globalise' himself just as the world economy does; he has to behave according to what is going on throughout. He must have a computer on his desk in order to manage the union as if it were a company. To me, the union is like a company' (Casia in *Mundo Laboral*, no 1, Buenos Aires, 1994). To them, 'as strikes had become ineffective, union participation in the privatisation process was the only alternative left by state reforms to combat both unemployment and the decline of financial and political power of the organisations that support workers' demands' (Casia in Murillo 1997: 86).

To the CTA, 'the CGT has found a way to survive at the expense of the weakness of the trade union itself. They depend on private pension, risk at work insurance companies, sharing property programme of privatised companies...The CGT managerial trade unionism is an example of how trade unions can become 'stronger' at the expense of workers' misfortune, by becoming enterprises, in spite of the loss of membership... but a trade union should not be that' (author's interview with De Commerce Employees).

Genaro, President of the CTA, 4.8.97, Buenos Aires, see also Gutierrez in *Página/12* 1.9.96: 3).

The CTA aims to create a new form of trade unionism. The CTA leadership defines power as the political capacity to articulate geographical, political and social differences. Power means the articulation and sharing of experiences of the different forms in which the new forms of labour appear to exist to socialise knowledge, share experiences and spread solidarity to reduce the level of uncertainty, suffering, anxiety and individualism produced by the law of money. Power is to lead the process of construction of political power:

‘we cannot separate trade unionism from politics. Trade unionism is eminently political in the broadest sense. Politics to me is the capacity to construct power and the construction of power is inextricably linked to the most elemental workers’ demands...’ (De Genaro, interview CTA in *Cuadernos del Sur* 22/23-1996-: 107; see also Rauber 1998).

The hypothesis that Menem(ism) entailed the end of the power of trade unions can only be sustained through a managerial notion of power which equates the power of workers and trade unions with the power of the state. It was shown that workers and trade unions contested the politics of depoliticisation and decentralisation by articulating organisation and new forms of resistance in a political and national form. Privatisation and decentralisation did not solve the problem of *instability* but rather created unstable and uncertain forms of labour within the state and thus new forms of struggle against the violence of ‘stability’ emerged also within and against the state. The chapter suggests that the only way of assessing the power of trade unions under Menem is by looking at their capacity to reshape themselves and organise and connect fragmented identities, organisations and struggles that emerged out of the neo-liberal

transformation, and which opposed the logic of uncertainty and depoliticisation entailed in the Menem(ist) form of stability.

Chapter Eight

Flexibilisation, Marketisation and the Perversion of the CGT (the Struggle over the Form of the Law)

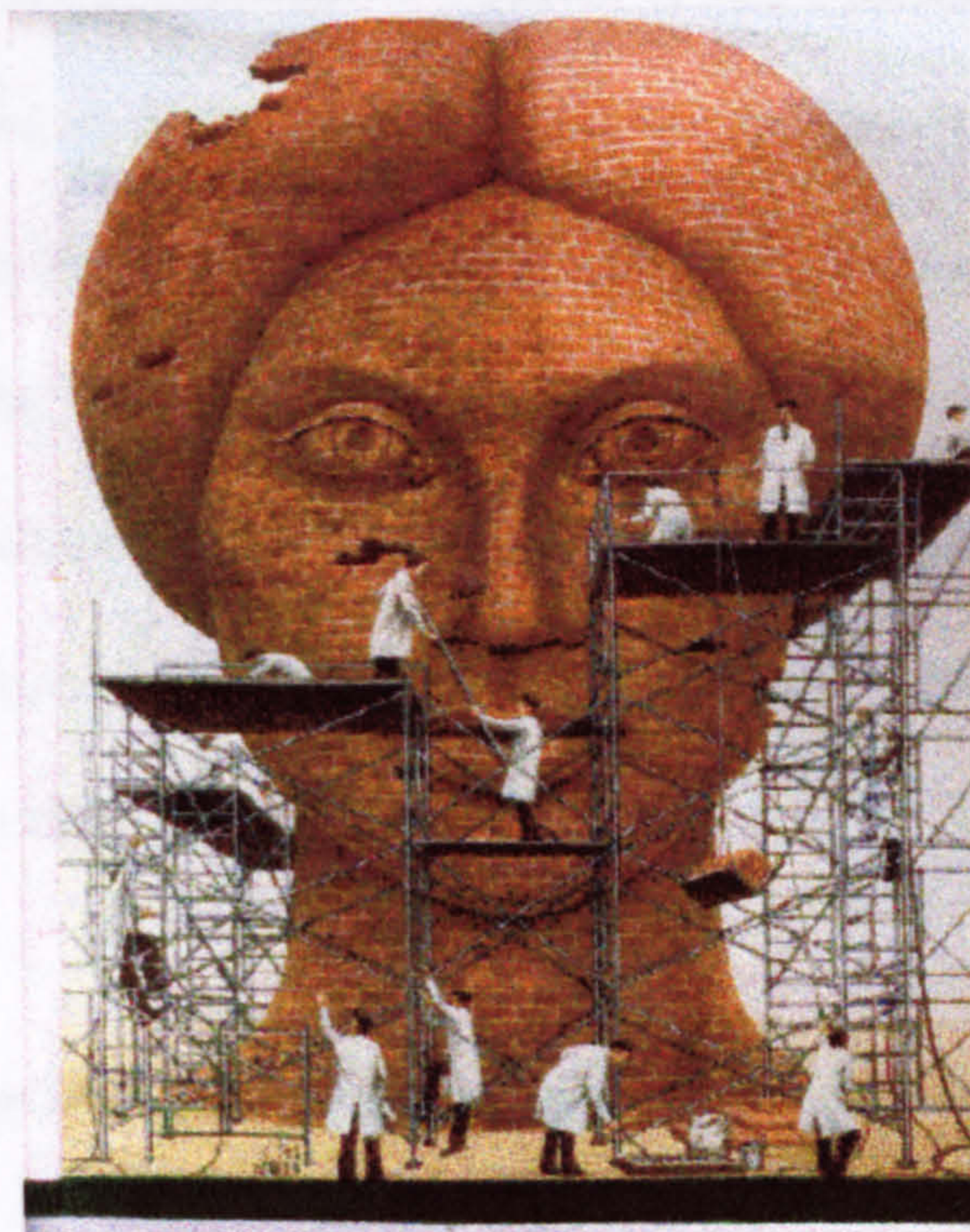
The Labour Reform will be difficult to swallow by society' (Caro Figueroa, *Página/12*, 24.12.93).

Journalist: -'Dr Menem, is the labour reform project inspired in the Spanish one?'

President Menem - 'Yes, exactly'.

Journalist: -'But their rate of unemployment rose to 20% and ours is just 10%!'

President Menem: -Well, don't worry. We will get there soon' (Balán y el Francés, *Soluciones* no 1, ATE, 1993: 5).



A temporary contract implies something like a two-in-one: temporary job and a temporary suspension of unemployment. The most difficult thing is on the one hand to enjoy your job and accomplish it properly as well as to develop some degree of commitment and solidarity at work, but, on the other hand to protect yourself from getting too attached or enjoying it too much

or planning too much. In my experience a temporary contract is not just a temporary contract but means a temporary life too whereby a volatile but yet heavy present never meets the unforeseen and uncertain future.

'The flexibilisation of labour is an irreversible fact throughout the world. It is indubitable, indisputable, inevitable' (an employer in Freytes Frey 1999: 240).

'The CGT tends to disappear' (Lescano, CGT, July 1993).

'Let everything fall away, and then let's see what is there. Perhaps, that is the most interesting question of all: to see what happens when there is nothing, and whether or not we will survive that too' (P. Auster: *In the country of the Last Things*).

'The more powerful they appeared in terms of influence within the state, the less effective they became in either representing or restraining their members. Their power was increasingly a hollow power, an institutional power without substance' (Holloway 1995: 27).

'Those who feel less lonely and might have more perspectives for the future are not those who possess more or represent the largest number of people, but paradoxically, those who learnt to put up better with the helplessness and to survive in insecurity' (C. Kreimer, *Uno Mismo*).

This chapter explores the labour reform insofar as it contributed to the transformation of the subjectivity of labour. Stabilisation policies and the reform of the state imposed fiscal and external restrictions on capital (Cortes R and Marshall, 1999). The reform aimed to sweep away the barriers to the increase in productivity and competitiveness of manufacturing industry and to adjust the production of exportable goods to the requirements of the global and regional markets (Santantonio and Tavilla, 1994: 2) by means of the flexibilisation of labour, the deregulation and marketisation of social security, occupational accidents and health, and the breakdown of the financial and bargaining power of the trade unions.

The extensive literature which addressed this area of transformation under Menem opened three distinguishable areas of academic concern and political debate. The first links the labour reform to general strategies to improve international competitiveness and domestic productivity in the light of the exigencies of the global markets and regional arrangements like the Mercado Común del Sur (MERCOSUR).¹³⁴ The second focuses on the impact of the internal and external flexibilisation of labour and the marketisation of social security and safety at work on the working class, the labour market and social integration.¹³⁵ The third explores the impact of the reform on labour relations and on trade unions' action. Namely, changes in the forms of production, introduction of technology and management techniques, the regulation of industrial disputes, collective bargaining and political negotiation, industrial dispute and labour conflict, the transformation of the labour code; the crisis and reshaping of

¹³⁴ See Kosacoff *et al* 1993; Kosacoff, 1995; Fontana, 1996, 1995 Santantonio and Tavilla, 1994; Battistini 1995a, Stolovich, 1995, 1994, Montoya 1993; Minsburg *et al* 1993; Neffa *et al* 1999; Porta, 1992; Bustos 1995; Richards 1995; Roffman 1993.

¹³⁵ See Roffman, 1996, Barbeito and Lo Vuolo, 1995; Neffa *et al* 1999; Hintze, 1996, Peñalva and Roffman, 1996, Schemelson, 1996; Monza, 1995, 1996, Beccaria 1996, Marshall 1994, Lindemboin

the trade unions and the transformation of the workplace, particularly in those areas affected by the deregulation of the economy.¹³⁶ The latter will be given special attention in this chapter.

Some scholars argued that Menem's government did not succeed in reducing the financial and bargaining power of the CGT, but rather revitalised corporatist behaviours typical of post WWII, which were thought to have disappeared (Etchemendy and Palermo, 1998). Neither the Law 14,250 of Collective Bargaining nor the LPA 23,551 were changed under Menem. The Unions' Managed Health System of Obras Sociales (OS) was deregulated under de la Rúa in 2000. Others have argued that the labour bureaucracy has adapted itself to the new rules imposed by the Menem administration by an 'organisational autonomy' strategy directed to their participation in those businesses created out of privatisation and deregulation (Murillo 1997; see Novick M 1996). However, the reshaping of the trade unions with regard to the labour reform cannot be grasped by focusing on union strategies or their political negotiation with the government. These processes are part of the deeper recomposition of the form of labour, the reshaping of the trade union power being one of its outcomes.

I suggest that the struggle over the subjectivity of labour *asserted* itself primarily as a struggle over the law. The law and the state being constitutive of subjectivity, on the

1996; Cortes and Marshall 1999, Felletti and Lozano, 1996, Minujin (ed.) 1996; Palomino and Schvarzer, 1996; Fernández 1999; Castel 1991a, 1991b, 1991c, Kesselman 1996.

¹³⁶ See Catalano and Novick 1996; Neffa 1993; Sardegna, 1994; Beccaria and López 1996a, 1996b; Esquivel, 1997; McGuire 1997, Cortes and Marshall 1999; Marshall 1996, 1990; 1988, Feldman 2000, 1995a; 1995b, Falcón, 1992, 1993; Etchemendy and Palermo 1998, Murillo 1997a, 1997b, Battistini and Montes Cato 2000; Bissio *et al* 1999; Recalde 1994, 1995; IDEP 1993a; Ramirez, L, 1993; Iñigo Carreras 1999; Deibe *et al* 1994, Estévez 1993; Catalano and Novick, 1992; Santantonio, 1994; Godio, 1993; Battistini 1996b, 1995b, Bustos Fierro 1994, López Artemio and Lozano 1993, Testa 1993, Walter 1994a, 1994b; Basualdo E *et al* 1991.

one hand, each law or decree emerged as the partial outcome of class antagonism. The modification of the legislation that regulated employment and industrial relations as well as the resistance to it was underpinned by the struggle in and against the de-reconstruction of subjectivity. The labour reform contributed to the social construction of Menem(ism) by means of the legalisation of uncertainty, the reification of capital's 'needs' and the deconstruction of the state-sponsored labour movement. However, as a contradictory process leading to increasing instability.

My argument will be that the government strategy of co-optation of the CGT leadership aimed to achieve the necessary stability towards the achievement of a complex reform which would legalise the flexibilisation of labour and legitimised, together with other policies under Menem, job instability, deprotection of workers, and social and labour insecurity. The Menem administration aimed to neutralise political opposition to anti-Peronist measures such as the destruction of the labour code, the decentralisation of collective bargaining, the flexibilisation of labour and the marketisation of the pension system. It also aimed to control the rank-and-file militants who resisted the flexibilisation of labour introduced by new forms of production and wage policies.

However, it will be shown that the struggle for the co-optation of the CGT by means of the financial support to the OS and the maintenance of the unions' ratification of decentralised collective agreements, although performed as the safety pin to achieve the reform, led to the perversion of the CGT and thus to its inability to control the instability created by the labour reform.

Paradoxically, the financial stabilisation and the political recognition of the CGT leadership was achieved by means of the destabilisation, flexibilisation and *lotterisation* of workers' lives. The latter was achieved by legislative changes which had the active participation of the CGT. The detachment of the CGT from rank and file militants and workplace resistance allowed the relative autonomy of the rank-and-file in negotiations and the politicisation of struggles led by the CTA and the MTA. The flexibilisation and casualisation of labour led to the emergence of new forms of resistance and union redefinition which contested the labour reform and by so doing confronted the CGT strategy of power. Whilst the co-optation of the CGT was a constitutive aspect of the politics of stabilisation that led to the legalisation of *instability* and uncertainty, the CTA (and the MTA) aimed to organise workers' struggles against the violence of the Menemist stability.

The exposition of the struggle over the law has been organised in four periods. Each one focuses on the dynamics between the transformation of labour relations, the reshaping of CGT vis-à-vis the negotiation with the government and the actual process of transformation of labour and the resistance of workers and trade unions in opposition.

I

The Transformation of Labour Relations and the Struggle for and against the *Deperonisation* of Labour (December 1991 - June 1994)

This section addresses the introduction of the flexibilisation of labour, the decentralisation of collective bargaining, the deregulation of the labour market and the marketisation of social security. During this period, the CGT leadership recomposed around the deregulation of the OS and the decentralisation of collective bargaining,

both inextricably connected through the state-sponsored trade union system. A new grouping was formed out of the CGT, i.e. the MTA, to oppose the reforms. Labour conflict against flexibilisation policies in the industrial sector was coupled with the spread of state workers' and the unemployed struggles against unemployment and redundancy in the interior of the country.

Destabilising Labour, the Price of Life and the Marketisation of Social Security

The NLE aimed explicitly at the encouragement of productive employment, the protection of unemployed workers and the regularisation of employment relations to punish unregistered employment and tax evasion (Caro Figueroa, 1993; also 1996). Implicitly it was the first legal step towards the flexibilisation of labour and the reduction of labour costs by means of the introduction of four forms of fixed-term contracts called '*modalidades promovidas de empleo*'.¹³⁷ These flexible contracts were accepted by employers in exchange for the exemption by 50 to 100% of employers' contributions to pensions, the national employment fund and family allowances (Feldman 1995: 109). As a condition, they had to be agreed and included in the collective agreements.

¹³⁷They are: i. 'Fixed term contract as the means of encouragement of employment' (*Contrato de Trabajo por Tiempo Determinado como Medida de Fomento del Empleo*, ii. 'as the means for launching a new activity' (*Contrato de Trabajo de Tiempo Determinado por lanzamiento de nueva actividad*); iii. 'Training Contract' (*Contrato de Trabajo-formación*) and iv. *Pasantías*. The latter was introduced in 1992, a new 'promovida' form was put in practice by Decree 340. The system aimed to achieve a link between formal education and labour practice for students and teachers to help their integration into the labour world (see Caro Figueroa, *Recurso Laboral* 11, October 1994: 39). Other forms of contract like 'Eventual Job' (*Contrato de Trabajo Eventual*) were also introduced, yet this form was not encouraged.

The NLE was the subject of strong criticism. It was considered the means to legalise the existing practice of flexibilisation and force workers to renounce their *irrenunciabile* rights (principio de irrenunciabilidad) in order to maintain their jobs (A



R and B F in *Soluciones* 1993: 8-13), to constitute a blackmail for workers, whereby the trade unions exchanged workers' rights for money, and force the new forms of employment to be accepted by collective agreements. It destroyed job stability. Workers were forced into flexible contracts and increasing exploitation and thus endure the costs of the capitalist crisis with no compensation at all. It

also shattered the protection provided to workers by the labour code (Ramírez and Fernández in *Página/12*, 3.9.91: 8; also Recalde 1994, Sardegna 1994, *Soluciones* 1993: 6-7; Battistini 1996b).

The Decentralisation of Collective Bargaining

The stabilisation of the economy required the destruction of the financial and bargaining power of trade unions. This power was legally achieved by the LPA 23,551, Law 14,250 on Collective Bargaining and Law 23,660 on welfare funds which together allowed a very centralised, hierarchical and financially powerful trade union system.¹³⁸

¹³⁸ Following Murillo (1997) unions were organised in a pyramidal form based on the monopoly of one union per activity or industry. This reduced the autonomy for local unions and shop-floor delegates. 'National leaders collect union dues and welfare funds' compulsory fees by a system of automatic retention at the source by the employers (Law 14,250 and 23,551)' (p 75). The Law on

Thus the main policies to deconstruct the power of the trade unions were the decentralisation of negotiation, namely the introduction of collective agreements at the company level without the intervention of the unions at the branch or activity level and the suspension of compulsory retention of welfare funds at source and the deregulation of OS (Murillo 1997; also Tomada and Senén González C, 1998: 124; James 1988).

A series of decrees aimed to partially modify collective bargaining and wage policy. Decree 1757/90 swept away the obstacles to flexibilisation by revising those clauses within collective agreements which ‘distorted productivity’ (Goldin 1997: 31). By modifying 48 laws (Ferreira Rubio and Goretti, n.d.: 48), Decree 2,284 of 1991¹³⁹ ‘allowed collective bargaining below the industry-wide level [with the consent of unions], including firm-level bargaining. Those collective negotiations introduced the flexibilisation of labour (Goldin, 1997: 61; Battistini, 1996b)¹⁴⁰ and did not require administrative recognition, only registration’ (Murillo 1997: 79-80). These major changes were complemented by the Decree 1334/91 which introduced wage negotiation at lower level than those of branch, including the level of the enterprise.

The Attack on the OS

The system of OS was born as part of the system of social security and presents a unique case whereby ‘social security’ was managed and administered by the union of

Collective Bargaining forced the employers to negotiate per industry with the national union leading to the ‘monopoly of representation recognized by the state, and established the right of unions to negotiate with employers the retention of extraordinary quotas, which applied to members and non-members alike because the outcome of collective bargaining includes every worker’ (idem ant: 76).

¹³⁹ See decree in Recalde 1995: 183-93.

¹⁴⁰ These collective agreements were signed by the union at the level of the branch or activity.

each branch of economic activity in the absence of an National Health Service. The OS provided health insurance to all workers under the wage relation and their families. In the absence of an integrated national health system it played a major role in the reproduction of the working class and the system of social security. It covered, in 1991, 18.8 million people. The OS interact with other health services and subsystems (like public hospitals and private medicine) and run also tourism, recreation, sports and other services for their affiliates (see Feldman 1995a: 32-33).

In January 1992, the government announced the intention to reform the health system. This implied the reduction of the number of OS from 340 to 30-40, to encourage the free affiliation of workers to the OS, and create a special body that would collect the employers' contributions and redistribute them among unions to allow them to manage the OS. Since by the law the affiliation to the OS was compulsory for workers in that branch (Danani 1994), the reform offered workers a 'free rational choice' by forcing the unions to compete and then those OS which proved to be inefficient would perish (*Clarín* internet, 4.6.00).

The rhetoric for the deregulation of the OS was that it was overlapping of services and overspending of resources and corruption as well as the fact that workers were trapped into the logic of the corporatist trade unions' interests. Trade unions argued that deregulation would only change the situation of those workers who were already covered by the system but would not provide a solution for the crisis of the public health system. Second, that if one considered that fifty per cent of the population was not covered by any system at all (public or private) and that hospitals operated within a framework of increasing scarcity produced by the cutting-off of public expenditure

(Navarro in *Página/12*, 12.6.00), the introduction of market criteria in health matters would only make the health provision for workers either worse or more expensive, and will not bring any solution to those who don't have any coverage at all.

However, the debate was not just about the provision of health but the collection and administration of welfare funds as well as competition with private health companies. The OS were the fundamental source of financial and union power. The Laws 23,660 of OS and 23,661 of *Seguro Nacional de Salud* of 1989 had re established that the OS were a patrimony of workers and that they will be administered by the union association legally recognised. The employers' contribution was defined as 6% of the wage, whilst workers contributed 3% and further 1.5% for each family member. 10% of the total of these contributions went to the ANSSAL (National Administration of Health) to redistribute them among small OS (Danani 1994). Thus, the OS retain 45% of the contribution and conceded the other 55% to the ANSSAL. The OS also should use 80% of their resources for health services (Feldman 1995a: 33).

But Decree 2,184/91 created the *Sistema Unico de la Seguridad Social* (SUSS) (Integrated System of Social Security) whereby a tax office collected and administered all contributions to social security, pensions, health and employers' and employees' contributions to the OS, i.e. of the *Contribución Unificada de Seguridad Social* (CUSS) (Unified Contribution to Social Security). The 'SUSS would distribute the sources to each OS monthly' (art. 87 decree 2,184/91). The CGT opposed the decree since it made the unions depend on the tax office to collect the funds for the OS, instead of receiving the funds from the ANSSAL, which was managed by them (McGuire, 1997). The decree also anticipated the next issue of

contention: after competition among unions was established as the form of functioning of the OS, private companies would be allowed to compete with the trade unions in this captive health market of 18 million beneficiaries so changing the solidarity system for workers into a health market for customers (see Grassi *et al* 1994).

At the beginning of 1993, Decrees 9 and 576 abolished workers' compulsory affiliation with the welfare fund of their respective trade union. The ANSAAL was to compensate the differences that could emerge between contributions and the costs of basic services. The decree allowed the OS to unify themselves or associate. The new scheme destroyed the solidarity system by introducing a basic module (*prestación básica*) which must be complemented with other modules according to the service required by the patient.

The CGT rejected the reform of the OS by arguing that the decrees were anti-constitutional (*Página/12* 6.4.93 front page) and demanded that the government avoid the introduction of the logic of the market into the health system, which was part of the system of social security. Yet, at the same time some of the leaders from the *Club de Amigos* were offered to integrate the Advisors' Council for the ANSSAL (*Página/12*, 21/8/93: 5).

The CGT First General Strike against Menem

Although the CGT formally unified in 1992, it remain internally fragmented. On the one hand, the *moderados*, led by the independent unions in commerce, light and

power and health were critical of the Menem administration, but avoided direct confrontation since their goal was to participate and even create business (see Cavallieri in *Página/12*, 22.7.93: 12). On the other hand, the *duros* led by the UOM, the '62 O' and those unions joining the UGTT intended to strike against Menem's economic policy (*Página/12*, 6.5.93: 7). The UOM disliked the CGT attitude and made pressure with wage increase demands as well as organising a one-hour per shift strike during June, with *quite de colaboración* as the means of expression of the stalemate of wage negotiations (*Página/12*, 3.7.92: 3).

In October 1992, the *Comité Central Confederal* of the CGT demanded from the government the suspension of decree 1334/91 that allowed wage collective bargaining at the company level, an increase in the state expenditure on pensions and a \$ 536 minimum wage (*Página/12*, 24/10/92: 2-3). In order to give the government the necessary time to meet its demands, the CGT called a general strike *without date*. Since the government did not respond favourably, the first 24-hour general strike organised by the CGT against Menem's policies was carried out on 9th November 1992.

The strike was partially successful in the industrial ring of Gran Buenos Aires as well as in the public sector in the interior of the country. It was supported by some unions joining the CTA (e.g. ATE, UOM Villa Constitución, but not by CTERA) and by most of the political parties on the left (Iñigo Carreras, 1999: 4). Yet, the government continued with its plan to deregulate the system of OS, open the pension system to market competition and to adjust wages to productivity, but this time the government offered something in exchange.

The Marketisation of the Future

The Law 24.241 of 1993 (*Ley del Sistema Integrado de Jubilaciones y Pensiones*) opened the pension system to market competition (Cortes and Marshall 1999). It had the consent of the CGT. It was based on previous projects designed by the IMF, mirroring the Chilean system (See *Página/12* 27.12.92; CASH 18.4.93). The chronic crisis of the system was exacerbated in the 1990s by the suspension of financial help from the central government and the increase in unemployment, casualisation of work and the black economy which reduced the amount available for pensions.¹⁴¹

The 'solution' to the crisis combined the old individual distribution system based on a solidarity mechanism sustained by the *Prestación Básica Universal* (PBU) plus a *Prestación Compensatoria* (PC) provided by the state, with a new system of capitalisation opened to market competition. This was achieved by the creation of privately administered retirement funds, *Aseguradoras de Fondos de Jubilaciones y Pensiones* (AFJyP). The AFJP are chosen individually by workers according to their age, personal situation, career, interest rates and future wages.

Whilst those unions joining the CTA opposed the marketisation of pensions and recommended workers to remain in the state system, some unions joining the CGT actively participated in the new system either by creating their own AFJP or by mediating between AFJPs and workers. Thus, the *Federación Argentina de Trabajadores de Luz y Fuerza* (FATLYF), the Sindicato del Seguro, *Federación de Obras Sanitarias*, SMATA, county workers of Buenos Aires and FATUN in

partnership with the Bank UB created *Futura*. Another example is the coalition between UOCRA and FATSA, which joined the Bancos Provincial and Social de Córdoba, Cenit Seguros/ITT, Hartford and Mastellone to create *Claridad*. The union of Gastronomy, civil associations, chemist, painters, glass, pasta, port workers, workers of the OS of Pensioners PAMI, together with Apem S.A. created the AFJP San José. Other unions acted as ‘*comisionistas*’ receiving a commission for every new affiliate to the AFJP. This is the case of the UOM and 38 more unions with *Activa* and the porters of SUTERH with *Previsol* (Furman , *CASH*, 8.5.94, 1-3).

Socialising Risk: Wage Flexibility and the Reduction of Employer Contributions

In March 1993 Decree 470 of wages linked to productivity imposed a flexible wage policy which required decentralised negotiation (Bisio *et al*, 1999: 153).¹⁴² Wages linked to productivity meant that temporary wage increases or *decreases* at the plant level according to the economic cycle were allowed, and both a union with legal recognition and the company were encouraged to ask for the opening of negotiations at any moment. If there was no agreement, the Minister of Labour would intervene in the negotiation.

Wages were going to be composed of a fixed amount called *módulo fijo* which established the minimum wage and general working conditions, and a variable amount called the *módulo variable* according to productivity. Whilst the variable module allowed capital to reduce costs in the context of economic stability, it made the wage uncertain since it depended now on the rate of ‘productivity’ and the market.

¹⁴¹ On this Isuani and San Martino quoted by Battistini 2000b; also Jauregui, 1994; Lozano C 1993;

This 'wage instability' in the context of stabilisation supported the increase in productivity by means of the reduction of costs *via flexploitation* (Gray, 1995) rather than being based on the introduction of technology, training of workers and a non regressive distribution of income as demanded by trade unions (see IDEP- CTA, n.d.).

The government attack on job stability, wages, pensions and unions' financial resources multiplied and increased divisions among workers and was reflected at the core of the CGT, where confrontations arose between unions in the industrial sector and the service sector, in addition to the increasing difficulties for the labour bureaucracy to control the *comisiones internas* that were forced to negotiate at the company level. In April 1993 Brunelli from the metallurgical workers' union was elected secretary general of the CGT. This showed a certain impulse to recover the power of opposition. Nevertheless, Menem's re-election campaign (which required major changes in the National Constitution),¹⁴³ conditioned the historical strategy of 'hit and negotiate' led by the UOM. On the one hand, the CGT leadership followed the proposal of the UOM and Transport Unions and called another general strike 'without date'. On the other hand, leaders made public their support for the reform of the national constitution and Menem's re-election on the occasion of the 1st of May of 1993. As they put it, 'the re-election of president Menem was crucial to the construction of a modern society'(CGT in *Clarín*, 1.5.93).¹⁴⁴

Lloyd-Sherlock, P 1997; Tolosa 1993; Feldman 1995a, Lo Vuolo 1995.

¹⁴² It replaced Decree 1334/91, and modify indirectly the Law 14,250.

¹⁴³ The national constitution did not allow a president a second period in office, the re-election campaign for 1995 required a high degree of consensus (see IDEP 1993b; also Ferreira Rubio and Goretti 2000a, 2000b, 1995).

¹⁴⁴ As a result Brunelli was nominated as candidate to MP for the Peronist Party for the October 1993 parliamentary elections and other political appointments were distributed among the leadership such as ANSSal and the *Obra Social* for Pensioners, PAMI. (Schurman in *Página/ 12*, September 1993: 11).

Beyond political negotiations between the government and the CGT, the UIA demanded governmental support to further reduce labour costs. Capitalists' pressure materialised in a new Decree no 2,609/93, issued by the Minister of Economics, that reduced the employers' contributions to the health system, pensions and family allowances by 30 to 80%.¹⁴⁵ The UIA saw this action as 'the best of the Menem administration' (*Página/12*, 29.12.93: 10-11). But the decree was experienced by the CGT as a direct attack on their financial resources, i.e. the reduction of the employers contribution to the OS by 1,500 millions dollars (*Página/12*, 26.12.93: 5; Ríos in *Clarín* 27.12.93). More than hundred of unions joining the CGT discussed the organisation of a *Comité Central Confederal* for the 29th of December and the possibility to launch a plan of action against the government's policies (*Página/12*, 24/12/93: 5-6).

The Decree produced a crisis within the cabinet. The Minister of Labour, Rodríguez, a solicitor in the labour area with many contacts and commitments with the CGT leadership, resigned his post as a form of protest against the mentor of the decree, the Minister of Economics Cavallo. The new Minister appointed, Caro Figueroa was a technocrat ex vice-minister of Labour of the Alfonsín administration and one of the mentors of the NLE in 1991.

Labour Conflict and the emergence of MTA

During 1993 workers in the metallurgical, car and electronics industries were involved in strikes and struggles against company restructuring, flexibilisation,

¹⁴⁵ The reduction of employers' contributions was geographically differentiated (see Battistini, 2000b).

redundancy, and wage decrease. In 1994, owing to the increase in interest rates in the United States, the reduction of foreign investment, and, at the end of 1994, the so-called Mexican tequila crisis (Gómez *et al* 1996), companies in the exportable goods sectors went further in the reduction of labour costs and the increase in the rate of exploitation by redundancy, flexibilisation and wage decreases. Labour conflict by workers joining the UOM grew in the interior of the country¹⁴⁶ to oppose flexibilisation and redundancy, and demanded wage increases.

The UOM used the general strike in the branch to demonstrate the power of industrial workers.¹⁴⁷ This combative attitude was maintained until 1995. But from 1995 onwards the increase in unemployment and redundancy associated with the rationalisation of forms of production reduced dramatically the level of dispute in the industrial sector (Gomez *et al*, 1996). Most of these disputes were 'solved' when both employers and the government accepted the wage increase *only if* the union accepted the inclusion of clauses of functional polyvalence, redistribution of holidays in low season, and limited shop-floor representatives' protection in the new collective agreements (*Página/12*, 13/7/94: 4).

As mentioned in the previous chapter, also during 1993-95 spontaneous workers' protests increased against overdue wages, redundancies, the cutting of social security and services, as well as the restructuring of the provincial states' apparatus wherein corruption of high level management was not an exception, organised by the public sector workers in the interior of the country.

¹⁴⁶ Tierra del Fuego, Córdoba, Río Grande, Catamarca, La Rioja and Tucumán.

Forced by the pressure from the UOM and social protest the CGT called for a general strike for January 31 1994. However, since negotiations for the future of the OS, collective bargaining and the labour reform were still taking place, the strike was *suspended* until the end of March (Lescano, *La Nación*, front-page, 21/1/94). But this time the CGT manipulation of the general strike to negotiate with the government produced another split within the confederation, following that of 1992, when the CTA was created. In January 1994, more than twenty unions gathered in the UGTT constituted the *Movimiento de los Trabajadores Argentinos* (MTA) to oppose the labour reform. With the creation of the MTA, the CGT became a bastion of Menem's politics, with no internal opposition.

II Co-optation, Perversion and Detachment (July 1994 - September 1995)

This section features the agreement between the state, capital and the CGT wherein the labour bureaucracy *formally* accepted the flexibilisation of labour, collective agreements at the company level with their consent, the marketisation of safety at work, and supported Menem's re-election campaign, in exchange for financial rescue for the OS and unions' debts, their participation in pension and occupational accidents new business, and political appointments in the new cabinet and state bodies if Menem won the elections. At the same time, flexibilisation policies as well as informal negotiations at the workplace intensified. Workers' protests spread.

The Agreement to Agree: the Acuerdo Marco

¹⁴⁷ UOM carried out a 20-hours sector strike on 11th of July 1994, and another one on the 18th and 19th

During 1993, the government failed in its attempts to pass a *law* of flexibilisation. By November 1993, only 0.7% of wage labour was employed under the new form of flexible contracts (Giordano and Torres quoted by Etchemendy and Palermo, 1998: 569). In April 1994, the last of a series of four drafts was sent to the Congress. The 19 articles comprised the elimination of special clauses, the reduction of the working day from 2,400 to 1,950 hours with the obligation of higher flexibility of working hours required by the employer; the increase from 2 to 3 years of the new forms of fixed term contracts. The project did not pass through due to parliamentary opposition. Thus, the government, together with the UIA, aimed to encourage a 'framework of social peace' to avoid strikes and agree the pending discussions with the CGT (see Blanco Villegas, president of the UIA, in *Página/12*, 15.7.94: 10), as a general super structural tripartite agreement was offered to the CGT bureaucracy.

The Menem administration offered the CGT leadership three things, in exchange for withdrawing its project of flexibilisation from the Congress: first, to recognise them as the only valid interlocutors for the Government; second, *if* the CGT accepted the reduction of employers' contributions by decree 2609/93, the National Treasury would provide extra financial support for unions' debts and for those OS affected by the reduction of employers' contributions; and third, new political appointments. In exchange, the unions were to participate in the elaboration of new flexibilisation projects, a new Law of Safety at Work, an integral reform of industrial relations, and Menem's re-election campaign.

As a result of negotiations, on 25th of July 1994 the CGT, the government and eight employers' organisations¹⁴⁸ reached the *Acuerdo Marco para el Empleo, la Productividad y la Equidad Social* (Framework Agreement for Employment, Productivity and Social Equity, the AM). The AM was defined by its creators as an 'agreement to agree'. It established a timetable to achieve its goals, the accomplishment of regional agreements for employment¹⁴⁹ and created some tripartite bodies such as the *Consejo del Sistema Nacional de Previsión*, the *Consejo Nacional de Formación Profesional*.

The most important of the 16-points of AM were the flexibilisation of labour, a new law of occupational accidents, which included the reduction of accidents and fatal injuries payments, and the reform of collective bargaining to allow the '*disponibilidad colectiva*' i.e. that an agreement at the company level could rule over a collective agreement or even a decree or a law (Bustos Fierro, 1995: 107-111). The CGT's commitment to the AM and the silence of capital are better explained by two more complementary bilateral agreements over the OS and the debts of the TU and regulatory bodies.

Decree 2609/93 had reduced the employers' contributions to the OS and pensions in some cases by 80% (Bustos Fierro, 1995: 11). However, in order to obtain the support of the CGT to this indirect subsidy to capital, the state was going to provide financial help to the CGT. In October 1994 expenditure for the OS was cut by 15%. 290 millions from that reduction came from the employers' contributions and another 120 million were directly reduced by the ANSSAL (*Página/12*, 11.10.94: 9). The government compensated the difference. By so doing, capital socialised risks and the

¹⁴⁸ UIA, CAC, Cámara Argentina de la construcción; Unión Argentina de la Construcción; SR; Bancos

state supported a labour movement which had agreed the flexibilisation of labour. In addition, the government delayed once again the deregulation of the OS to be enacted in 1996 (*Página/12*, 25.5.95: 2-3). This delay aimed to give the unions time to 'modernize and prepare the merger of welfare funds' services in order to be able to compete within the new institutional framework' (Murillo 1997: 81).

The super structural agreements signed by the CGT were rejected by the CTA and the MTA. Both organisations echoed the provincial workers' protests and the strikes in the industrial sector and carried out a general strike on the 2nd of August 1994 against the economic policy of the government.

'Negotiated' Flexibility: The Legal Changes under the Agreement

Four laws gave materiality to the 16-points of AM during 1995. The Law of Flexibilisation of Labour in Small and Medium Enterprises (those companies with less than 40 employees and profit established by the law) (Ley de PYMES 24,467). It introduced the '*disponibilidad colectiva*', the old capitalists' 'aspiration' (Capón Filas, 1998 in Battistini, 2000b), the fractioning of the thirteen's month wage (*aguinaldo*), the redefinition of a 'post' (job) agreed between the employer and the union at the company level; in case of the extinction of the contract caused by bankruptcy under the *crisis prevention procedure*, redundancy payment could be financed totally or partially by the *Fondo Nacional de Empleo* (National Employment Fund) (MTTS, 1995c; Recalde, 1995; Fontana, 1995).

and Bolsa de Comercio (AM, and *Página/12*, 27/7/94: 14).

The reform of the LCT no 24,465 introduced a *training contract* for three to 24 month for young people aged 14 to 25. This meant that the first three month of the fixed-term contract were considered a probation period, that could be extended to six month if this was agreed with the union at the company level. In these cases, employers were exempted from contributions to pensions and to the *Fondo Nacional de Empleo*.

The *Nuevo Régimen de Concursos y Quiebras* Law 24,522 regulated the conditions of continuity of the contract in those enterprises that went bankrupt. The labour relation was 'dissolved automatically without any protection to workers, who have no means to face a legal appeal' (Battistini 1999). Previous collective agreements became ineffective in case the company was to be reopened under a new management, since continuity in employment is not allowed. Redundancy payments and occupational accidents payments were to be dissolved at the moment of the transference of the company to the new management (see Recalde, 1995; Battistini, 2000b).

Finally, the Law of Risks at Work 24,557 destroyed the protection of workers established by the labour code. Whilst the Law of Occupational Accidents of 1993 forced workers to go to the civil court, instead of the labour court, in case of an occupational accident, the new law cancelled also the possibility to go to civil court. Political and union opposition argued that the law *consecrated inequity and inequality* (*Página/12* 10.8.95: 10) as well as reducing the incentive for employers to improve working conditions (Recalde and Ciampa 1995, *CASH* 8.10.95: 2).

¹⁴⁹ Like the *Acuerdo Regional para el Empleo en el Norte Argentino* (ARENA) in November 1994.

The novelty of this law was that it introduced the logic of money in occupational accident regulation by creating the safety at *Aseguradoras de Riesgos de Trabajo* (ART), i.e. private entities with lucrative ends hired by the employers to protect themselves from accident compensation. Like in the case of the AFJP introduced by the new pension system, unions were allowed to participate directly in the new system by creating their own ART and by collaborating in the company risk assessments. The acceptance of this law which by the CGT was conditioned by an agreement with the Minister of Economics wherein the government must pay the CGT favour by suspending the reduction of 90 million dollars for the *Obra Social for Pensioners* (PAMI) (*Ámbito Financiero*, 26/10/94: 12; *Página/12*, 19/10/94: 7).

The ARTs had to be authorised by the *Superintendencia de Riesgos del Trabajo* (SRT), which administrates, controls and regulates health and safety, suggests plans to improve working conditions at the company level, and provides financial support to employers. The companies had the obligation to hire an ART unless they were able to provide insurance themselves. The employers contribute with a monthly quota determined by the *Superintendencia*. The ART gives insurance per branch and trade unions and employers could constitute one if they had 1 million dollars. Employers are exempted from their responsibility of the accident since an accident is considered a civil crime (not labour), except those contained in Article 1072 of the *Código Civil* (civil crime). Those diseases caused by the workers' fault or alien to working reasons are excluded from insurance. The nature of the accident and disease as well as the degree and incapacity are fixed by medical commissions working for the ARTs. (*Página/12*, 15/6/95: 8).

The 'Reality' of Flexibilisation and Workers' Resistance

In order to improve competitiveness and productivity companies implemented a multiplicity of strategies which deepened the heterogeneity and fragmentation of the labour collective and affected the power of union resistance at the shop-floor level. Informal agreements at the company level carried out in the car, metallurgical, iron, electronics and telecommunication sectors indicate the relative success of flexibilisation policies. Particularly in those sectors, flexibilisation of labour was complemented with contracting out and the fragmentation of the production process as well as the casualisation of labour.¹⁵⁰ However, this was not a smooth process but rather contested and resisted by workers.¹⁵¹

Between 1991 and 1998 there was an informal process of decentralisation of collective bargaining. Since the Law 14,250 remained untouched and enterprise trade unionism did not exist, the new forms of production and working conditions were agreed by the shop-floor representatives by either informal acts signed by the *comisión interna* and the management, sometimes agreed by the union at the level of the branch of activity as a daily reality of the work-place (Bisio *et al* 1999). Whilst in 1991 39.4% of collective bargaining was reached at the level of activity, 42.3% at the branch level and 18.3% at the company level, in 1998 the agreements at the level of activity went down to 10.4%, branch level to 1.3% and at the company level increased

¹⁵⁰ The indicators of casualisation of labour (according to the methodology used by the IPA, *Investigación sobre pobreza en Argentina* (see Santantonio and Tavilla 1994: 15) are the absence of contribution to pension system, to OS, fixed-term contract, wage per piecework. Whilst the two former indicate an *illegal* casual labour relation, the two latter indicate a *legal* precarious labour relation. The EPH also offers some indicators like redundancy payment when dismissed, pension contributions, etc. According to the EPH Gran Buenos Aires for the period 1989-1991 the number of casual labourers increased by 22% and remained the same until 1993 (Santantonio and Tavilla, 1994).

¹⁵¹ On this see Battistini and Montes Cató 2000, Bisio *et al* 1999, Brinkmann 1999, Freytes Frey 1999; Esquivel, 1997, Walter 1994, Deibe *et al* 1994.

to 88.3% (Bisio *et al* 1999: 157). Decentralisation of collective bargaining was facilitated by the 'disappearance of the Ministry of Labour in its control and regulation of labour relations (Freytes Frey 1999: 212).

In the telecommunication sector, decentralised agreements signed between unions and *Telefónica de España* and France Telecom (e.g. agreements no 201/92 and 257/97), introduced incentives for productivity, functional polyvalence, mobility, outsourcing and contracting out; special 'peace clauses' to solve conflicts and new forms of organisation and management (like quality circles and work groups), fractioned holidays, flexible working hours, the casualisation of jobs by the use of *pasantías* in customer services, the loss of rights, the suspension of the historical special benefit of discount in phone calls for telephone workers, the suspension of the day of the telephone worker as a holiday and of special bonuses and job stability (Battistini and Montes Cató 2000, Goldin 1997: 63; also Brinkmann, 1999).

The car industry was particularly affected by the reduction in credit available produced by the 'tequila' crisis, as well as by the Brazilian stabilisation plan (*Plan Real*) of 1994 which affected import policy by encouraging domestic consumption (see INDEC, 1999a: 9-10). New agreements signed by the SMATA (together with the UOM, the union representing workers in the car industry) with several companies also shows the policy of flexibilisation of work and employment. The agreement between SMATA and General Motors became emblematic because it introduced clauses of

'social peace' whereby unions were obliged to find a peaceful form of solution to labour conflict (CCT 98/94; Laborda, *La Nación* 13.4.98: 6).¹⁵²

The struggles in the metallurgical industry were led by the UOM. During the 1960s and the 1970s the union had become a symbol of the strength of the industrial working class and trade union leadership (see Martuccelli and Svampa 1997) and a leading case in centralised collective agreement and the determination of wage standard in the metallurgical sector (Freytes Frey, 1999: 201; see chapter four). Deindustrialisation and flexibilisation fostered new forms of production and management techniques that required a daily negotiation that involved the *comisiones internas* at the workplaces rather than the national bureaucracy (see Bunel, 1992; Freytes Frey, 1999).

On the one hand, the shop floor representatives found themselves forced to negotiate since the initiative came this time from the employers. The refusal to agree at the company level was ineffective since there was a high degree of informal and multiple changes agreed through acts to allow the changes in the form of production to develop. This relative power of negotiation gave the *comisiones internas* a certain degree of autonomy and the opportunity for shop-floor militants to free themselves from the constraint imposed by union '*verticalismo*'.

On the other hand, trade unions found difficulties in controlling the so called *fraude concomitante*, (concomitant fraud) that had become a common practice in small workshops, whereby workers renounce their rights or agree to be paid '*en negro*' to

¹⁵² See agreements between SMATA and YASAKI, FIAT, CHRYSLER, TOYOTA, DEUTZ.

keep their jobs (*CASH, Página/12*, 28.10.90: 3; Esquivel 1995: 60). The strategy of the leadership of the UOM was to maintain a discourse that advocated centralisation but that was in fact accompanied by a decentralised negotiation about which most of the time the central union did not get any information. The UOM opted for the rejection of formal negotiation to avoid getting involved directly in the loss of workers' rights but not getting much out of it, and accepted *laissez faire* at the company level (see Freytes Frey 1999).

III Confrontation: General Strikes versus the Decretazos (October 1995- August 1998)

This period was characterised by a new attitude of the CGT leadership towards the government whereby it aimed to maintain its financial and bargaining power of struggle against the government insistence in *legalising* the decentralisation of collective bargaining. Workers' struggles evidenced the detachment of the CGT from the actual changes in social relations and the attempt by the CGT leadership to recover their confrontation power by using the general strike to threaten the government. Unlike the CGT, the CTA and the MTA general strikes aimed to coordinate fragmented struggles which became apparent as a result of the increase in unemployment rates and economic adjustment.

Productivity and Unemployment

Over the period 1991-1994, there was a notable increase in labour productivity in manufacturing industry (40%), privatised services such as Gas (68%),

Telecommunications (57,5,%) and electricity (310%) (Bustos, 1995). The majority of clauses of productivity included in the 808 collective agreements at the company level reached between April 1991 and April 1994 referred to reduction of labour costs, introduction of functional polyvalence and quality circles, increase in labour time, rationalisation of labour, reorganisation of tasks and incentives for productivity (MTSS in Santantonio 1994: 12-13).¹⁵³

Whilst between 1991 and 1995 unemployment climbed dramatically to 18.5%, the GDP grew by 30.6% (Esquivel 1995). Therefore, increase in productivity was achieved by means of a greater exploitation of the labour force, not only by the replacement of labour by capital, but also by the rationalisation of the use of the labour force looking for a reduction of labour costs, mostly without any significant investment in new equipment (Bustos 1995: 27; see Tokman 1996, Lindemboin 1995). According to INDEC, between 1990 and 1996 industrial production lost 20% of its workers, whereas productivity increased by 30% (*Clarín*, Internet, 10.2.97).

A study of 19 branches of the economy, which represent 80% of industrial employment, 82% of exportable goods and 55% of industrial imports highlighted that since 1994 the labour cost (represented by the real wage of the worker) decreased by 16%, the figures reaching 20 to 32% in textile, shoe making and electronics. The decrease is explained by two combined factors: the decrease of the wage and the increase in the productivity per worker. The increase in productivity had also great significance in the expulsion of the labour force since there was a tendency to move

¹⁵³ On productivity, wages and collective bargaining see Deibe *et al* 1994. On employers' strategies and the new forms of organisation of production and management see Walter 1994; Esquivel 1995.

from labour-intensive to capital intensive production (*Centro de Estudios para la Produccion* (CEP), Montenegro, *Página/12*, 28.8.97: 14).

The introduction of new forms of production and management, as well as decentralisation of collective agreements led to the change in the content of labour conflicts. As previously mentioned, during the first two years of convertibility the industrial sector struggled over the distribution of income. In 1994 the crisis of convertibility and the dramatic rise in unemployment produced a decrease in the levels of dispute by 12.5%. But there was, for the same period, an increase in regional and decentralised conflicts (geographic dispersion). As for the content of disputes, in 1991 industrial disputes for wage increases constituted 37% of industrial conflicts but by 1995 they had been reduced to 2.4%.



The main source of conflict had moved to an attempt to recoup unpaid wages and against increasing redundancies, from 40.6% in 1992 to 70% in 1995 (Gómez *et al*, 1996: 134). In April 1995, the struggle in the metallurgical industry was resumed with strikes, occupation of factories and

mobilisations supported by other unions and repressed by the police. During the demonstrations in Tierra del Fuego, a construction worker, Víctor Choque, was shot dead by the police. The UOM Tierra del Fuego and the Front of Unions in the Public Sector called for a strike on the 13th April. Meanwhile, UOM Central Union called for

an urgent general meeting of its Council on April 17 to repudiate police repression. On 14th April all the unions demanded the resignation of the Governor and prepared a national general strike. The MTA and CTA called for a national day of sorrow and organised a march to the National Parliament on 17th of April (*Página/12*, 15/4/95: 5). The general strike, carried out on 21st of April 1995, was successful in Santa Fe, Entre Ríos, Tierra del Fuego, Río Negro and the north-west of the country (Iñigo Carreras, 1999: 4). The CGT did not take part in the strike.

In August 1995, the CGT entered into another crisis. Two important leaders left the CGT for opposed reasons, which shows the depth of the crisis. The leader of the SMATA, Rodriguez was against the CGT's open support for the Law 24,467 to flexibilise labour within small and medium enterprises within the AM. The secretary general of the CGT, Casia, also left but by arguing instead that the confederation's opposition strategy was not convenient for the CGT relationship with the Menem administration after the 1995 election. After they left, the leader of the construction workers aimed to recover the power of opposition and bargaining and called a general strike supported by the MTA and CTA on 6th of September 1995. The strike was accompanied by the largest demonstration under Menem (60,000 people). The negotiations around the OS continued after the strike and, as a result, the unions retained \$400 million for the OS (Etchemendy and Palermo 1998: 580).

As previously suggested, in 1996 a provincial *roadblock* in Neuquén marked the beginning of a new and persistent form of protest which was accompanied by four general strikes organised by CGT, CTA and MTA. The general strike carried out on the 9th of August 1996 by the CGT was accompanied by a *Marcha del Trabajo*

(March for Employment) organised by the CTA and *ollas populares* (popular meals) organised by the MTA. Demonstrations were severely repressed by the police. The strike was massive: according to organisers 90% of workers in industry and transport went on strike. After recognising that this had been the most important strike under Menem, the government offered the CGT to dialogue (Iñigo Carreras 1999; *Clarín* 9.8.96 internet). However, another 36-hours general strike against labour flexibilisation and economic policy with a demonstration to Plaza de Mayo also organised by the CGT and the MTA (supported by the CTA), was carried out on the 26 and 27 of September 1996.

El Decretazo

The 'negotiated flexibilisation' on the basis of the '*disponibilidad colectiva*' was a requirement for the further reduction of labour costs suggested by the WB (L Guasch, WB in *Clarín* 3.12.96 internet; Labour Report 1996-97, ILO in Bermúdez, *Clarín* 3.12.96, internet; *Clarín* 27.1.97). According to the government 'the paralysis of collective bargaining (due to its centralisation, the impoverishment of those negotiable aspects) prevents employers and unions from using their capacities to find joint solutions to simultaneously improve competitiveness and defend employment' (Caro Figueroa, *La Nación*, 7.8.95: 5, c.f. Fontana, IDEP in *Página/12* 27.12.96; also MTSS, 1996b).

Since the laws of collective bargaining and professional associations remained untouched, and facing the visit of the IMF mission to supervise fiscal achievements, and to provide a credit of 150 million dollars (*Clarín* internet 3.12.96), President

Menem followed the IMF recommendations (IMF 1996) and issued three decrees (NUDs)¹⁵⁴ 1553, 1554 and 1555) in December 1996. By so doing the government *excluded* central confederations from wage bargaining in the PyMES and eliminated the ‘principle of *ultra actividad*’ that ruled industrial relations that had caused the paralysis of negotiation and therefore the need to implement the ‘*disponibilidad colectiva*’ to enlarge the field of negotiation.

The *principio de ultractividad* allowed all collective agreements to rule the labour relations in the branch until trade unions and employers agreed a new one. Unions like UOM used this principle to avoid new negotiation and thus maintain their achievements of the last round of negotiation of 1975. The suspension of this principle meant that the consent of the confederation of the union at the branch level is not required to reach agreements at the company level even if the latter modified the former (*disponibilidad colectiva*). As a result, the 1975 collective agreements would lose their power.

The struggle over the ‘decrees’ led to the third 24 hour-general strike of this period organised by CGT with MTA and CTA on 26th of December 1996. It had a partial attendance, but it was very significant in the industrial ring of Gran Buenos Aires, Santa Fe, Rosario, Córdoba, Tucumán and Mar del Plata (Iñigo Carreras 1999: 4). Legal action was also pursued by the CGT and supported by the opposition of the UCR and FREPASO MPs. Eventually, the Courts considered the NUDs *unlawful*, anti-constitutional and inapplicable for they violated international agreements of the ILO as well as Arts. 14 and 17 of the National Constitution. After this, negotiation

¹⁵⁴ Decretos de Necesidad y Urgencia: Emergency Decrees.

was resumed between the CGT, the government and the *Grupo de los Ocho*. In January 1997 they agreed that flexibilisation should be achieved by the law and not by decree (*Clarín*, 17.1.97, internet).¹⁵⁵

Negotiated Flexibilisation

Whilst the *Ocho* and particularly the UIA insisted on the exclusion of national unions from wage bargaining and negotiation over working conditions at the company level (Reato, *Clarín*, 21.3.97; *La Nación*, 2.4.97),¹⁵⁶ the CGT accepted the elimination of the *ultra actividad only if* the unions representing the activity or the branch took part in collective bargaining at the company level. In view of the stalemate of negotiations, the government offered an institutional mediation with the intention to postpone the discussion on the labour reform until after the October elections. Yet, on the 2nd of May the CGT threatened the government with a 36-hour general strike without date.

As a result, the confederation imposed its view on centralised collective bargaining on the government. In a joint document the two parties agreed to encourage collective bargaining whereby the central confederation would have the right to negotiate or delegate this to a lower level of organisation (i.e. the *comisión interna*). They also agreed to the suspension of the deregulation of OS by preventing the private sector from entering into the OS system (*La Nación*, 7.5.97, on line).

¹⁵⁵ See the IMF's same position in Velázquez in *Clarín* 14.2.97 internet.

¹⁵⁶ The *Ocho* also aimed to replace redundancy payment with a system of capitalisation whereby workers would save around 4% of their salary in case they were dismissed (see Freytes Frey 1999: 209), and their proposal to maintain their contributions to the Redundancy Payment Fund at 2,5% (whilst the CGT demanded 8% and the government, 4%). Instead, the CGT leadership wanted to discuss the distributive policy as well as the creation of a solidarity fund for unemployment.

IV

The Hollow Agreement (September 1998 - October 1999)

This section addresses the shift in the Menem administration's strategy towards trade unions and the devolution of centralised collective bargaining and reestablishment of the financial help for the OS by the Law 25,013 which assured the CGT its organisational power, against the IMF advice. Yet this did not reverse the process of destabilisation, flexibilisation and casualisation of labour. The political and financial stability of the CGT was achieved by means of the legalisation of uncertainty and workers' lives' instability.

The IMF Memorandum

In April 1998 an *Official Memorandum* from the IMF¹⁵⁷ (which had initiated its visit and fiscal 'monitoring' of the Argentine government) critically assessed the 'current economic trends in Argentina' and particularly the new governmental project of labour reform to solidify the agreement between the Minister of Labour and the CGT.

The Memorandum stated that

'the recent proposed reform of the labor legislation falls short of the undertakings outlined in paragraph 28 of the letter of intent, in particular those relating to the gradual elimination of the "*ultractividad*" clause; the phasing out of the special labour statutes; the decentralization of labor negotiations; and the promotion of competition among "*obras sociales*". Specifically, the proposed reform reaffirms the "*ultractividad*" of all contracts which were subject to even minor modifications since 1988...makes no mention of the special labor statutes and reserves to the higher levels of labor union representation the right of negotiation of all contracts, whether sectorial or at the enterprise level. Finally, it does not

¹⁵⁷ Unpublished official document signed by its Deputy Director for the Western Hemisphere Department Teresa Ter Minassian.

include any steps to promote competition among the “*obras sociales*” Memorandum IMF, 6.4.98: 3).

Nevertheless, in order to recover political power vis-à-vis the increasing power of the Ministry of Economics led by Cavallo and supported by the WB and the IMF, the government appointed a new Minister of Labour, the Peronist politician Erman González, who assured the unions their control over collective bargaining by law (Battistini, 2000b). The Law 25,013 of September 1998 rescinded three major changes produced by the reform on behalf of capital.¹⁵⁸

First, it rescinded the *modalidades promovidas de empleo* that had been introduced in 1991 and reinforced in 1995, reduced the probationary period of fixed-term contracts and regulated the *contrato de aprendizaje* and *pasantía*. They had become, according to the MTSS, ‘an abusive practice’ leading to casualisation of labour and permanent uncertainty for workers (MTSS 1998a: 22), producing a ‘roundabout effect’ (*efecto calesita*).¹⁵⁹ Secondly, the law reinforced the role of centralised collective bargaining since it ruled that the central unions (activity or branch) were the legal representative of negotiation at the company level *unless* this representation was delegated by the central unions to a lower level, i.e. the *comisión interna*. Thirdly, collective agreement at the company level could only rule on a major level if the *articulation* between both levels was achieved. But if in a one- year period the negotiation at the minor level did

¹⁵⁸ The law was designed by the CGT advisor Lucio Garçon Maceda, an ex-solicitor of the *Montoneros*.

¹⁵⁹ The *efecto calesita* means that once the casual contract finishes, rather than the worker being incorporated to the permanent staff, he/she is dismissed without redundancy payment and replaced by another worker under the same conditions. By 1996 a poll organised by the MTSS highlighted that 14% of the labour force, i.e. 500,000 workers, were under this kind of contract, 280,000 of them under the ‘probationary period’ (Bermúdez, *Clarín*, 27.1.97 internet).

not take the form of a collective agreement it would perish, and then the collective agreement would rule for all workers in the company (MTSS, 1998a, 1998b).¹⁶⁰



Flexibilisation and Casualisation

From April until August 1997, provincial roadblocks and upheavals, as well as the teachers' hunger strike under the *Carpa Blanca* (see the

previous chapter) presented another reality than that of negotiation.¹⁶¹

By April 1997, 15% of wage labour was under fixed-term contracts and 80% of new workers were hired for a probationary period or fixed-term contract, which exempted employers from most contributions. Among the 3,500,000 workers there were only 500,000 under legal contracts (MTSS in *Clarín* internet 11.4.9 and 17.4.97).

40% of workers in Capital and Gran Buenos Aires earned less than 400 dollars. Since this income sustained the whole family, it was deemed that each member lived on less than 100 dollars per month (INDEC, *Clarín* 10.2.97, internet). The fragmentation of

¹⁶⁰ Also One day after being defeated by de la Rúa in the general elections (October 22 1999, President Menem issued the last NUD (necessity and urgency decree) of his administration (no 1215) to autonomise the Solidarity Fund for the Obras Sociales (*Fondo Solidario para las Obras Sociales*) from the national budget and transfer it to the control of a tripartite body constituted by the CGT, capital and the government. The *Fondo Solidario* was meant to subsidise the OS with less resources and pay for medical treatments of high complexity. The decree intended to bring back both the power of negotiation over the funds for the OS and the power of the financial management of \$ 360 million pesos per year that in 1994 had been incorporated to the national budget also by decree (*Clarín*, internet, 26/ 27/29.10.99) to the CGT. However, the decree was suspended by the courts after the CTA as well as other unions and OS managed by unions joining the CTA (e.g. OSPA) claimed it was anti-constitutional (*Clarín*, internet, 20.11.99).

distribution of income also occurred. Whilst in 1991 the poorest 10% of the population received 2.3% of national income, in 1997 the rate decreased to 1.6%; whilst the 10% richest people received 34.2% in 1991, the rate increased to 35.3% in 1997 (INDEC, *Clarín* Internet 24.3.97). Real wages had decreased 10% in the previous 2 years (*Clarín* 6.12.96).

Regarding the situation, the WB helped the government with a new credit to control social protest. The Commission for the Analysis of Social Conflict was created and the Armed Forces studied the situation and elaborated a potential plan in case of social chaos (*Clarín* 27.5.97 and 30.5.97; also *New York Times*, *The Herald Tribune* and *The Washington Post* position in *Clarín* Internet, 3.6.97). Whilst the CGT awaited for the agreement with the government to be frozen by the new law, another general strike for 24-hours was carried out by the CTA and MTA (as well as CCC and UOM), who were free from the constraint of the negotiation with the government and opposed flexibilisation projects and economic policy, on 14th of August 1997 (Iñigo Carreras 1999: 4).

Concluding Remarks

This chapter explored the process of struggle around the labour reform under Menem. During the hyperinflation period, the power of labour, and particularly of the trade unions had been threatened by the new economic power emerging out of the process of globalisation, which aimed to flexibilise the use of labour in order to achieve a reduction in labour costs and increase in productivity towards international competitiveness. The institutional and legal protection of labour, the state involvement in

¹⁶¹ In May 1997 roadblocks were carried out in Jujuy (see case study chapter 10); Neuquén, Córdoba, Santa Fe, La Plata, Salta, Tierra del Fuego, Mendoza, Entre Ríos and a student protest in the city of

the reproduction of labour, job stability and social security, and the centralised financial and bargaining power of the unions were the main barriers to achieve those goals. The transformation of employment relations and labour contracts, changes in the labour process and the reshaping of the relationship between trade unions and the state was investigated by looking at the unions' struggle for and against the flexibilisation in work and employment (see Pollert 1988), the marketisation of social security, occupational accidents and health, and the decentralisation of collective bargaining.

It was argued that through the labour reform, the struggle over subjectivity asserted itself as a struggle over the law. The law allowed the deconstruction of the Peronist form of labour and thus the social construction of the Menemist paradigm of stability by means of the legalisation of uncertainty, insecurity, risk and instability. Flexibilisation in work meant for workers the establishment of uncertainty with regard to their contracts (now not assured for life and becoming increasingly short and casual), their time at work (which now depended on the production arrangements), their wages (now based on productivity gains), their leisure (since holidays depended now on production cycles). Flexibilisation in employment and the 'casualisation of jobs' as well as unemployment led to social vulnerability, isolation and the deconstruction of solidarity links outside work.

In some cases, *insecurity became the motivation* for workers since they forced themselves into bad labour conditions to achieve productivity incentives and therefore increase their salary beyond the fixed module, with health, psychological and

emotional effects on workers' lives. Functional polyvalence and the marketisation of the relationship among workers (where workers from other task groups are treated as customers) led to the worsening of solidarity links at the workplace as well as an increase in occupational diseases (see study of the car industry in Battistini and Montes Cato, 2000: 20). The differentiation of the labour collective (fragmentation between core and periphery) and the mutual discipline of different groups of workers (Esquivel 1995: 81) deeply affected identification, organisation and resistance at the work place.

The privatisation of social security contributed to the expansion of the law of lottery (Neary and Taylor 1998, 1999). Workers were compelled to put their future under risk, either going with a state system in bankruptcy or the stock market. The deregulation and privatisation of the health system meant the deconstruction of the principle of solidarity, the differentiation of the working population and the marketisation of health. Deregulation implied a new form of discipline of labour which in the case of the OS is based on the idea of free workers and free choice as well as 'private' competition for the best health service (Grassi *et al* 1994: 170).

Uncertainty was coupled with insecurity: occupational accidents and safety at work became a problem for employers who were now protected by the law against workers' 'abuse'. The protection of workers against the capitalists' abuse at the workplace was put upside down: the new legislation protected employers from the risk of having to pay a large amount of money for a fatal injury. The amount paid for a 'fatal injury' is none other than the price of the life of a worker, that has been established at 55,000 dollars, according to the calculation of the labour cost for capital.

The crisis and recomposition of the state and the law intensified the reshaping of the labour movement. The struggle over the legal decentralisation of collective bargaining meant three things: the weakening and blackmail of shop-floor representatives at the workplace, the break of the organic relation between the bureaucracy and *comisiones internas* and the co-optation of the CGT leadership.

The CGT played a significant role in legitimising the flexibilisation and destabilisation of workers' lives, labour relations and working conditions. Menem(ism) put the CGT leadership between the devil and the deep blue sea: for the first time in history to defend workers' rights and demands meant the deconstruction of the trade unions' institutional power. Since under the Peronist form trade unions and the state were inextricably linked, the option before both was not just a matter of moral or political decision but actually a deeper problem of definition of Peronism itself, and with it, of the definition of the power of trade unions altogether.

On the one hand, the co-optation of the CGT was the safety pin to allow the labour reform to go through, except in two issues that involved the unions directly: the OS and the decentralisation of collective bargaining, the latter being not simply the agreements at the company level, which actually took place and spread as a common informal practice, but the creation of enterprise unionism by means of the modification of the law of collective bargaining and of professional associations.

On the other hand, the CGT negotiated their survival by perverting and detaching themselves from the content of their *raison d'être*. It reshaped itself in a form

whereby collective bargaining and their participation in business *were the means* to exchange workers' rights for the government's or capitalists' financial or political privileges for the unions. I call this the perversion of the trade unions. Perversion was used here neither as an abnormality or an aberration nor as a moral or ethical critique of leaders' attitudes but rather as a distortion or misuse: the financial stabilisation of the unions was achieved by means of the legalisation of the instability of workers' lives in a moment in which these policies were being discussed, negotiated and also imposed. By so doing, they survive financially and politically yet lost membership and legitimisation.

But the perversion of the CGT did not mean the triumph of the government goals 'against' labour. The super structural recreation of the power of the CGT did not account for the reality of labour. Since the co-optation, confrontation and agreement between the CGT and the Menem administration was 'institutional', the government could not control grass-roots resistance and the expansion and politicisation of labour conflict. The other reality of the struggle highlights first, the crisis and decline of the UOM as a paradigm of trade unionism in Argentina and, second, the emergence of new opposition led by the CTA (and the MTA) which attempted to organise the fragmented resistance that emerged not only against the labour reform and its implications, i.e. casualisation of jobs, unemployment, crime, and poverty, under new premises.

The use of the general strike by the CGT does not indicate, in this case, the recovering the power of organised workers' struggles (Iñigo Carreras 1999) but rather its weakness, insofar as the general strike, which disrupts workers' lives and puts

them and their jobs at risk, was their tool to intimidate the government during the process of negotiation. The struggle of the CGT to maintain their previous political space and methods of negotiation, as well as the struggle of the Peronist government to use the unions to secure control of workers' struggles fell short of achieving stability. The form of the labour conflicts and social protest which spread in and against the labour reform elucidated the inadequacy of the CGT strategy to capture and articulate the fragmentation, decentralisation, geographical dispersion and politicisation of labour conflict, owed in great part to unemployment, one of the main products of the labour reform agreed by the CGT.

Chapter Nine

Stabilisation, Unemployment and 'Exclusion' (the Struggle over the Form of Money)



Workers' struggles cannot destabilise stability. Stability is a threaten to our lives. All of us were experienced this in one way or another. When we confront this cruel form of the existence of money, the abstraction can easily become the most rudimentary form of coercion: death. However, not to confront it would also mean death, namely to leave the future in the hands of the depredators of happiness.

'L'ordre monétaire est mortel' (Aglietta and Orléan, 1984: 182).

'This is a special time. If those who are opposed to the reforms don't succeed in twisting my arm, they will not have any opportunity in the future' (Former Argentine Minister of Economics Cavallo, *Página/12*, 17.4.94: 4).

'That all Brazilians are able to have breakfast, lunch and dinner would be also a revolution' (Lula, leader PT, Brazil)

'Our country has difficulties to translate economic growth into job creation' (MTSS, information leaflet).

'Nací para trabajar/ nací para trabajar/y no hay trabajo' (song by Baglietto).¹⁶²

'The working population ... produces both the accumulation of capital and the means by which it is itself made relatively superfluous' (*Capital* vol. I: 783).

'The subject thus constituted initially will be always in process of de (re) constitution, or always at stake and questioned' (Elliot in Galli and Malfé 1996).

'We are unemployed workers and we only want to stop being exploited' (*Piquetero*, *La Nación*, 12.5.00)

'The National Constitution guarantees the right to work, which is, in fact, the right to life' (First Meeting for the Unemployed, CTA, 1997).

¹⁶² 'I was born to work, I was born to work, and there's no jobs'

This chapter discusses the significance of both stabilisation policies and unemployment for the transformation of the subjectivity of labour. In 1991, after some stabilisation attempts (see Beckerman 1995; Pou 2000), hyperinflation was controlled by means of the Convertibility Plan launched by the Minister of Economics Cavallo.¹⁶³ The control of hyperinflation by means of strong state intervention and the initial impulse of the plan was considered an economic miracle leading to the idea that economic stability had been achieved and that STABILITY would benefit everyone.

Yet, the destructive nature of the neo liberal stability broke the link between economic growth and distribution of income towards full employment and workers' welfare, leading rather to increasing unemployment (Barbeito 1995; Lindemboin 1995; Barbeito and Lo Vuolo 1995, Carnota, 1994; Monza, 1995).¹⁶⁴ Consequently, institutional changes, active and passive employment policies, as well as social programmes were launched (Castillo Marín 1993) to contain the so-called 'side effects' of *stability*, and solve the *paradox* manifested by the success of the economic policies in stifling inflation and the dramatic increase of unemployment (Tokman, 1996).

In spite of institutional efforts, President Menem's second period in office (1995-99) was characterised by increasing social unrest throughout the country against industry and state restructuring and the extension of poverty and unemployment. Stabilisation

¹⁶³ The Convertibility Plan consisted of eleven measures that included cutting the public deficit, the deregulation of the economy, the administrative reform of the state, reduction of the foreign debt and improvement of tax collection, trade liberalisation, the lowering of labour costs and labour and social security reform (Acuña, 1994: 45-47).

¹⁶⁴ See debate on the 'destructive effects of the Convertibility Plan' in 'La Convertibilidad otra vez en Debate' *The Washington Post* 15.1.01 in *La Nación* 16.1.01 on line.

policies fostered an unprecedented 'two digits' rate of unemployment, and therefore produced the most unstable form of labour.

As it has been shown, neo-liberal policies contributed to the transformation of labour and social conflict into a more regional, decentralised and 'politicised' workers' and social struggles. The most characteristic form of these struggles is the roadblock. Under Menem, *roadblocks* were the most important and visible form of protest that called into question the policies of stabilisation. The roadblocks, organised mainly by state, unemployed workers and the poor with the participation of the local community, social organisations and trade unions, demanded employment programmes, job creation and industrial development against the economic adjustment in areas where the chronic economic crisis and the restructuring or closure of the only source of employment led to the worsening of working conditions, massive unemployment, and the increase in poverty.

It will be shown that the governmental rationale behind the introduction of focused social policies, as well as specific state active and passive employment policies by law, is to compensate the '*lack*' of jobs produced by the economic transformation. However, employment programmes and social policy only contributed to the creation, affirmation and legalisation of unstable and uncertain forms of capitalist work, within which unemployment is its highest expression.¹⁶⁵

In order to assess stability and employment policies the chapter contests the dominant assumption that unemployment means the *lack of work* and *exclusion from the labour*

¹⁶⁵ On neo-liberal social policies see Marshall 1988; Grassi *et al* 1997.

market, while the absence of adequate employment policies implies the erosion of job-creating social networks (Castel, R 1991a, 1991b, 1991c, de Bernis 1994, Gershanik and Mercer 1996, Hintze 1996, Rosanvallon 1995 among others), I argue that this traditional interpretation does not account for the broader reality of unemployment and acts as the tool for the disempowerment of the unemployed. My main argument in this chapter is that (un)employment is not produced by lack of work but constitutes a *form of labour* produced by the intensification and expansion of capitalist work (see De Angelis 2001 and Cleaver 2001). This form of labour produces *forms of existence* which are experienced by subjects as exclusion from the production process, yet they constitute an integral part of the process of valorisation of capital. In a context of scarcity, policy-making asserted itself as the means towards a new form of 'regulation' of the labour market and labour relations. State policies were unsuccessful in harnessing social conflict since the subjectivity of the unemployed does not lie 'outside' social relations but constitute an essential aspect of stabilisation policies.

Whilst the form 'unemployed labour' is defined by the non-participation of the unemployed in the productive process, i.e. the unemployed cannot sell their labour power, and the condition of labour under capital implies that the unemployed cannot free themselves from their commodified form of existence. This is what it is meant by *real subsumption*. However, while labour is really subsumed and becomes 'invisible' through its non-participation in the labour process, I mean to show how labour, as a form of subjectivity, is still a barrier for the expansion of capital, in so far as it constitutes problematic subjectivity (yet imperceptible). These problematic subjectivity entail an 'unrealised materiality'. In order to make the subjectivity of the

unemployed *visible and material* I extend Marx's formula for the reproduction of capital C-M-C/M-C-M' and its crisis and recomposition in its money form i.e. M-M' (*Capital* vol III), with my own equations that highlights the critical subjectivity of labour: M- α ; β ; λ -M', where α , β , and λ portray the contradictory forms of existence (subjectivity) produced within the process of valorisation of capital.

This approach contest the widespread idea that the roadblock and workers' struggles are a reaction which 'destabilises stability' (Dinerstein 1999). It will be shown that, as an articulation of a form of the state, capital and the law, 'stability' is not threatened by social struggles but, rather, it destabilise and makes human life unsustainable. Social struggles aim to stabilise social relations by making the violence of stability material (physical and visible).

The chapter is divided into four sections. Section I addresses the process of production of the unemployed and the poor as subjects of state policy. The section outlines the reality of unemployment, as well as the arguments put forward by political authorities as well as scholars to explain it. Section II sketches out the institutional changes and agreements and a set of passive and active employment policies launched under Menem to control unemployment. The section assesses the problems of focused policies in the Argentine framework, as well as the political implications of state policy in 'constituting' a fragmented subject. Section III critically considers the sociological work and most important debates on unemployment and the unemployed workers' capacity for resistance. The notion of unemployment as the 'lack' of jobs, the underclass thesis and the proletariat as the reserve army are revisited. Section IV presents a theoretical critique of the

aforementioned notions. An alternative view of unemployment as a form of labour as well as the 'unemployed' as a problematic subjectivity is offered. This theoretical development is fully explored through a case study in the next chapter.

I Stability, Unemployment and Social Exclusion: *Creating the Subject*

Convertibility

Privatisation, flexibilisation and company restructuring, achieved within the framework provided by the convertibility plan, fostered unprecedented job instability and unemployment. The end of inflation meant the destabilisation of workers' lives. Cavallo's economic reform aimed at the opening of the economy, making sound the public finances, stability of the real exchange rate and the flexibilisation of the labour market (FIEL in Goransky 1994: 49). The *Law of Convertibility* (No 23,928) allowed the devaluation of the national currency and the pegging of the Argentine peso to the US dollar at a rate of 1 to 1. As a result, inflation bounced back from 11,832 percent in 1990 to 4 percent in 1994 (McGuire, 1997: 219; *The Economist*, July 6th 1996: 63). Once it was achieved, the government made use of the *macroeconomic stability*, structural reforms and the expansion of demand to encourage capital investments and increase productivity (Gerchunoff and Machinea, 1995: 51). During the first three years of the plan, Argentina accomplished high rates of economic growth and a notable increase in labour productivity in manufacturing industry and the service sector. Sustained foreign capital investments financed the expansion (Bustos, 1995: 19; McGuire, 1997; Welch, 1993).

However, after its initial expansion and success, the plan being vulnerable to the movement of global capital and financial markets (Goransky, 1994), in 1992 there were increasing distortions in relative prices, an undervalued dollar vis-à-vis an overvalued peso and the exchange-rate parity was very precarious (Acuña, 1994: 48). In 1994, the plan was undermined by an increase in interest rates in the United States, and the reduction of foreign investments. This coincided with the Mexican 'tequila' crisis that affected the stock market and the dollar - peso relation (García and Gómez 1995).¹⁶⁶ These 'external financial' factors were put forward as reasons for the inability of the plan to prevent increasing unemployment, accelerating outflows of capital and the increasing cost of credit (Gómez *et al*, 1996 c.f. Lindemboin 1995: 58). By 1997, the economic recovery after the 'tequila' crisis was accompanied by an increase of the rates of underemployment and unemployment that were 30% and 10% higher than in 1994 respectively thus indicating a very unstable form of the accumulation of capital.¹⁶⁷

The Industry of Unemployment

One of the most important industries developed during the first years of the convertibility plan was the industry of unemployment. In August 1995, official

¹⁶⁶ The Argentine stock market was also affected by the Brazilian stabilisation policy, the *Plan Real*, that led to the development of the Brazilian domestic market and the reduction of imports from Argentina within the MERCOSUR (INDEC 1999).

¹⁶⁷ See IDEP, 1999. Since 1991, job insecurity has been considered the most important long-term problem of the Argentine economy. See for instance López Murphy in *El Economista*, 14.7.95: 15; Heugas in *La Nación*, 30.7.95: 1 and CAC (*La Nación*, 1/8/95: 9). Economists and politicians -- and also Church leaders -- were worried about the negative social *impact* of the economic miracle, i.e. 'the inhuman face of adjustment'. The reason being that unemployment in Argentina entails the risk of complete deprivation, poverty and mental and physical illness (Kessler, 1996; Kliksberg 1996, see Lozano, 1997; Schemelson, 1996; Gershanik and Mercer, 1996; Galli and Malfe, 1996). Many posed the question of governability in the crisis (Dos Santos 1996) and the sustainability of the system (Peñalva and Rofman 1996). Others asked whether capitalism could survive with such a level of

statistics (EpdH May, INDEC) highlighted that since the convertibility plan, unemployment had risen from 6% in 1991 to 18.5% in 1995 (Palomino and Schvartzer, 1996: 17; Feldman, 1995: 58; Barbeito 1995). This means that unemployment increased three times reaching around 2,400,000 people in only five years. In Capital and Gran Buenos Aires (where half of the unemployed are concentrated) the rate of unemployment went up to 20.20% in May 1995. Unemployment was named a *flagellum* (Lindemboin 1995; see Cademartori, 1995). Rather than being a temporary situation, most economists agreed that unemployment 'has come to stay'. In July 2000, the rate of unemployment was 15.4% and it was estimated to reach 17.1% in 2003.¹⁶⁸

Urban Active Population (May, in thousands)

	1991	1992	1993	1994	1995
Active	11,234	11,542	12,272	12,393	13,160
Employed workers	10,458	10,746	11,057	11,067	10,712
Unemployed Workers	775	796	1,215	1,326	2,448

Sources: Lindemboin 1995: 58, based on INDEC

unemployment (León, 1997). Political parties in opposition elaborated proposals to 'fight against unemployment'.

¹⁶⁸ INDEC, August 2000; MTSS in *La Nación* on line 11.7.00; see Verbitsky, H 'Al mal tiempo buena cara' in *Página/12*, 16.7.00 on line).

Intensity of the predisposition to work: Groups of the population according to intensity

Year	Period	Unemployed Looking for a job %	Workers looking for a job	Underemployed who don't look for another job	Workers working more than 35 hours	Total % of the PEA	Economically Active Population (PEA)
1990	May-	8.60	13.30	4.83	11.95	38.71	100
	October	6.00	12.82	5.41	11.91	38.14	100
1991	May-	6.31	12.40	4.70	11.23	34.64	100
	October	5.30	10.94	4.81	10.89	31.91	100
1992	May-	6.70	12.80	4.47	9.64	33.56	100
	October	6.70	12.40	4.03	9.37	32.48	100
1993	May-	10.61	15.27	4.56	9.18	39.59	100
	October	9.63	13.92	5.32	8.75	37.64	100
1994	May-	11.06	16.02	5.60	9.00	41.69	100
	October	13.12	16.70	4.73	9.71	44.25	100
1995	May-	20.20	21.20	4.00	8.60	54.00	100

Source: INDEC in Feletti and Lozano, 1996: 3

But the main problem was not *just* unemployment but the explosive combination of unemployment with underemployment (Monza, ILO in *Página/12*, 10.6.90: 11; Monza 1996). According to Lozano, in 1996 50.8% of the economically active population (PEA) was underemployed (1997: 3). And 41.2% of the PEA of Gran Buenos Aires had job problems, i.e. between around 5 million and 7 million workers out of 13 million experienced employment problems (1996: 4).

Although in 1996 employment increased by 1.6% in the private sector it was achieved by means of precarious contracts according to the new rules included in the NLE. As shown in the previous chapter, better economic performance was accompanied by a growth of the informal economy (Feldman, 1999), more precarious working conditions (see Lindemboin) (1996) and by means of fixed contracts which allow employers to avoid from 100% to 50% of social security payments and also receive

compensation for undertaking competitiveness - orientated training schemes.¹⁶⁹ Workers in the informal sector constitute a large portion of the Argentina labour force.¹⁷⁰ Following the Latin American pattern (i.e. Brazil and Perú), the ILO reported that in Argentina the participation of the informal sector in the economy increased from 39.4% in 1980 to 47.5% in 1990, and to 52.5% in 1994 (*Panorama Laboral*, ILO, 1995 in Feldman, 1999: 106). By 1997 there were 4 million workers in the informal economy (*Clarín Internet* 7.3.97).

Official pronouncements claimed that rising unemployment had nothing to do with the convertibility plan but rather with internal factors, like the combination between an 'influx of non-traditional job seekers attracted by new economic opportunities' (McGuire 1997: 222) and the rigidities within the labour market.¹⁷¹ Yet, commentators explained that the dramatic increase in unemployment was due to the simultaneous increase in the number of people able and aiming to work, *and* economic growth based on job destruction. The year 1991 marked a turning point in the relationship between growth and the rate of unemployment: whilst the rate of activity grew between 1990 and 1995 by 9%, the rate of employment decreased by 4% (Feletti and Lozano, 1996: 10).¹⁷² In short, since the convertibility plan, the decrease in the capacity for job creation and the destruction of jobs in the public and industrial sectors went together with an increase in the demand for jobs (Feletti and Lozano, 1996: 10-11; Cholvis 1991).

¹⁶⁹ In 1995 the state provided \$ 4,000,000 (fiscal credit) to help those enterprises that decided to invest in training- schemes (MTSS, Informe Especial 1996).

¹⁷⁰ The informal sector includes the self-employed, micro entrepreneurs with low income (except professionals) and rural work based on family activities (Feldman 1999: 104).

¹⁷¹ C.f. government's view in MTSS, 1996a.

¹⁷² In absolute figures: since the convertibility plan, 495,000 jobs had been created between 1991 and 1993, but there also an increase in the demand for jobs of 1,000,000 people. Between 1993 and 1994 more people aimed to enter the labour market (100,000 more) but the economy started to destroy jobs,

Whereas it was clear that economic restructuring led to job destruction and the intensification of the exploitation of workers, the reasons for the rise of the demand for jobs was debatable. According to Beccaria and López (1995) there are two explanations for this. The first being that before 1991, many workers remained unemployed for there were no jobs available, i.e. so-called *invisible* unemployment. So the intention to work increased due to the *success* of stabilisation policies. The Minister of Labour put it like this: ‘the problem is that at the moment, there are more employed workers than ever, but there are not enough jobs to cover the demand for jobs’ (Caro Figueroa in *La Maga*, 7.12.94: 5). The second hypothesis explained the rise of the number of workers aiming to work *on unemployment itself*, low wages and poverty produced by stabilisation policies, that forced women as well as pensioners and also children to try to enter into the labour market and some workers to find a second job (Beccaria and López, 1995; also Bour 1995). Marshall (1995) supports this hypothesis and adds another one: the increase in the flow of immigrant workers from neighbouring countries, attracted by the over-valuation of the peso (see Feldman 1995a; c.f. Lindemboin 1995).¹⁷³

McGuire argued that ‘the main causes of unemployment were not those highlighted by the government but rather civil-service layoffs, personnel cuts by newly privatised enterprises, increased import competition and the replacement of human by mechanical labor. The convertibility plan contributed directly to the civil-service

thus unemployment grew (177,200 workers). In 1994 and 1995, there were 800,000 more people looking for a job whereas 246,900 jobs were destroyed. Unemployment grew by 1,046,900.

¹⁷³ To the government too, coupled with the lack of training and the capacity to reconvert the labour force according to the requirements of the new forms of production and the rigidity of the labour law, illegal immigration is one of the most significant causes of the difficulties for workers to enter the labour market (Lindemboin 1995: 57).

layoffs...privatisation, spending cuts, liberalization, and deregulation not only contributed to unemployment but also stripped power from unions as organisations' (McGuire 1997: 223). So the proposition that it is the 'bad effects of stabilisation' rather than its success that has led to the rise in the demand for jobs has been considered the most appropriate by scholars that stood against governmental rhetoric.

Others pointed at the impact of flexibilisation policies on the labour market (Lindemboin, 1995; Felletti and Lozano 1996; Beccaria and López 1995). Although flexibilisation policies were, according to the government, enacted to provide a solution to unemployment, the rate of unemployment reached 18.4% in 1995 when flexibilisation policies were legitimised by the Laws 24,465 and 24,467. As mentioned in the previous chapter, the convertibility plan forced small and medium enterprises to reduce costs and reorganise the production process (Beccaria and López, 1995: 214; McGuire 1997: 221). As has been shown, insofar as the requirement that the monetary base must be 'backed fully by an equivalent amount of foreign reserves in the Central Bank prohibits the use of reserves for any other uses, foreign debt payment included' (Canitrot 1994: 88), stability, the increase in productivity and economic growth demanded by the IMF have to be achieved by means of a greater exploitation of the labour force, regressive income distribution (see Beccaria 1996; Marshal 1995), by wage reductions, the spread of precarious contracts, a reduction in labour costs and the avoidance of social security taxes (Feletti and Lozano, 1992:10-13).

Thus, 'far from encouraging employment, fixed-term and casual contracts allowed the reduction of labour costs but increased the rate of unemployment too' (Feletti and

Lozano, 1996: 7). A desegregated analysis of the type of unemployed and the cause of redundancy highlights the increase in unemployment produced by the *end of a casual contract*. For instance, only in Gran Buenos Aires, the rate of unemployment produced by the end of temporary contracts increased by 290% from October 1993 to May 1995. The following two tables illustrate this:

**Rate of unemployment disaggregated
by type of unemployed and causes of redundancy**

	Gran Buenos Aires				Gran Rosario				Gran Córdoba			
Type of Unemployed	October 1993	May 1994	October 1994	May 1995	October 1993	May 1994	October 1994	May 1995	October 1993	May 1994	October 1994	
TOTAL	9.6	11.1	13.1	20.2	11.8	13.1	12.4	20.9	6.9	7.7	9.6	
1. OLD WORKERS	8.2	9.5	11.3	17.4	8.0	9.6	9	15.4	5.7	5.5	7.0	
1.1 Made Redundant for Working Reasons	6.6	8.1	9.7	14.8	6.3	8.0	7.7	12.9	5.1	5.0	6.3	
Redundancy	2.6	3.0	3.7	5.2	2.6	2.6	2.7	5.2	1.9	1.9	2.4	
Destruction of jobs	1.6	2.1	2.4	3.0	1.9	2.5	2.5	3.2	1.6	1.1	1.5	
End of a Temporary Job	1.0	1.5	1.7	3.9	1.1	1.9	1.7	2.5	1.0	1.3	1.61	
For labour conditions (1)	1.4	1.5	1.9	2.7	0.7	1.0	0.8	2.0	0.6	0.7	0.8	
1.2 Made redundant for Personal Reasons (2)	1.6	1.4	1.6	2.6	1.7	1.6	1.1	2.5	.06	0.5	0.7	
2. NEW WORKERS	1.4	1.6	1.8	2.8	3.8	3.5	3.4	5.5	1.2	2.2	2.6	

Source: INDEC in Feletti and Lozano 1996: 7. (1) Includes low wages, overdue wages (2) includes voluntary redundancy, retirement

	Gran Buenos Aires			Gran Rosario		
	1993 October	1995 May	%	1993 October	1995 May	%
Total	9.6	20.2	110.0	11.8	20.9	77.0
End of Temporary Contracts	1.0	3.9	290.0	1.1	2.5	127.0

Source: Feletti and Lozano 1996: 8

Poverty

Argentina's case reveals the absence of a policy of amelioration of the social consequences in depressed areas, and of a national strategy to achieve a balanced distribution of industry, employment and population as between different regions by encouraging interregional mobility, and also the lack of a network of regional agencies (on this Barberis and May, 1993). The convertibility plan reinforced the tendency towards a regressive distribution of income leading to the development of an unequal or dual society, 'an enormous factory of poverty' (Borón 1995b: 4; also Auyero, 2000; IDEP 1999: 327; Feletti R and Lozano C 1997a; Beccaria, 1996; Goransky 1994; Minujin 1996, ed.; Gómez Sabaini and Santiere 1996; Beccaria and Carciofi, 1996). Scholars suggested that the convertibility plan led to the destruction of those regulatory bodies that supported the weakest sectors of the regional economies (Rofman 1995).¹⁷⁴

The deepening of the uneven development of regional economies without state protection for less favourable zones and the concentration of capital in a few localised industries (Manzanal, 1995: 72-3) led to insecurity in the interior of the country. This limited even more the mono-productive character of the interior economy and increased the development of the 'dual' economy. Small producers subsist thanks to solidarity networks, organisations and self-consumption. The scenario of rural unemployment and regional heterogeneity (Delich, 1997) was completed with the privatisation of the railways and telecommunications. The reduction of services, because they were non-profitable, limited the exchange between different small towns

and cities, and some of them are literally *vanishing* (Manzanal, 1995). As a result, a geographic transformation of the labour market took place: since the convertibility urban unemployment increased from 800 thousand to 1,300,000 workers (Lindemboin 1995: 58).¹⁷⁵

Stability also undermined the capacity of those vulnerable sectors of society in devising survival strategies (Hintze 1996: 66). The institutional and economic transformation in a context of lack of economic growth (*estancamiento*) had a substantive impact on the structure and dynamic of the labour market and constituted the basis for 'social exclusion' (Tenti Fanfani 1996: 243, my emphasis). Unemployment produced inequality. According to Tenti, 'we are witnessing today the destabilisation of significant sectors of the population who in previous years enjoyed all the social advantages provided by a stable relatively well-paid job' (Tenti Fanfani 1996: 247; see Conceiçoa and Ferreira 1999). Poverty and unemployment combined constitute a 'vicious circle' since they are reciprocally related, i.e. under relations of social exclusion it is difficult to be reinserted into the labour market insofar as nutritional, educational, and housing problems create competitive disadvantages for the poor to get into the labour market (Kliksberg 1996: 45; on this Altimir O 1995).

The Menem administration argued that during convertibility, poverty decreased. However, this seems to be more a matter of statistical measures than a real fact since the tendency towards a regressive income distribution was only softened but not

¹⁷⁴ E.g. the *Junta Nacional de Granos* to sustain and support the production and export of grain, as well as other bodies to protect and support production of yerba mate, wine and sugar (Rofman 1995: 168-9).

¹⁷⁵ In 1991 there were 28.4 million people living in urban areas. In May 1994 there were 29.7 and in May 1995 it was deemed that more than 30 million lived in the cities.

solved by the convertibility plan (Borón, 1993: 67).¹⁷⁶ Studies of the relationship between poverty and unemployment highlight that in Argentina, 70% of poverty is not structural but rather caused by unemployment or a vulnerable employment situation: 'a significant part of poverty that Argentina endures nowadays is hidden behind houses' front doors and is not able to be registered as marginal population or the poor, nor can it be solved with a strategy of focalised social policy'. The kind of social policy recommended by the IMF and the WB to solve poverty do not contemplate this fact (Lozano 1997: 7). AIDS, poor housing, child mortality, and school marginalisation among others seriously affect a large part of the population of the city of Buenos Aires (López, Artemio, 1997a, b, c and d; see also Beccaria and López, 1996).

Being Unemployed

Studies of the psychological and sociological effects of unemployment highlighted the fact that unemployment is experienced individually as something more than the lack of a job. It is experienced as a feeling of social helplessness, of abandonment, of exclusion. Unemployment appears collectively represented as both a temporary state and a permanent state. Duration of unemployment is the point of inflection: time makes the dangerous temporary situation become a permanent state (Kessler 1996: 114-116).¹⁷⁷

¹⁷⁶ During the military regime and the 1980s poverty increased in astonishing proportions. As highlighted, whilst in 1974 only 3% of households were under the established 'poverty line', in 1988 there were 29% of families in that situation (Borón, 1993: 66).

¹⁷⁷ The average term of unemployment has increased. Long-term unemployment of 12 months (non-existing in 1991) in May 1996 affected 10% of the unemployed whereas half of them had been unemployed for about 2 to 12 months (MTSS working paper, unpublished, 1997)

In their everyday struggle for a job the unemployed do not simply suffer from the humiliation of lengthy queuing, excessive requirements (more than those held by existing employees), rejection because of their age, abuse of power by managers who interview them, reduction of their expectations regarding wages and working conditions. Most importantly, they experience the need to recover the ability to sell themselves again: 'One has to sell oneself all the time!'... 'How does one sell what one has got to offer, what one really *is*?' (interviews by Kessler, 1996: 135). In short, the unemployed suffer from the tension between what they are and need, and whether what they are and need is *useful* for capitalist development, for the process of capitalist fetishisation entails the detachment of needs from capacities (see Heller 1976: 41).

In so far as the political appears as external and capital's requirements as *abstract* needs, this results in an introspective attitude, frustration and the consequent construction of *handicaps* as self-stigma. Consequently, being a parent, or a single mother, or the lack of new skills and qualifications, or some decisions in changing jobs taken in the past, or political participation in joining the trade union or a political party, or age, or any disabilities are considered by them as obstacles to their social *reinsertion* in the productive system, that is in the *community* (Kessler 1996). Their very identity is redefined since 'their entire lives turn adrift, as much in terms of adult identity as in terms of survival' (Grassi in Hintze 1996: 68).

It is argued that the unemployed have difficulties in organising themselves since high rates of unemployment also undermine the negotiation and pressure capacity of the trade unions, particularly for the unemployed workers (Murmis and Feldman (1996).

Tenti Fanfani has also emphasised the crisis of, first, the classical forms of representation of the working class vis-à-vis capital, and, second, the crisis of the capacity to be represented which constitute the basis for collective action (i.e. workers, *obreros*, proletarians, and entrepreneurs, *patrones*, capital) (Tenti Fanfani 1996: 255).

Some work has been done to explore the degree of social organisation or collective action and their interaction with other social and political organisations of workers among the unemployed, the poor and workers in the informal sector. By moving beyond statistical classifications and standing against the notion of passivity, Feldman and Murmis (1999) showed empirically some cases where workers in the informal sector engaged in organisations or networks. They conclude that although the 'world of informality' is not completely disorganised, there are many organisations and networks. However, there are many financial and organisational difficulties for those organisations just constituted by informal workers and new organisations are almost non-existent. Nevertheless, as explained below, demonstrations provoked by economic restructuring and unemployment and social instability became a common feature from 1993 onwards. State policy-making aimed to control social unrest and by so doing, maintain 'stability'.

II Institutional Changes and Employment and Social Policies *Controlling the Subject*

Stabilisation policies led to the recomposition of the state with regard to unemployment. As the political form of capital, the state is a crucial aspect of the constitution of the forms of labour and their further regulation. During the 1990s, both

unemployment and poverty became 'political' problems. As the Minister of Labour put it, 'unemployment is a concern of the state and that involves all of us' (Caro Figueroa, MTSS 1994: 13).¹⁷⁸ In order to uphold stability, employment policies as well as new social policies were introduced.¹⁷⁹ Instead of corporatist negotiation with the trade unions over e.g. Keynesian expansionary programmes, now excluded from the state agendas by the convertibility plan, the government launched a series of 'active' employment policies financed by international credit. These programmes were aimed directly at the unemployed, recognising that unemployment will be a permanent phenomenon, and the unemployed will become a social and political threat. It was argued that the state should intervene to help job creation and soften the bad effects of economic restructuring that affected a large portion of the population. Thus, institutions were transformed progressively in order to 'cope with the drama' of unemployment. Active and passive employment policies were inaugurated by the NLE (Caro Figueroa, 1996: 18; Freyssinet, 1994; Diaz, 1995). The Ministry of Labour changed its structures and functions to devise 'employment policies' and reinforced social policy. The transformation of the state form led not only to the transformation of the form of labour. By means of 'active' employment policies the state not only recognised unemployment as a problem but created 'the unemployed' as subjects for state policy making and therefore, created them as a political subjectivity.

The ARENA

¹⁷⁸ The issue of 'unemployment' was also incorporated into the national constitution (reform 1995) and became a main concern of Menem's election campaign in 1995 (Diaz, 1995: 91).

¹⁷⁹ The government's argument was that stability and economic growth would not solve the problem of unemployment on its own. Between 1990 and 1996 the GDP grew 4.8% whilst employment grew only 1.2%. See MTSS 1995b.

The state's commitment with regard to unemployment was expressed in the agreement achieved with the CGT and employers' organisations in July 1994. As considered in chapter 9, the AM, provided a framework for new flexibilisation laws to be passed but also to accomplish joint action against unemployment. In November 1994, the Regional Agreement for Employment in the Argentine North (*Acuerdo Regional para el Empleo en el Norte Argentino—ARENA*) was reached to deal with the problem of unemployment in the northern provinces of Jujuy, Salta, Chaco, La Rioja, Catamarca, Santiago del Estero, Formosa, Tucumán (MTSS 1994; MTSS 1994).¹⁸⁰ According to the ARENA, the region presented in 1994 one of the highest levels of unemployment of the country as well as a low rate of economic activity, and a large deficit in professional training. The agreement explicitly recognised the necessity to 'reinforce the co-ordination of national and provincial policy-making in economic, labour and social areas' (p.8). The regional AM established the creation of productive employment as its main goal and priority. The national government committed itself to reinforce employment programmes in the area as well as to provide support to the regional employment department and improve economic and technical assistance to the unemployed (p.10). Provincial governments committed themselves to launching provincial employment policies. Labour and employers' organisations committed themselves to assess the impact of their actions on employment (p. 11). After the agreement, the CGT, the CTA and the MTA made unemployment one of the central issues for the general strikes called in September 1995 and August and September 1996 (see chapter nine).

¹⁸⁰ The ARENA was signed by President Menem, the eight governors, the CGT provincial secretaries and the representatives of the provincial branches of the UIA.

Institutional Innovation

Also in the framework of the AM, Decree 286/95 established the need 'to modify the structure of the MTSS to provide it with the tools to act with celerity and rationality' (see old structure in Decree 1518/88), namely, to create a new sector to give a more integral response to the complexity of unemployment. The new *National Direction of Employment* created in 1991 was primarily responsible for all aspects related to employment, utilisation of labour capacity and the functioning of the national employment system, job creation and administration of employment benefits.¹⁸¹ The new *Secretary for Employment and Professional Training* within the MTSS was in charge of devising employment policies and training programmes, to implement them with the collaboration of the *Dirección Nacional de Relaciones del Trabajo* and to elaborate proposals for the assignation of resources from the *Fondo Nacional de Empleo*.

Job Centres (*Agencias Públicas de Colocaciones*) were opened throughout the country to 'mediate between unemployed workers and the labour market' and 'help workers to find a job and employers to satisfy their demand'. The government held 'matching criteria', i.e. to help the people to get the best job and entrepreneurs to choose the best people (Ashton 1986: 52). The agencies opened in Rosario, Santa Fe, Bahía Blanca, Corrientes, Resistencia, San Miguel de Tucumán, Catamarca, Jujuy,

¹⁸¹ According to the director of MTSS Regional Buenos Aires, the Ministry of Labour was traditionally concerned with the regulation of labour relations and collective bargaining. The issue of unemployment occupied a marginal place within the MTSS. The *Dirección de Empleo* was a small office in charge of statistics and specific studies on the labour market. But in 1984, under Alfonsín, there was an important change which produced a debate on the regionalisation of the MTSS and the role of the new regional secretaries of employment. At that moment, both unemployment and the decentralisation of collective bargaining transformed the role of the MTSS (author's interview, 15.8.97).

Santiago del Estero and Salta. In April 1996, Decree 385 created *Gerencias Regionales de Promoción del Empleo* (Regional Employment Gerencias) in Chubut, Neuquén and Río Negro, Santa Cruz, and Tierra del Fuego, particularly problematic areas with regards to economic restructuring, unemployment and social protest. A policy to fight 'non-registered employment' was also launched.¹⁸²

The 'Federal Program for the Encouragement of Registration of Employment' (*Programa Federal para Promover la Registración Laboral*) and the 'Program against Clandestine Employment' (*Programa contra el Empleo Clandestino*) aimed to reduce informal labour, i.e. employers' tax evasion by means of non-registered employment that had increasingly affected workers and the unemployed, particularly since 1991:

Year	% of workers without pension contribution
1989	28.8
1990	26,7
1991	30,4
1992	32.3
1993	32.8
1994	33.0
1995	32.2
1996	33.4
1997	38.1

Source: EPdH (Indec, May) in MTSS, Kritz 1997.

As a counterpart, the government encouraged the use of those fixed-term contracts introduced by the NLE and new legislation.¹⁸³ Although the flexibilisation of labour was claimed to *encourage job creation* by facilitating hiring and dismissing

¹⁸² Non-registered employment means that the worker is not registered under the labour law, i.e. LCT or NLE, and therefore the employer does not contribute to social security. This casual form of hiring is measure by the data provided by the EPdH (INDEC) (Neffa J *et al* 1999: 111). According to official statistics, a non-registered worker earns 40% less than a worker under a legal contract and excluded from social security during work time and pension at the age of retirement (Neffa J *et al* 1999: 110). According to the MTSS non-registered employment implied a loose of \$ 4,960,000 to the social security system (*idem. ant.:* 112).

procedures and reducing costs, the government launched a set of employment programmes to deal directly and indirectly with unemployment. Most of the programmes were devised under the umbrella of 1991 NLE and the 'National Programme against Unemployment' (PRONACODE) (Caro Figueroa 1996; see Diaz 1995: 103).¹⁸⁴

Passive Employment Policies

The NLE created the new employment benefit, or Sistema Integral de Prestaciones por Desempleo (a contribution system) (Díaz, 1995:97-98) which entitled all unemployed workers that worked under the LCT to 50% of the best wage of the last 6 months for one month to one year maximum, depending on the contribution they had made during their work-time. The benefit is funded by the National Fund for Employment (Fondo Nacional de Empleo) (Díaz 1995: 97 and 107; Lo Vuolo 1995: 265). It has been estimated that the benefit can cover in the future 10.3% to 13.35% of the urban unemployed (Feldman 1995: 37). The benefit excludes state, construction, rural and domestic workers (Lo Vuolo, 1995: 265). Young people and women entering into the labour market for the first time, or those workers who work in the black economy (MTSS, special report 1996; 1996a) are also excluded: 40% of unemployed workers are excluded from social security.¹⁸⁵ Those beneficiaries of the SIPD were called to participate in public works and works of communitarian interest

¹⁸³ 400 *promotores* of employment visited more than 480,000 private companies during 1995 to encourage the use of new forms of employment as well as provide information about the state programs (Diaz 1995: 98).

¹⁸⁴ By definition, active employment policies demand compromise or participation of the beneficiary. They are employment programmes, labour training programmes and programmes of institutional strengthening. Unlike active policies, passive employment policies do not demand any participation from the beneficiary, i.e. employment benefit (MTSS 1999: 177).

(e.g. Programa Intensivo de Empleo, PIT) and training programs, see below) under the national programme 'Back to work' (MTSS Resolution 448/94).¹⁸⁶

Active Employment Policies

Active employment Policies comprised: i. Programmes of Direct or Temporary Employment

The first programme launched by the government in 1993 was the Intensive Program of Employment (*Programa Intensivo de Empleo*, PIT) to help provinces or counties in occupational emergency to create employment. The PIT, subsidised by the *Fondo Nacional de Empleo*, allowed the unemployed inscribed in the *Servicio de Empleo* to participate for a short period of time in a local social project. The programme created 120,000 jobs and more than 250 million pesos were spent on the programme in two years (Díaz, 1995: 102-3; Decree 18/93; 661/94 and 883/94).

During 1994-1995, the government launched the Program of Solidarity Assistance (*Programa de Asistencia Solidaria*, PROAS and the *Programa de Entrenamiento Ocupacional* PRENO). They provided financial help of \$200, health services and social insurance to those unemployed involved in communitarian, agricultural and public work projects. The Program for Employment of Social Interest (*Programa de empleo de interés social*, PROEDIS) helped NGOs to assist long-term unemployed from public or private service companies over 45 and the low-skilled with job contracts of one year in public works. *The program ASISTIR encouraged the temporary employment of young workers under 25 and the projects were directed by

¹⁸⁵ For instance, in May 1995 only 104,861 (monthly average) workers out of around 2,200,000 enjoyed the benefit through the SIPD created in 1991 by the NLE (Díaz, 1995:97-98; Feldman 1995a).

NGOs and the Army. The program PROCOPA (*Programa de Empleo Coparticipador*) was based on the execution of public works by provincial governments with an intensive use of labour and financed by the *Fondo Nacional de Empleo*.

The Programa TRABAJAR I, II and III created in 1995 in the framework of the NLE aimed to bring temporary employment through local, provincial and national projects assisted by the Secretary of Employment and Training and administered by the *Gerencias Regionales de Empleo* (MTSS Resolution 576/95; SEyFP Resolution 03/95). The TRABAJAR only allowed the unemployed in absolute poverty to obtain a 160 peso per month job for a period of three to six months in public works, with the beneficiaries working in extremely precarious conditions, and the jobs do not include pension contributions, but only basic health care. During 1996 it involved around 5,000 projects of sanitary infrastructure, social infrastructure, housing and other public works and covered 118,106 beneficiaries. In 1997, the programme was widened by \$162,000,000 and continued as the TRABAJAR II and III to cover those unemployed 'in poverty and under vulnerable situations' (MTSS Resolution no. 240/97 and SEyCL Resolution no 202/97). This programme deserves special attention for it led to paternalistic relations and corrupt practices (López, Artemio, 1997a).

The Program SERVICIOS COMUNITARIOS also aimed at the creation of casual jobs (Resolution MTSS 453/96 and SEyFP 107/96) in the community. In this case, 80% of the casual jobs were for women, preferably breadwinners. SPECIAL EMPLOYMENT PROGRAMMES aimed to cover those areas and beneficiaries not

¹⁸⁶ See amounts spent and number of beneficiaries of all programmes in MTSS 1999.

covered by other programmes. The Programme Local Development (*Desarrollo de Empleo Local* I and II) aimed to create a legal framework to undertake temporary employment programmes by means of reaching individual agreements with different organisations. The programme *Movilidad geográfica* aims to facilitate the mobility of those workers in situations of vulnerability to areas where there is a demand for workers.

ii. Programmes to Encourage Private Employment

The *Programa Promoción del Empleo Privado for Small and Medium Enterprises*, PEP-PYMES (decrees 87/94 and 735/94; resolution MTSS 47/95 and 5/95) encourage the hiring of 37,000 workers 16-25 years old, women without age limit and men over 45, in small companies (less than 100 workers) through the financial help of the National Employment Fund. The PEP was regionally run by the *Gerencias Regionales de Promoción del Empleo* (MTSS) Cost of \$ 30,000,000 (MTSS information flyer). The *Programa Nacional de Pasantías*, PRONAPAS aimed to train apprentices between 16 and 25 years, women without limit of age and men over 45. The *pasantía* could not be longer than three months, with a monthly payment of \$200 and companies have the obligation to incorporate 20% of these hired workers into the permanent staff.

The Program of Subsidies for Occupational Accident 1994-95 (*Programa de Subsidio a las Primas por Accidente de Trabajo*; PROSA) encouraged job creation by means of a subsidy to victims of occupational accidents PyMES (40 –100 workers) engaged in it. Workers should be between 16 and 25 year old, all women and men older than

45. The national program FORESTAR was launched in October 1995 (MTSS 1996c). It aimed to encourage the temporary hiring of unemployed workers for short-term forestation projects undertaken by private agricultural companies according to the legislation for agrarian work (the *Regimen Nacional de trabajo Agrario*) no 22,248; as well as to encourage the creation of permanent jobs for those workers and was administered by the *Gerencias Regionales de Empleo*.

The program *PROEMPLEO* aimed to create private employment in productive sectors or areas under productive restructuring, encouraging the hiring of workers over 38.

iii. Localised Training Programmes

The *Proyecto Jóven* encouraged training for young people. It combined the creation of employment with professional practice in companies. The programme *Talleres Protegidos de Producción* provided workshops for disabled workers, financed by the Central Bank. *Acciones Especiales de Capacitación* brought training to those workers in sectors of the economy or regions under crisis. The *Programa Regional de Fortalecimiento del Entrenamiento Técnico y Profesional de Mujeres de Bajos Ingresos* is a regional programme targeted to increase job opportunities for women from Argentina, Bolivia, Costa Rica and Ecuador. It was subsidised by the *Banco Interamericano de Desarrollo* and the *Fondo Nacional de Empleo*.

iv. Programmes for the Development of Human Capital

The program for the Encouragement of the Training Contract (*Fomento al Contrato de Aprendizaje*, APRENDER) aimed to encourage temporary job creation (3 to 24

months) by means of a contract between a young worker (14-25 years old) and an entrepreneur under training conditions according to the Law 24,465. The program aimed to assist 100,000 apprentices and spend \$28,800,000 (MTSS 1996a). The Programme MICRO project supported workers 'affected' by economic restructuring. The IMAGEN project of Orientation to Employment was targeted at the long-term unemployed particularly from the public sector, i.e. the 'surplus labour population from the restructuring processes' and aimed to train unemployed workers in searching for a new job (MTSS leaflet information).

v. Programmes towards Institutional Strengthening (*Talleres Ocupacionales*).

The *Programa de Talleres Ocupacionales* created in 1995 aimed to training of the unemployed and workers in small and medium enterprises in relation to the requirements of the labour market. In 1997, 300,326 workers had been benefited by it and the state spent \$83,519,772. Genuine job creation during 1997 was claimed to be 1,000,000 jobs (López Artemio 1998: 2).

The significance of state policies in shaping the capacity for struggle of the unemployed has also been a matter of sociological investigation. By holding a neo-Marxist approach, Piven and Cloward (1977) argued that 'the poor only protest when there is a widespread economic, ideological and political crisis' of those institutions that provide the unemployed workers with an income. These institutions shape the struggles of the unemployed, whose protests are directed to those who deal on a daily basis with their income support. In short, they argue that protest should be seen as *'the*

mechanism through which the lower classes obtain concessions from elites' (Piven and Cloward in Baguley 1991: 23, authors' emphasis).¹⁸⁷

Employment policies in Argentina are more a source of conflicts than their solution. First, employment policies resulted in a struggle over scarce resources and credit from international bodies. Rather than democracy, decentralised management led to corruption and paternalistic distribution of the employment programmes as well as increasing the fierce competition to obtain and even manage the programmes within the local and provincial states. The allocation of employment programmes was also used by the central government as a form of political compensation or punishment to those governors who were accomplishing or not the economic adjustment required by the IMF. The governors used the programmes to favour political allies before elections or to co-opt unions. In short, generally speaking, focused and patchy employment policies in a context of scarcity of resources and historical institutional inefficiency led to the reinforcement of the segmentation of the labour market and social differentiation that it supposedly aimed to solve.

Regulation via Fragmentation and Scarcity

After the wave of protest of 1996-97 in Neuquén, and the installation of the *Carpa Blanca* in the Plaza de Mayo (see previous chapters), the IMF was concerned not only about the rise in unemployment rates and the unequal distribution of incomes but

¹⁸⁷ To Baguley, although these authors deal with the important issue of the institutional structure of protests their approach is too deterministic, it 'lacks an analysis of the different forms that state unemployment relief may take'. This is an important aspect because, according to him, 'the electoral control of the institutions of unemployment relief is a crucial, if uncertain, prerequisite for the emergence of political organisations of the unemployed' (p.29).

most importantly about the future of economic restructuring and the risk of increasing public expenditure during electoral years to suffocate workers' unrest by governors.¹⁸⁸



Following Barbeito and Lo Vuolo, with the exception of education (that was devised at the end of the 19th C when the modern conceptions of social policy were not developed) most social policies in Argentina had corresponded 'to

the Bismarckian principle of insurance during the 1940s and whose 'subject' was the *worker* rather than the citizen. Rather than an 'integrating state', social policy depends both on the negotiation with corporations and organisations such as trade unions who received the public funds to run them, and on the capacity of marginal sectors to mobilise and demand assistance policies. The lack of employment benefit and residual assistance policies to those not included in the labour market are examples of this' (Barbeito and Lo Vuolo 1995: 120-21).

Although there are no official evaluations of the efficiency and efficacy of these policies, it can be said that they mirror the historical problem of social policy in Argentina. The historical features of social policy in Argentina (fragmented and based

¹⁸⁸ Note that the preoccupation was shared by the Minister of Economics who assured the international institution that, although the fiscal deficit was in the red, the budget would be respected and Argentina would accomplish the IMF requirements for the first half of 1997. See Calvin Sims 'Crecen las protestas en Argentina, a medida que aprietan las reformas económicas' published by the *New York Times* and reproduced in *The Herald Tribune* and *The Washington Post*. But in January 2001, the *Washington Post* argued that for Argentina the convertibility plan meant too high a price, since the country's finances are tied to the domestic necessities of the Federal Reserve of the United States. A similar view was presented by the president of the IMF, H. Kohler, who explained the limits and problems of holding a fixed exchange rate, like the Argentinean case (*La Nación*, on line, 16.1.01)

on corporatist practices) made the government 'efforts' quite unsuccessful. The major trick brought up by *stability* is that whilst the expenditure in so-called 'Keynesian' inflationary expansionism is excluded from the convertibility agenda, public expenditure in neo-liberal social policies to control labour struggles against economic adjustment was constrained by the control over public expenditure by international bodies. This shift from national expansionist to IMF-focused policies recomposed the state and deconstructed the typical Peronist relationship with the state. Although, as shown in the previous chapters, the Peronist trade unions joining the CGT were incorporated into the Menemist neo-liberal corporatism, this reshaping detached them from the control of new forms of struggle that emerged out vis-à-vis the fragmentation produced not only by the economic restructuring but also by the state policy-making itself.

The contradictory nature of social and employment policies lies in that whereas the state seems to provide financial, welfare and legal 'help' to those unprotected sectors of the population to be 'integrated' into society, it simultaneously classifies and fragments labour into segmented sectors. By so doing the state reinforces fragmentation rather than dissolves it. In short, in a context of *scarcity*, social and employment policies became in most cases a matter of corruption, paternalism and confrontation. Focused food and other social policies reinforced the segmentation of the labour market as well as 'naturalised' inequality (Grassi *et al*, 1994). Employment policies reinforced fragmentation and the individualisation of unemployment by age, social status, duration, geographical area and branch of industry. Insofar as policy-making is not a tool but results from the struggle over the form of the state, the state

transforms itself in its attempt to control labour. The two main forms of regulation of labour entailed in the 'stability' are *scarcity and fragmentation*.

III Inclusion, Exclusion, Reserve and Underclass *Interpreting the Subject*

Inclusion and Exclusion

Empirical sociological studies on unemployment and poverty are usually driven by two main theoretical ideas. First, unemployment is considered as a lack or shortage of jobs (see Rifkin, 1995, Gortz 1982, 1999a, 1999b c.f. Cleaver, 2001) and therefore a path to *exclusion* from the productive system (Hintze, 1996; de Bernis 1994), the latter leading to exclusion from the network of social relations (Castel R 1991b). The notion of unemployment as the 'lack' of jobs is based on the understanding of *work* as the most important *factor of integration* of capitalist societies (Tenti Fanfani, 1996, Hintze, 1996; Murmis and Feldman, 1996; CTA 1999; Runciman in Morris 1993). As Tenti Fanfani (1996) put it, 'the structuring principle of advanced capitalist societies is not the possession or non-possession of means of production but the forms of incorporation to the productive system' (p. 256). Thus, the *lack of employment* is argued to affect the human capacity to live, create, socialise and even survive. Unemployment appears as a condition suffered by workers, until capital gives them the possibility to reinsert themselves into the productive system with perhaps the help of the state, since there is an 'incapacity of the economic structure' to meet the demand for jobs. What follows is social marginalisation and crime.

Secondly, scholars are concerned with the capacity to protest of those who are excluded from the production system and society. Since the unemployed and the poor

are considered as socially and economically excluded, most commentators distrust the possibility that the unemployed and the poor can organise any protest beyond the demands for inclusion via job or employment benefit. In any case, the possibility to influence state policy-making or capitalists' decisions on investments for the long-term is deemed as very remote. These two ideas underpinned the American debate on the *underclass thesis*, renewed in Britain in the late 1980s.

Underclass?

The underclass thesis debate addressed the questions of whether or not the unemployed were part of the working class or whether they constituted a group of people *outside* class relations altogether. Whilst for the conservative version of the underclass thesis the exclusion of workers from the labour market or even society is rooted in cultural or behaviourist explanations (see Baguley 1991: 3; Westergaard 1992), its radical version exclusion as produced by the social and economic processes. This situation can lead to either direct action or the political passivity of the excluded. Critics of the underclass thesis highlighted some of its limitations in grasping the phenomena of unemployment, but they failed to overcome the 'exclusion-inclusion paradigm'. For Daniel, the thesis failed since unemployment is not a 'state' but is a 'flow of people into and out of work rather than a rubbish dump' (Daniel 1981: 495), the notion of *underclass* remains too static to understand the dynamic of the labour market. Morris (1993) argued that 'the notion of "underclass" was an oversimplification, contaminated by its use as a tool of political rhetoric, which had been too rapidly applied to complex social phenomena. Its use is rarely supported by

empirical research' (p. 411). To Westergaard (1992) the underclass thesis matched the neo-liberal age ...in affinity with free-market-economy hopes' (p. 580).

The Reserve Army of Labour

In *Capital* Marx suggested that there are two tendencies of capital which stand in contradiction: the tendency 'to reduce as much as possible the number of workers employed' and the tendency 'to produce the greatest possible mass of surplus-value' (*Capital* vol. 1: 420). The contradiction results in the permanent destruction and recreation of capitalist means of production. As highlighted

'the tendency to the overaccumulation of capital ... is not only a feature of such dramatic crises, but also of the everyday reality of accumulation, as the pressure of competition leads to an intensification of class struggle, the devaluation of backward capitals, the destruction of productive capacity and the displacement of labour' (Clarke, 1992: 135)

When conditions of valorisation of capital are violated, capital stands idle. To Marx,

'it is not a contradiction that this overproduction of capital is accompanied by a greater or smaller relative surplus population ... if capital is sent abroad, this is not because it absolutely could not be employed at home. It is rather because it can be employed abroad at a higher rate of profit. But this capital is absolutely surplus capital for the employed working population and for the country in question. It exists as such alongside the relative surplus population, and this is an example of how things exist side by side and reciprocally condition one another' (*Capital* Vol. 3: 364-65) [and then] 'unoccupied capital on the one hand and an unemployed working population on the other (idem. ant.: 359).

The equation 'unoccupied capital = unemployed labour' asserts itself as the impossibility for capital to exploit social labour power. In terms of the money form, the crisis and recomposition of capital asserts itself in the form of M-M' (Bonefeld 1996). Yet, while M-M' appears to be capital's self-expansion, it is only a condensed

form through which capital achieves temporarily the goal of avoiding labour, for in fact, M-M' ultimately depends on the effective ability of capital to exploit labour:

'The dissociation of money from exploitation impresses itself upon the state through the money power of capital (M...M'), a power in which the precondition of its existence, i.e. the expansive reproduction of capitalist exploitation of labour (M...P...M') is seemingly eliminated' (Bonefeld 1996: 199)

The notion of *reserve army* is usually applied to understand this temporary 'avoidance' of labour by capital. According to Marx,

'the condemnation of one part of the working class to enforced idleness by the over-work of the other part and *vice versa*, becomes a means of enriching the individual capitalists and accelerates at the same time the production of the industrial reserve army on a scale corresponding with the progress of social accumulation (*Capital* vol. I, 789-790).

The production of the 'reserve army' was, for Marx, an intrinsic aspect of capitalist social relations of production:

'the capitalist mode of production... forms a disposable industrial reserve army, which belongs to capital just as absolutely as if the latter had bred it at its own cost... it creates a mass of human material always ready for exploitation by capital in the interest of capital's own changing valorisation requirements' (*Capital* vol. 1: 784) ... 'there should be a *surplus population*, which does not work' (*Grundrisse*: 609) [that] 'relative surplus population exists in all kinds of forms. Every worker belongs to it during the time when he is only partially employed or wholly unemployed [but] we can identify three forms which it always possesses: the floating, the latent and the stagnant' (*Capital*, vol. 1: 794) [and a fourth form which] 'dwells in the sphere of pauperism' (idem ant: 797).

However, as suggested in *Grundrisse*, the surplus population was in fact a *surplus of labour capacity*, still subordinated to the value-creating practice. The 'reserve army'

was not excluded from anywhere, but rather is defined *by capital* as temporarily superfluous:

‘this idle surplus population is not what the economists have in mind when they speak of surplus population. On the contrary...the expression, surplus population, concerns exclusively ... surplus of ‘labour capacities’. Labour capacity can perform its necessary labour only if its surplus labour has value for capital...if their realizability is blocked by one or another barrier, then (1) *labour capacity* itself *appears outside the conditions of the reproduction of its existence*, is therefore... needs without the means to satisfy them; (2) necessary labour *appears as superfluous*, because the superfluous is not necessary ... the relation of necessary and surplus labour, as it is posited by capital, turns into its opposite, so that a part of necessary labour ...is superfluous, and this labour capacity itself is therefore used as a surplus of the necessary working population ...hence he becomes a tramp and a pauper; because he no longer sustains himself through this necessary labour...he has fallen out of the conditions of the relation of apparent exchange and apparent independence’ (*Grundrisse*: 608-9, author’s emphasis).

The destruction of capital’s productive capacity during the change in its organic composition towards new forms of valorisation is suffered by the ‘surplus population’ as a barrier to physical and spiritual reproduction of life. However, this is not just a problem of ‘economic reproduction’.

IV

Unemployment: a *Form* of labour: Deconstructing the Subject

Not Poverty but Absolute Poverty

Sociology defines poverty as ‘a *state* from which an inventory of *lacks* (of income, of housing, of welfare, of education, of power, of consideration’ (Robert Castel 1991b: 19). Castel (1991b) argues that these lacks are a combination of two vectors: the integration – non integration in labour relations (which determines economic vulnerability, the incapacity to obtain the means for reproduction) and insertion – non insertion in a system of social relations (which determines psychological or emotional

existence) (p: 29). Economic vulnerability (for instance in the case of short-term unemployment) can become the 'disaffiliation from' or rupture of the societal link: 'economic precariousness becomes helplessness, relational fragility and isolation' (p.30). 'Social exclusion' cannot be solved by state policies distributing, for instance, food or clothes among the poor: 'when precariousness becomes exclusion, this represents a point of rupture in the economy of labour relations, (idem. ant.: 34).

However, the feature that determines capitalist social relations is not the 'inclusion' or 'exclusion' of labourers in the process of commodity production but absolute poverty (Kay and Mott 1982; Negri 1991b: 68) within the intensification of real subsumption of labour under capital's command. As Marx highlighted:

'The concept of the free labourer contains the pauper...It is already contained in the concept of free labourer, that he is a pauper...he is merely a *living labour capacity*, hence equipped with the necessaries of life...If the capitalist has no use for his surplus labour, then the worker may not perform his necessary labour; not produce his necessaries. Then he cannot obtain them through exchange... He is thus a virtual pauper' (*Grundrisse*: 604).

The absolute poverty of the working class is mystified in the wage relation. But, insofar as the unemployed, as another form of *living capital*, are forced to sell their labour power yet are unable to do so, the *tension* that underpins the capital-labour relation, between what we are and what we need, and whether what we are and what we need is *useful* for capital is dramatically intensified. Whilst 'unemployed capital' means the *expansion* of capital through its most abstract form, 'unemployed labour' means potential impossibility of the reproduction and expansion of life. Whereas human activity is subsumed under capital's command, capital classifies and determines the usefulness of that activity (Battistini 2000) and provides (or takes away) the significance and content of human *life* in general and workers' lives in

particular, owing to the particularity of capitalist social relations (real subsumption of society in capital) where the worker has become a 'living capital' (EPHM: 335).

(α) Problematic 'Invisible' Subjectivity

The confrontation between workers' needs and capital's and the state's requirements, i.e. between C-M-C' and M-C-M' (Taylor 2001), can be put in a different way: the inner contradiction between concrete and abstract labour respectively. Whilst capital expands as M-M' (value in motion), whose substance is abstract labour, concrete labourers suffer the unbearable present situation within which the future is cancelled: a 'jobless future' (Aronowitz and Difazio 1996). The *form* unemployment implies the presence of an open contradictory form of existence of labour which simultaneously reveals and contests the real subsumption of human existence to the commodity form, i.e. the contradiction between being compelled to sell their labour power and not being able to sell it. In unemployment, the absolute poverty of the working class becomes apparent, since the use value of the commodity labour power is denied, the transaction postponed, yet those not employed by capital are themselves a product of the social relation of capital. Unemployment is a form of labour where *life itself* ('surplus living capacity') is postponed in most of its aspects. This is not an external process but constituting of subjectivity:

'the worker has the misfortune to be a living capital, and hence a capital with needs... As capital, the value of the worker rises or falls in accordance with supply and demand, and even in a physical sense his existence, his *life*, was and is treated as a supply of a commodity...as soon as it occurs to capital - whether from necessity or choice - not to exist any longer for the worker, he no longer exists for himself...the existence of capital is his existence, his life...political economy therefore does not recognise the unoccupied worker, the working man in so far as he is *outside* this work relationship. The swindler, the cheat, the beggar, the unemployed, the starving, the destitute and the criminal working man

are figures which exist not for it, but only...for the eyes of doctors, judges, grave-diggers...' (EPHM: 335).

Rather than the *lack* of work or the *exclusion* from, unemployment implies an intensification of the real subsumption of society in capital. Whereas, on the one hand, the worker is liberated from actual exploitation, she is, on the other hand, a prisoner of her commodified form of existence. Insofar as we have defined subjectivity as a determinate abstraction, this contradiction -deployed mainly by the antagonism between money and identity-, cannot be reduced to an economic issue (having a job = having money = I am someone), but involves most aspects of human life. The hidden unhappiness of capitalist work is embodied by the un-employed, and affirmed by the state policy making and the law, but also -and sadly- by frustrating sociological accounts of the misery endured of the unemployed and the so-called marginalised sectors of the population, usually classified in different categories such as 'under' or 'below' the 'line of poverty' (!).

But the problem does not only lie in that capital subordinates these un-employed workers who become a reserve army and thus subordinates human life to its urge. Most significantly, the unemployed are created by M-M' and the state policy-making to maintain 'C' until the formula M-C-M' can be re-established. Yet, the problem brought about by the un-employed, pauper and social excluded and their struggles is not economic (i.e. capital accumulation), institutional (governability order), social (disintegration), cultural (identity) but political: it is the crisis of capital as a social relation of exploitation and domination and its expansion in its most abstract form produces the most unstable forms of life (Dinerstein 1999) and thus creates an

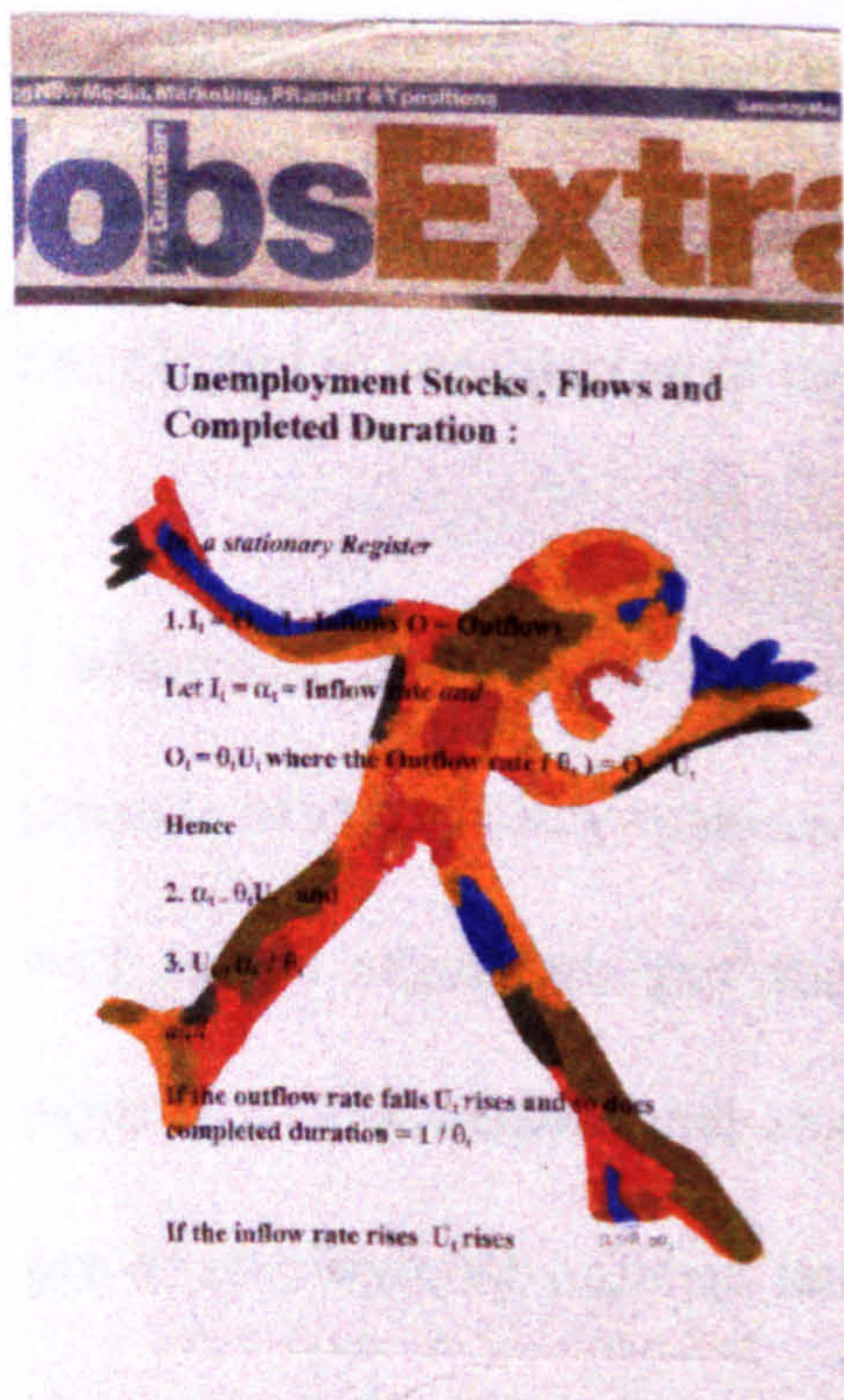
unrealised materiality. The more abstract the form of capital, the more invisible and diffuse the subjectivity of labour.

My question is not about how unemployment is functional to the dynamic of capital accumulation (reserve army), or how do the unemployed can be included again into the labour market or social networks (employment and social policy), or whether they should be considered as part of working class (underclass thesis). My question is rather, how can we make visible the existence and significance of this *surplus life*?

Unrealised Materiality: Making Subjectivity Visible: $M-\alpha; \beta; \gamma-M'$

As previously mentioned, real subsumption does not mean that capital dominates and subordinates humanity to any logic but, rather, that the production of resistance lies at the core of its own reproduction. However, Marx's formula for the reproduction of capital $C-M-C/M-C-M'$ and the equation to represent its crisis and recomposition in its money form i.e. $M-M'$ (see Bonefeld 1996) do not allow the visibility of the problematic subjectivity fostered during the process of intensification of abstraction $M-M'$, which asserts as a 'meaningless form of capital' (Marx 1966 in Bonefeld 1996: 191), and where the exploitation of labour is temporarily suspended, and then subjectivity is made invisible. In order to visualise the way in which the suffering, frustration, hopelessness, and pain endure by the unemployed, remarkably described but poorly explained by sociologists, can become a *contre feu* (Bourdieu 1998), i.e. an act of resistance and critique from within: '*C*' in motion.

I offer a new equation able to materialise graphically the production of subjectivity within the process of valorisation: $M - \alpha; \beta; \gamma; \delta - M'$, where α , β , γ and δ picture the various forms of existence produced within the real subsumption of society in capital. This includes those who are not recognised as being part of the process of production of value, i.e. the unemployed, the homeless, criminals, women, children living on the streets, the 'socially excluded'. Whilst $M-C-M'$ and $M-M'$ are disembodied representations of the circuit of capital, where the subjectivity of unemployment is presented either a commodity (C) or it has virtually disappeared ($M-M'$), $M - \alpha; \beta; \gamma; \delta - M'$ aims to make visible the production of forms of *life* as an intrinsic aspect of this process. Unlike $M-M'$, which as a condensed form of expression of the avoidance of labour *by capital* (Bonefeld 1996, my emphasis), excludes the question of the



production of problematic subjectivity from the process of valorisation, the formula $M - \alpha; \beta; \gamma; \delta - M'$ poses the question of which are the forms produced *within* capital, particularly during the crisis and transformation of capital in its most abstract forms, and how and to what extent α , β , γ and δ became a barrier to the expansion of capital. Fictitious accumulation does not mean fictitious domination, yet the forms through which

domination is reshaped in $M-M'$ are decisive to understand the power of resistance. Real subsumption implies that capital has located the possibility of resistance and transcendence at the core of its own reproduction. Rather than excluded, the form *unemployed* is the *site of conjunction* of the capitalist contradictions within the

subject. Yet, in that case, the production of subjectivity asserts itself as an external aspect of the valorisation of capital. In M-M' this process becomes *invisible*.

In M- α -M' the unemployed, in this case α , come out as a real abstraction, i.e. an abstraction *in reality* (Gunn 1992) which cannot be grasped if it is separated from the real *movement* that produced it. With regard to the case I am concern with, the roadblocks can only be interpreted as an embodiment of the Menemist stability.

Concluding Remarks

This chapter discussed the reality and theory of unemployment under Menem, as the main ingredient of stabilisation policies. The chapter explored the extent to which stabilisation policies, together with flexibilisation, privatisation and decentralisation contributed to constitution of the highest expression of *life* instability: unemployment

I addressed the process of production of 'the unemployed' and 'the pauper' as subjects of state policy-making. The chapter outlined the reality of unemployment, as well as the arguments put forward by political authorities as well as scholars to explain it. The institutional changes, institutional agreements and set of passive and active employment policies launched under Menem to control unemployment were also sketched here. It was argued that focused social contributed to social fragmentation. The chapter considered some sociological work and most important debates on unemployment and the unemployed workers' capacity for resistance. The notion of underclass thesis and the reserve army of labour were revisited.

The chapter offered a critical interpretation of unemployment not as the lack of work but, rather, as a form of it. The difference between these two interpretations is politically significant. The idea of unemployment as a 'lack of jobs', as well as the notion of 'social exclusion' only contributed to the disempowerment of those who experience unemployment since they do not account their reality. Instead, the notion of unemployment as a form of labour highlights that the 'unemployed' constitute a problematic subjectivity for capital as a social relation.

In chapter one, I argued that the notion of *form* provides the tool for an investigation of the production of subjectivity as the embodiment of capitalist social relations in a determinate period. I suggested that the point of departure for the analysis of subjectivity, and the politics of resistance, is neither workers and social identities, strategies of organisation and of resistance, nor the recomposition of the state, money-capital and the law. I argued that subjectivity of labour is a determinate abstraction. Determinate abstraction indicates that subjectivity cannot be explained by any of the aspects which constitute it, e.g. the identity of 'labour' i.e. the working class, but rather subjectivity of labour is the embodiment and conjunction of the concrete and abstract dimensions of labour (Taylor 2001) within the subject. It was also argued that subjectivity cannot be grasped if it is separated from the real movement and contradictions that produce it. Methodologically, labour and social conflicts are empirically fruitful since they assert themselves dramatically as critical moments whereby both the aspects and forms which constitute subjectivity are put in motion with unexpected results. Social struggles are hieroglyphics in motion which embody the multiple processes of struggle to constitute subjectivity in a determinate historical period. In what follows, I shall explore the *particular configurations* of the

concrete and abstract aspects of the capital relation that are able to transform everyday isolation, pain and needs into a roadblock. It is to the concrete case that I now turn.

Part III

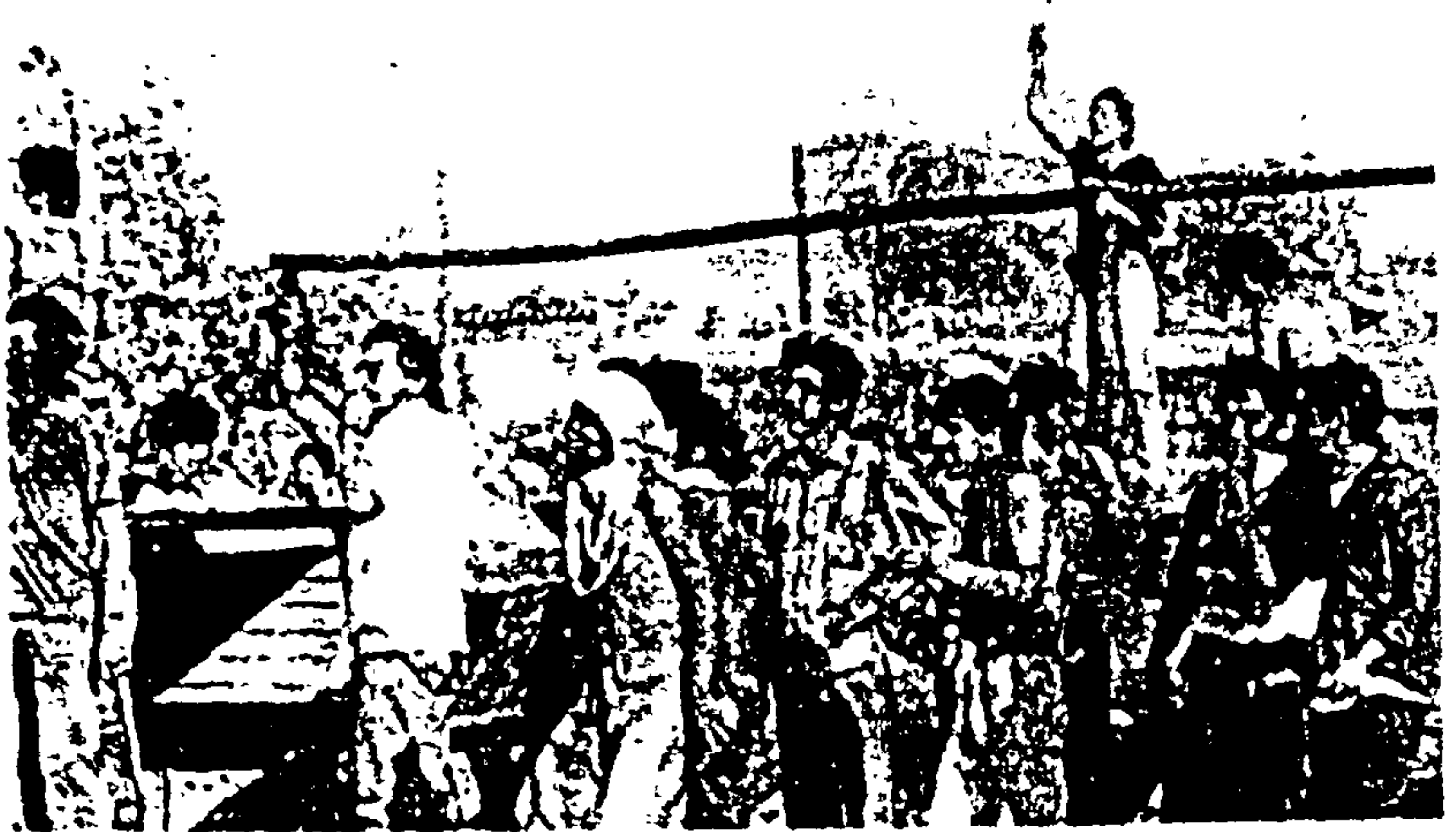
**Made in the 1990s.
Reinventing Resistance.**

Chapter Ten

The *Piqueteros*, Roadblocks, Virtual Disappearance and the Struggle In and Against the Violence of Stability.

'- Who killed the Commander, Mengo?'
 - Fuenteovejuna did!. (Lope de Vega, *Fuenteovejuna*)

'Look at what our barricades are made of: remains of pipes, useless machines, scrap iron' (Demonstrator to a journalist, Roadblock, Cutral-Có, Neuquén, April 1997).



'It is as if he were forced to watch his own disappearance, as if, by crossing the threshold of this room, he were entering another dimension, taking up residence inside a black hole' (Paul Auster, *The Invention of Solitude*).

'In spite of the enormous temperature of the hole, its total mass-energy reserves are colossal' ¹⁸⁹.

'The nature of this kind of problems, which turn into "assemblyism", is anarchy...the deliberate attack upon democratic institutions is misleading and doesn't help to maintain the structure in which framework social problems could be solved' (civil servant high level, MTSS, author's interview, Buenos Aires, 1997).

At the Airport *El Cadillal*, an advert before the check-in states: 'For Jujuy to take off, big industries are needed. Ledesma Co. wishes you a good flight!'

Every day, the local radio speaker salutes 'Hello to all our brothers, the unemployed!'

Mother – 'At the church, I've heard that *Piqueteros* is a subversive organisation; is this true, Juan?'

Juan - 'Mother, I am your son, you should trust me, but you don't'.

Mother – (looking at me) 'Juan has never been involved in politics!'

Juan- 'Mother, what are you saying? Mama, politics is everything, eating is politics...When the others have something that I don't have I don't care. But when the others have nothing, then I care about it' Looking at me he adds: 'tonight there will be a march'

¹⁸⁹ Davis P 1983 *The edge of infinity. Naked singularities and the Destruction of Space-time*, Oxford University Press: Oxford – NY: 125.

I Introduction to the Case Study

In May 1997, as the economic crisis worsened and discontent stemming from the lack of governmental response to people's demands grew, a general agreement arose within the Multisectorial of Libertador General San Martín, Jujuy around the idea of a roadblock. On Monday 19th May, no more than 50 people, mostly women, gathered at the San Lorenzo river bridge in Jujuy. The roadblock aimed at breaking government indifference to the chronic suffering of the whole community. Demands entailed mainly the creation of 5,000 jobs; employment programmes for 3,000; control over distribution of food boxes provided by the government; early retirement and disability pensions for ex - Ledesma workers. At 10.30 p.m. tyres were burning, and a big tent was installed on the river side. The roadblock on the M34 was preventing the sugar cane harvest from starting the next day. The government opted for severe repression. But repression fostered only resistance and solidarity among the whole community of Libertador. Although it was not the first roadblock that Jujuy had witnessed, this time it was, according to its main protagonists, different.

As previously mentioned, in June 1996 and March 1997 two popular rebellions using roadblocks, general and hunger strikes were initiated by public sector workers, the unemployed and the poor in Cutral-Có and Plaza Huincul, Neuquén. The roadblocks in Neuquén consolidated a new form of protest that became widespread in the following years. Roadblocks spread in Tartagal (Salta) and Libertador General San Martín (Jujuy) in April and May 1997.¹⁹⁰ This time the roadblocks asserted

¹⁹⁰ On this see Cotarelo, 2000, Dinerstein 1999, 1997a, 1997b, Klachko and Morelli 1999, Klachko 2000 Scribano, 1998; Favaro *et al* 1997.

themselves as a form of solidarity against the repression suffered by university students in La Plata weeks before. After that, social protest expanded: retired people, students, workers and the unemployed demonstrated in Buenos Aires and the provinces of Entre Ríos, Tierra del Fuego, Neuquén, Tucumán and Córdoba. In the ensuing years, the roadblocks spread across the country.¹⁹¹ In short, between 1989 and 1996 there were around 2,000 protests, that is twenty protests per month (Schuster in Scribano 1998).

Roadblock



A typical roadblock consists of the following: In general, inhabitants of a local community block the main highway by means of barricades, pickets and a

bonfire made of burning tyres. They guard the area beside the lorries and a bonfire of burned tyres. Women and children, bringing containers of food, co-operate with the organisation of resistance. The demonstrators are the poor and the unemployed; women and men workers, children, and owners of small- and medium-sized businesses, supported by the local trade unions and organisations of the unemployed. The *Piqueteros* (or *Fogoneros* in Neuquén) are usually very young unemployed men who lead the roadblock and fight face-to-face against the military police during the confrontations.

¹⁹¹ During December 1999 and during April and May 2000, a new wave of roadblocks throughout the country reached massive proportions: the province of Corrientes, as well as the communities of

When the authorities approach them, the *Piqueteros* together with social organisations and local trade unions demand primarily the continuation of the national employment programmes, (usually the TRABAJAR, see chapter nine), as well as certain improvements to their structure, the payment of overdue wages for state workers, governmental assistance in establishing and developing employment projects in the area, and the guarantee that they would not be legally persecuted, as had been the case in the past, for blocking a motorway is considered, according to the law, a crime.

The response of the government is usually twofold. On the one hand, it is immediately to send hundreds of military policemen to the roadblock. On the other hand, with this clear repressive background, it tries to force demonstrators and their leaders to a 'dialogue' that could only take place in a 'democratic' setting, stressing that a roadblock would jeopardise any potential agreement that could be reached between all parties involved. Thus, whilst the special forces await and reinforcements arrive to secure the area, the authorities ask the *Piqueteros* to go home peacefully so that the use of force can be avoided.

The *Piqueteros* and the rest of the demonstrators usually reject the government's 'suggestion', drawing lessons from the past that, although repression is going to be savage, they have to resist at the roadside. Only as a consequence of resistance will they be heard and can an agreement be reached. Since the demonstrators do not 'go home', the area surrounding the motorway becomes a battlefield. Confrontation consists of one, two or maybe three hours of face-to-face confrontation between the military police and the demonstrators, the young *Piqueteros* being at the front line,

resisting with slingshots and sticks. Gendarmes usually retreat from the roadblock but attack the actual neighbourhoods. *Piqueteros* and union leaders are also imprisoned. The result of the repression is a growing solidarity with the *Piqueteros* among the population of the town. After four hours of fighting, thousands of neighbours descend on the roadblock, holding for instance religious images or Argentine flags, joining the protest against repression.

Having to face the constraint of money within the convertibility plan, provincial administrations do not harness labour through 'democratic' channels but by repression. However, repression not only delegitimises political power but usually leads to an even higher level of solidarity among demonstrators. State repression being unable to solve the problem, each social protest discloses a battle by governors and mayors for obtaining, controlling and distributing those flows of money (credit) from the World Bank and the IMF borrowed by the central government to maintain stability and control social conflict.

After the battle, the place is devastated and people remain in silence at the side of the motorway. The local priests, who acknowledge the plight of the inhabitants, intervene as mediators between the government and the *Piqueteros*. After long hours of negotiations, authorities pay overdue wages, re-establish the TRABAJAR employment programmes and promise not to proceed in the legal prosecution of the demonstrators. More demands are added to the original endless lists of demands put forward by *Piqueteros*, as well as unions and social organisations, including public works, basic public services e.g. a network for the provision of natural gas or water,

Cippoletti, Cruz del Eje and Río Cuarto (Córdoba) were engaged in roadblocks.

the legal recognition of indigenous communities in the area and financing for small- and medium-scale business.

In Buenos Aires, the secretary for Social Policy and the Minister of Labour are usually congratulated by the IMF for their achievement to control social unrest. Yet, the government acknowledges that every local agreement is like ‘pouring a glass of water into the ocean’ (*La Nación* on line, 14.5.00) until the next roadblock takes place elsewhere.

The case study

This chapter offers an analysis of the roadblock unleashed in Libertador General San Martín, a town of 60,000 inhabitants in the north-west province of Jujuy, in May 1997. I shall explore the means and forms through which this roadblock emerged out of and stood against the violence of stability. It will be shown that the roadblock emerged as the embodiment of the articulation between the deep transformation of social and economic relations in Jujuy, the specific forms of employment and social policy, the ways in which democratic institutions aimed to channel social demand and a history of resistance against political corruption and capital’s prerogatives and repression in the area. By blocking the roads, workers, the unemployed and entire community of *Libertador* made themselves *visible* against what I will call the ‘virtual disappearance’ of labour entailed in political indifference and in the unstable forms of capitalist work, and whose utmost expression is extreme poverty and unemployment.

The nature of the case presented a number of methodological, theoretical and political challenges. The methods of the research were i. examining official documents, employment policies, and institutional changes within the state (e.g. the creation of new sectors within some specific areas); ii. examining documents, journals, press materials and pamphlets by trade unions, church and new organisations; interviewing high level civil servants and politicians involved in the issue; with national and local union leadership, leaders of new social organisations (e.g. *Piqueteros*, 'Commission for the Unemployed', *Multisectoriales*). This took the form of semi-structured individual interviews; iii. participant observation in meetings, marches and demonstrations held by unions, the organisations of the unemployed as well as official meetings (like the *Mesa de Concertación*). The information provided by the interviews and press material allowed the reconstruction of the historical background and the chronicle of events. Participant observation allowed the investigation of the aftermath and implications of the roadblocks and the analysis of the strategies of the participants *Frente de Gremios Estatales* (State Workers' Front , FGE), *Cordinadora de Piqueteros*; the local church) during the process of institutionalisation of the conflict.

The first stage of my field work in the region was accomplished during July and August 1997, two months after the 'roadblock' had taken place. The participants were still dealing with the political consequences and being institutionally recognised. The process of assessment and negotiation among different parties was taking place. This presented some advantages and disadvantages to my research purposes. The advantages being that through interviews and participant observation I was able to test and grasp the political and social atmosphere, feelings, attitudes, and thoughts, and

most importantly, the meanings and reasons for their engagement in collective action, as well as their expectations. These constituted the main purpose of my case study. The challenges were mainly related to the political situation of the demonstrators and other parties involved in the roadblock.



The first challenge that should be noted is the access to all those various organisations who participated in the roadblock. Access was initiated with the CTA Jujuy and then a chain of contacts was established. Yet, the

nature of the *Piqueteros* made the task hard. Since there were so many groups and interests involved it was hard to learn the way in which they were related and confronted. The second challenge was that due to the political situation, my interest in the roadblock could be suspected of something else. It was a moment of distrust and betrayals, and also police persecution. Most interviewees were under stress and somehow suspected my interest in the issue. In general, I was seen as someone from Buenos Aires, and from the CTA and it took some time since they realised that I was not a spy from the national government, the IMF or the CTA but a research fellow, or a journalist as they called me.

The third challenge was that my participant observation in secret meetings where political decisions were made allowed me to capture the political atmosphere, meanings and debates around the issue yet I had to be careful to control the influence that my presence had in the participants' attitudes, for my presence added a certain

degree of anxiety to the meeting. Coupled with semi-structured interviews with participants, priests, union leaders and high-level civil servants, I chose to make some interviews in the streets during the demonstrations. The goal was to grasp the general atmosphere of struggle and to produce flashes of their lives. Although participants were 'overexcited' by the situation, answering questions during the demonstrations forced them to produce short and effective stories about how they felt and what they wanted, the reasons for their involvement in the struggle, their doubts and feelings.

Finally, my personal challenge was to take in the overwhelming poverty and scarcity in Libertador, accompanied by their political attitude to maintain self esteem and dignity. Sometimes I felt inadequate. My computer, tape recorder and my hand bag were like a burden for me since they accentuated the differences between them and me. I felt hopeless. My feeling interestingly contrasted with their strength and dignity and the passionate belief in what they were doing.

The chapter is organised in three sections. Section I provides the historical background of social and political relations as well as the economic transformation in Jujuy under Menem. Section II presents a chronicle and analysis of the roadblock of General San Martin. Section III offers a view on the subjectivity of the roadblock and suggest the theoretical, methodological and political challenges presented by the case study. The conclusion suggests an interpretation of the roadblock. It will be argued that the roadblock stood against the main premises that constituted Menem(ism), namely the legalisation of uncertainty, the recognition of capital as the subject, and the end of politics in favour of the era of the administration of social misery.

II State, Capital and Labour in Jujuy

Jujuy has around 600,000 inhabitants. Agriculture is of fundamental importance in the provincial economy. The provincial valleys of Jujuy and San Francisco concentrate the production of tobacco and sugar cane, the latter being the most relevant for the productive structure. Mining and steel industry as well as petrol are historical industries in Jujuy (INDEC 1999b).



Since 1991, the provincial economy has been recomposed within the context of economic adjustment and the convertibility plan. The provincial state restructuring itself, the crisis of the mining industry and the privatisation of the steel industry (Altos Hornos Zapla) (Ramirez and Golovanevsky 1998), as well as the restructuring of the sugar cane industry increased the rate of unemployment (INPRODES 1996: 8). In 1992, Jujuy had one of the highest rates of unemployment within the eight agglomerates of the country (8.8%). In May 1994 the underemployment or the under-use of working hours reached 15.96% of the population, this being considered among the highest in the country. Added up, both rates (unemployment and underemployment) reached 24.41% in May 1994 (Marcoleri 1994). In November 1995, the EPDH (INDEC) indicated the increase in the rate of urban unemployment to 12.4% and the total 23.1%.

Open Urban Unemployment 1990-97, Jujuy. October

1991 June	1991 Oct	1992 May	1992 Oct	1993 May	1993 Oct	1994 May	1994 Oct	1995 May	1995 Oct	1996 May	1996 Oct	1997 May	1997 Oct
5.1	3.3	8.8	6.6	6.7	6.5	8.5	9.7	12.7	12.4	12.5	12.5	18.0	15.5

Source: EPH, INDEC from MTSS 1999: 69.

Urban workers with no pension (may 1995-1998)

May 1995	October 1995	April 1996	October 1996	May 1997	October 1997	May 1998	Ago 1998	October 1998	May 1999
31.2	33.4	34.2	31.4	39.8	42.7	45.0	41.7	43.5	41.4

Source: MTSS 1999: 128, from EPH, INDEC

The decrease in the provincial GDP produced by the growth of casual and unregistered employment as well as the new national Fiscal Pact resulted in a negative provincial budget of 29,555,218 pesos for the first 6 months of 1996 (INPRODES 1996: 34).¹⁹² Tokens attempted to solve the lack of cash for state workers' wages to be paid, but it fostered not only an increase in the provincial debt, but also a black market, corruption, and blackmail.¹⁹³

Workers migrated to the cities, particularly those workers who lived and worked in the sugar, manufacturing and building industries as well as commerce and domestic service in La Puna (*Clarín*, 14.7.97, internet). However, migrations led to further problems since the cities lacked service facilities and housing as well as faced the crisis of health and education systems, particularly after their decentralisation in 1992.

¹⁹² That month unregistered employment was 31.4%: in 1996 the loss of money for social security due to unregistered employment was 67.47% (MTSS 1997a). In 1992 Jujuy's need for financial help was 33.3% (Feletti and Lozano 1992: 13) The provincial GDP had decreased 10% between 1990 and 1993 (INPRODES 1996: 15). The total of automatic transfer from the federal government to Jujuy (through Federal Co-participation) decreased from 374.9 in 1994 to 87.2 million pesos in 1996. Non-automatic transfer (money from National Treasury) decreased from 10.5% to 6.0% for the same period (INPRODES 1996: 31-32).

¹⁹³ Provincial tokens were introduced in 1983 by the governor to replace money, due to the *lack of cash*, particularly to pay state workers' wages. However, they could not be used anywhere else nor could one pay national taxes with them. A black market evolved from the difficulties to transform them into cash. Corruption's been enormous and now we have to pay for it (Medrano, interview). Furthermore, 'the governor emitted provincial tokens for 40 millions dollars; nowadays in order to take them out of circulation, 76 millions are required'.

Employment programmes were (are) more a problem than a solution. Workers benefited by the programme TRABAJAR formally complained about the working conditions and lack of protection they were suffering. The distribution of employment programmes as well as the management of focused social policies led to corruption.

Workers argued that:

‘the Mayor forced people to work either more hours or in other kind of jobs, let’s say on something he needed to be done. He also used to give people \$150 instead of the corresponding \$200 and pocketed the difference’

‘The government distributes boxes containing food, among the population What do you get? Nothing but corruption’ (Medrano, FGE)

Employment programmes in Jujuy 1996-1999

1996	1997	1998	1999 (Jan-Sept)
50,972	65,421	62,698	37,317

Source: MTSS, 1999 : 186

Amount spent on employment programmes, San Salvador de Jujuy, 1996-99 (in thousands pesos)

1996	1997	1998	1999
7,452.3	13,053.2	11,582.1	6,816.3

Source: MTSS, 1999 : 186

Employment Benefit (monthly average percentage)

	1993	1994	1995	1996	1997	1998	1999
Total country	73,373 (100%)	98,513 100%)	122,347 (100%)	127,885 (100%)	95,379 (100%)	90,711 (100%)	105,248 (100%)
Jujuy	2.4	1.5	1.6	0.7	0.8	0.7	0.6

Source: MTSS, 1999: 208. Data provided by the ANSES

The Deconstruction of the Ledesma Domain

The *ingenio* Ledesma, i.e. Ledesma Sugar States and Refining Co. Ltd, was founded in 1908 and Libertador General San Martin flourished around what was to become the main resource of employment and welfare facilities in the area. The company owns 30,259 out of a total of 59,912 hectares planted with sugar cane in Jujuy, i.e. 57.2% (Ramirez and Golovanevsky 1998: 143), and became the main source of employment

and welfare facilities in the area, particularly since the late 1950s. The fact that the inhabitants of Libertador called their town 'Ledesma', borrowing from the name of their main industry, is revealing. Up to its restructuring, 8,000 workers were



employed to produce 90% of its own sugar cane. It has incorporated one of the most important paper companies; owns two alcohol refineries, citrus, avocado and mango plantations, as well as trading sugar. Ledesma had also developed a quasi-welfare state:

'In the past, there was a system of *vales*, and a system of *fiado*. You bought whatever you needed in the big shops provided by the company. They wrote your debts down in your notebook. They took the discount from your salary...House provision was monumental. The quality of houses was related to the kind of worker you were...Services weren't paid by people. We also had a gardener! I was brought up in that context...all this has collapsed' (state worker at the County Hospital).

Ledesma has a history of developing servile and paternalistic labour relations. Initially, the sugar cane industry was a complement of livestock farming so it inherited the labour relations of it. The sugar cane industry privileged differential rent rather than the introduction of technology. The elite monopolised political power. Rural historians explain that the labour relations in the sugar cane industry in Argentina were characterised by the use of a free but also servile labour force. There was a system of tokens but wage labour was not constituted until late. However, the labour force resisted this form of servile domination, particularly in Tucumán in 1904, 1905 and before and during the harvests in 1920 (see Craviotti 1992)

However, Jujuy's peculiarity was the lack of conflict until the 20th Century, because the labour force was composed by swallow indigenous workers, i.e. seasonal labour from the communities of Chaco, Formosa and even from Bolivia. After industrialisation, the idea of the estate as a prison was replaced by the estate as a factory. However, the *ingenio* maintained servile labour relations. Some argued that the *ingenio* remained feudalistic. Others argued that the repressive forms of work became part of the new forms of exploitation: they 'were not part of a feudal or pre-capitalist economy. The *ingenios* were highly capitalised and technologically advanced enterprises, and their brutal methods of obtaining labour, [i.e. slave forms of *mita*, *encomienda*, *peonaje*] can hardly be blamed on a "traditional mentality" or "feudal outlook". Indeed, their historical behaviour appears to have been passed on quite rational capitalistic criteria' (Rutledge, 1975: 10 c.f., Rozenzvaig and Bonano, 1993). According to the *Jujeños*, sugar companies are accustomed to receive special favours from the provincial government and are the most important debtors of the province (Medrano, FGE leader; Olga, Human Rights Militant). The military police was created by Ledesma in the 1960s to protect its business against smuggling. *Ledesma* owns all the land around here. All the valley belongs to them. They purchased it during the military government at 1\$ per hectare (Olga, founder of the *Mothers of the Plaza de Mayo*, Jujuy).¹⁹⁴

In the 1970s, the company participated in financial activities and achieved the highest rate of capitalisation within the branch. In 1979, it was ranked no 4 regarding its wealth, and no 27 regarding its sales. In 1992 it attempted to buy the ex-state-owned company Gas del Estado. The historical contradiction between chronic

¹⁹⁴ Olga is a *Mother of the Plaza de Mayo*. Every Thursday, Olga 'dances alone' around the monument of the main square of Libertador General San Martín in memory of her husband. For more references, see chapter six.

underemployment and the importing of labour from neighbouring provinces and countries towards the permanent escape from social legislation by Ledesma, the tendency to financial speculation, and its close relationship with military regimes transformed the company into a 'kingdom' (Rozenzvaig and Bonano, 1993).

The search for international competitiveness led to the diversification of individual capital's strategies, searching for more profitable means of production throughout the world. The regional arrangement MERCOSUR increased competition and put Ledesma Co. in a disadvantageous position vis-à-vis the Brazilian sugar cane industry.¹⁹⁵ Flexibilisation of labour existed already at the *ingenio*. Workers are hired temporarily any time of the year for whatever is required, they are called 'non-permanent regular workers' (*no efectivos regulares*) which meant that the company undertook the flexibilisation of its labour force at its, own initiative (*idem. ant*). But the convertibility plan cut tax exemptions and subsidies to the sugar industry whereas at the same time increased tax collection and demanded modernisation. In spite of the fact that during the 1990s the sugar cane industry showed a sustainable growth (INDEC 1999a: 14), Ledesma wanted to reduce labour costs at the Libertador factory, and to free capital to invest abroad.

The restructuring of Ledesma meant the decomposition of previous social relations. Coupled with the deconstruction of all kinds of facilities historically provided, namely health services, food, supermarkets, housing provision, etc. that started in the late

¹⁹⁵ Whilst the Brazilian sugar cane industry aims primarily to produce petrol (*alconafta*) sugar and paper being made with the waste, Argentinean industries' target is first sugar and then paper, the *alconafta* being a secondary product obtained from the waste. It is impossible for *Ledesma* to compete with Brazilian companies for Brazilian sugar is subsidised, and it is much cheaper than the Argentine sugar. Ledesma argued that unless the national government favoured it with new legislation, it couldn't

1970s, a reserve army of 4,000 emerged. It was composed of i) 55 year-old breadwinners (some of them seriously ill or disabled, with large families) sacked or voluntarily suspended with minimum compensation from Ledesma Co. after 30 years working for the company, but not old enough to qualify for retirement as regulated by national law (65 years old), in so far as *zafreiros* -sugar workers- start working at age 14;¹⁹⁶ ii) young male unemployed who have never worked; iii) single mothers or lone married women whose husbands have gone somewhere else to find a job and never come back. Eventually, self-employed workers had been harmed by the economic crisis, unemployment as well as the circulation of tokens; and state workers who suffer from precarious labour conditions, overdue wages, and are paid by tokens.

The creation of massive unemployment and the suspension of welfare facilities made the crisis spread wide throughout the province. As Libertador inhabitants highlighted:

‘this form of lay-off constituted a snowball: unemployed breadwinners are unable to prevent their children and teenagers from dropping out of education, without any possibility of getting a job... women going to work leaving babies with their 15 year old daughters, who had their own child already...the deepness of this conflict lies in that the whole family is involved in it’ (Federico).

The following comments illustrate the serious everyday struggle against scarcity:¹⁹⁷

‘Insofar as supermarkets bankrupted, we have to do shopping in the corner shop where everything is more expensive and there is no stock. We have learnt to look after the small shop’s stock by buying only what is really necessary...It is difficult to make both ends meet when you are paid the wage for June on the 8th August. By 15th July, I don’t have either rice, or bread, or milk or credit’ (Hilda).

keep on investing in Argentina for Brazil was much more convenient. For an evolution of the sugar industry during the 1990s see INDEC 1999a. See also Ramirez and Golovanevsky 1998.

¹⁹⁶ This is not a mere coincidence, for dismissed workers have been specially selected regarding medical advice to the company which has strict control over workers’ health so the company chose them to save significant amounts of money squeezed from payroll taxes for social security and health. Besides, when disability living allowance is required, the national institution ANSES used to refuse it, regardless of how obvious the case was, and suggested the workers see a solicitor.

¹⁹⁷ Scarcity in Libertador was astonishing. The lack of circulation of cash could be felt not only in the shops, where it was difficult to change a 10 peso note, but in everyone’s face.

‘Sometimes, when money is not enough I prepare some soup, or white tea...we endure for some days and when he [her husband] gets paid I feed the children properly, I mean I buy chicken or something like that...they understand’ (Mirta).

Labour and Social Organisations. Previous Struggles

The FGE was born out of a need to articulate opposition against neo-liberal policies and the corruption of the political authorities in Jujuy. It gathers a diverse range of ideologies as leaders support different political parties, and join different national confederations.¹⁹⁸ According to its leaders, ‘although FGE membership is state workers-based, the rest of the workers have got expectations about us regarding other issues, for instance, unemployment’ (president of the *Central de Empleados de la Educación Media*, CEDEMS, FGE, author’s interview).

There is a remarkable political instability in the province. In spite of the endless triumph of the Peronist party in provincial elections, there have been 8 governors in 14 years. The reason being not, as is argued, internal political disagreements or inefficiency in running the provincial economy or even the lack of democratic culture (civil servants high level MTSS, interviews). The reason is rather the capacity of the Jujeños in fighting the paternalistic and corrupted forms that liberal politics take in the province. Since 1989, the FGE, together with social organisations, has run several strikes and demonstrations, some of them massive, with severe political implications.

In 1989 a massive demonstration of 15,000 workers organised by the FGE demanded governor Aparici’s resignation. At the end of October 1990, the first confrontation took place between the police and state workers who demanded a wage increase and

¹⁹⁸ The FGE is constituted by six provincial unions: the ATSA (Health Workers), supported by the CGT; the ADEP (Provincial Civil Servants) and the ATE (State Workers) supported by the CTA; and

the end of the emission of tokens. As a result of the struggle, the Governor resigned and was replaced by the vice governor Alderete. During his period in office, wages were paid half in cash, while the other half was contributed to a short-term saving fund. He never paid the money back. In 1991, Dominguez won provincial elections and attempted to pass an emergency economic law which meant a wage freeze. The FGE demonstrations coupled with the lack of political support forced the resignation of the governor. Under Ficoseco workers' protests increased, leading to the *Jujeñazo*.¹⁹⁹

In 1993, the FGE organised a march through the city, against the economic adjustment passed at dawn by provincial MPs. They burned tyres and threw stones against security forces. A room for negotiation was opened to discuss the 'annoying' aspects of the law (*Página/12*, 23/12/93:8). In March 1994 a new confrontation between state workers and the police resulted in 14 injured people. One month later, after the beginning of a jury investigation against him, the governor resigned, and Perassi took office. The tokens this time would be paid by 2007 (*Clarín* 28.5.97, Internet). Under Perassi's office a hunger strike at San Francisco church took place. Some unemployed people sewed up their mouths! (Santillán, FGE, author's interview 1997). There was also a large mobilisation with public seminars, blocking roads and marches. That year, the FGE also called its first general strike since Perassi came to office. Workers demanded wage increases, the trial of the former governor accused of corruption and the end of police repression against workers' mobilisation (*Página/12*, 21.4.94: 4). In April 1995, after another dramatic confrontation with the police forces,

the APUAJ (Justice Workers), the CEOM (Town Hall workers) and the CEDEMS (Teachers), supported by the local CCC (Corriente Combativa Clasista).

workers accepted Church mediation in their conflicts: they stopped any kind of protest during negotiations. The conditions established by the bishop were the suspension of demands, a basic consensus in the law to regulate pensions and the payment of those working days lost (*Clarín*, 13/4/95:5). In November 1995, the Multisectorial and the FGE organised a roadblock demanding three-months overdue wages: 'Those roadblocks were different, they were trade union struggles' (Hilda).

Unemployment

Unemployment was incorporated into the FGE agenda. Three of the FGE leaders explained it as follows:

'We aim to organise workers, namely: workers, unemployed, retired people. If we have to go out to the streets, well, there will be forms of organisation which might fit into this new pattern, depending on what interests and needs are required in very specific situations' (Acosta, CTA, 1997).

'We need a big transformation simply because unemployment is intrinsic to this form of capitalism' (Santillán, *Central de Empleados y Obreros Municipales* (CEOM), *Corriente Combativa Classista*, CCC 1997).

'Up till now, unemployment was a matter of political clientelism, politicians shared out employment programmes and posts to keep their "voters army" quiet. We introduce the problem of unemployment as a political issue' (Medrano, CEDEMS, 1997).

A Commission for the Unemployed was created by former *Ledesma Co.* workers in 1992. Run by Don Jimenez, its target was primarily to provide legal help to the early retired and ill workers seeking pensions and disability living allowances then denied by *Ledesma Co.* and the provincial administration. In 1994, the Commission achieved legal recognition. Insofar as it was 'inoffensive' and quite functional to the company

¹⁹⁹ According to the FGE leaders, 'the "Jujeñazo", unlike the Santiagazo, was an organised struggle

strategies, *Ledesma* managers helped the commission with a physical place and some resources to develop their activities. Since its creation, the *Commission* had tried to remain out of politics: 'if one talks politics to Don Jimenez he trembles, the memory of repression strongly associated with politics still remains' (Ibi).

The other two significant organisations in Jujuy are the *Multisectorial*, a locally-based pluralist organisation which gathers social sectors and other organisations such as industrial and small and medium-size business people, human rights militants, and the local church. The latter is a refuge for the poor. Although it is mostly concerned with charity, its main roles are political indoctrination and mediation in social conflicts.²⁰⁰

During 1996 several meetings were held between the *Multisectorial*, the FGE and the church with the governor of Jujuy. On 26th June 1996 a meeting gathered the provincial governor and representatives of social organisations and the church from Puna and Humahuaca, at which the governor recognised the legitimacy of people's demands, and committed himself to deliver new and more employment programmes, housing and capital investments, tax exemptions for the unemployed, the end of overdue wages for state workers and of tokens, and to improve health services (Resolution no 19/97).

Insofar as the demands were not met, on 11th July, the *Multisectorial* de La Puna sent a joint letter to the Minister of the Interior Mr Corach explaining the despair,

provoked by the governor's political clumsiness...it led to repression, imprisonments, but also further resistance and solidarity' (Medrano and Santillán, FGE).

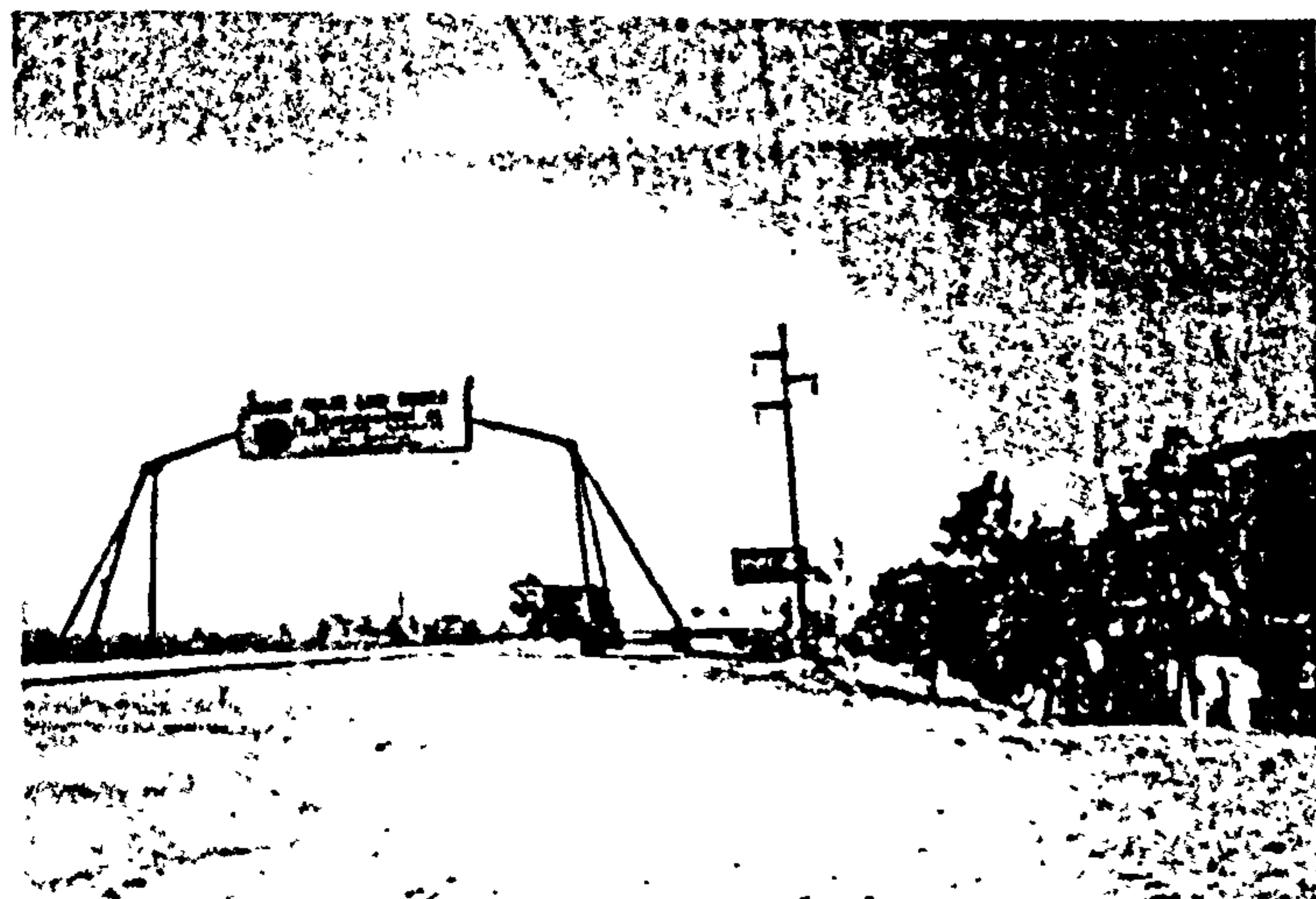
²⁰⁰ See charity by the *Obra Claretiana para el Desarrollo (OCLADE)* in *Clarín* Internet (14.7.97). The local church also has a role in political indoctrination. Although it dresses it up as religious guidance, the journal *Hoja de Ruta* establishes political advice on how *not to be naive and not allow others to*

frustration and suffering of the population. The letter also mentioned the meeting with the governor on 26th June and the poor results achieved, for provincial government attributed to national government the non-fulfilment of the promises that had been made to the *Multisectorial* of Jujuy. Eventually the letter demanded the constitution of a Civic-Provincial Committee for the control of all the provincial monetary incomes, for the traditional control institutions are 'polluted and corrupted'.

'Until when have the inhabitants of Jujuy to put up with the consequences of misgovernment and the political and economic personal interests of hopeless administrators?' (Letter to the interior minister, *Multisectorial* of La Puna and Quebrada, 11.7.96; see Working paper, Meeting 9.8.96, Jujuy).

III

'Stones versus Bullets': Chronicle of the *Roadblock* in Libertador



Resistance and Solidarity vis-à-vis the State's Violence

When they blocked the M34, demonstrators believed that the government, as well as *Ledesma*, had realised that this was not the

same kind of protest as the previous ones: 'it was not a *trade union protest*...this time the problem was deeper and difficult to be solved: unemployment' (HF). The roadblock was cutting the internal roads to Ledesma.

At dawn, after several hours on the road, demonstrators were threatened first and repressed by the police after they refused to 'go home'. Repression at the M34 was striking and disproportionate:

scare us, to know what one wants to say, to discern, to give priority to the concrete suffering people: and the external debt (Animadores, June 1997).

'There were 600 gendarmes. Men said: women in the front line, you will be respected by them. However, they did not! Water, hand grenades, vomit gases...I couldn't believe it! Teachers who were on strike came to help us...suddenly we saw a tank which started to persecute us (laughs). I tried not to fall over but it was fruitless, everything was flying, the flag, even us, (laughs)... now the M34 was blocked by the military police! It was like the Gulf war, they looked like Robocop!' (Olga).

'Some of us tried to find fresh air far away... running... but it was a mine field (which means that there were spies in the meetings!) ... floundering, we tried to jump into the river, nothing could have been better than that in spite of the cold



weather, but bombs were exploding around us...at 2 p.m. repression ceased but then all people went out to the streets' (Ibi).

Repression made the roadblock stronger and bigger. They resisted. On 21st

May military police besieged the town preventing anybody from entering or leaving the city, blocking the north and south access of the M34. But as the military police mounted in number and equipment, so agitation amongst people increased. Direct state violence was the typical solution brought about by the government. As previously shown, this has never been an 'abnormal' feature of Argentine politics, but the very mode of existence of the political, even in democratic periods, always underpinning economic transformations. The period 1976-1982 entailed, as never before, a very close relationship between big transnational and national economic groups and the military government allowing, with the support of state terrorism, the transfer of social wealth from the state to 'private' capital (see Basualdo 1992).²⁰¹

²⁰¹ See the strong link between capitalists and the military government in *Página12*, 25.3.98 : 6. The strong liaison between provincial administrations and traditional economic power makes provinces the means of subsidising economic groups. As an example of this discounts given to sugar cane estates became a mass of resources used by big economic groups with a regional presence, but financial

Some sugar estates became *concentration camps* during the last dictatorship (Rosenzvaig and Bonano 1993: 77). Businessmen actively collaborated with military operations in several ways. So the last dictatorship left deep marks in *Libertador*:

'The memory of what happened on "the night of the power cut" (*La noche del Apagón*), when, by turning off the lights of the whole town, 400 inhabitants were kidnapped and then disappeared on July 27th 1976, remains intact. People are still afraid' (human rights militant). Olga Aredes' testimony is illustrative in this respect:

'My husband was hired as a doctor for *Ledesma* workers forty years ago... The hot climate -- ideal for the sugar cane harvest -- provoked disasters in children's health. Statistics showed by then that 10 children per day died during the harvest... When my husband became the mayor of *Ledesma*, he strongly demanded that *Ledesma Co.* improve health care for workers and their families. On 24th March 1976, at night, military forces came in a *Ledesma* truck and kidnapped him. He *disappeared* like so many others in one of *the same trucks* that transported all those military policemen to repress us now, 21 years later' (Olga).



At 5 o' clock there was a meeting between the Bishop and the *Multisectorial*. While the meeting took place, 10,000 people out of the 60,000 inhabitants were waiting outside. The Bishop informed them that 250 jobs had

been offered instead of the 5,000 demanded, and nothing else. Although the government's proposal was insufficient, some members of the *Commission for the Unemployed* showed signs of conformity, regarding - they argued - the aftermath of repression. Nevertheless, young people strongly disagreed. Whilst they did accept the church mediation, they rejected the government proposal as well as the Mayor's

intention of controlling the resources from national government. As a result of discussion, they decided to stay and resist. But repression increased:

‘People were wild, uncontrolled, they risked their lives... some said “If I die, never mind”... and at a given point... policemen were hit, punched, stripped naked...’ (FGE leader).

‘People were furious, watching the destruction of their poor houses, being injured... we felt like *sisters and brothers*, nothing was more important than that’ (unemployed).

‘Resistance was born against repression... we were furious (Leo).

‘The newspapers said that the unemployed were stark raving mad... I think that the rivalry between workers and the unemployed was overcome by facing repression... the whole community was involved for there is at least one unemployed person in every bloody home of this bloody town’ (state worker).

The incorporation of young people was a crucial fact to build up resistance. Provincial statistics showed that between October 1995 and 1996, those who had never worked before constituted 24.7% of the unemployed in Jujuy (INPRODES 1996: 12). Employment benefit does not include new workers since, as previously mentioned, one of the requirements to be eligible for the employment benefit is to have been a ‘worker’ before.

The young unemployed, who called themselves the *Piqueteros* (like in the roadblock in Cutral-Có), were in the front line against the police tanks, throwing stones and trying to organise themselves. When they were asked the reasons for resisting like that and risking their lives they answered that to recover dignity and a meaning for their lives was the most important thing:

‘We, young people, joined the struggle because there is no possibility of employment unless one migrates somewhere else. Our life does not make sense at all. I fought against repression, I helped to repel the gas bombs’ (*Piquetero*, age 19).

'I was not scared... It wasn't fear but nuisance, hatred... the Mayor supported the military police. The newspapers published that' (*Piquetero*, age 18).

Solidarity and Co-ordination vis-à-vis the institutional struggle around money



At the second stage, many people were injured and the media was solidly behind the unemployed with protests spreading throughout the country. Strengthened by repression, the Multisectorial called for a general strike, supported by the FGE, and

marched to the capital city of Jujuy. Organisation against repression improved. Now, there were 10 roadblocks throughout the province that demanded the governor's resignation. The national government was scared of the international repercussions of events and that the conflict might damage foreign capitalists' decision to invest in the country (Clarín 23.5.97, Internet). The Governor looked desperately for two main things: a. financial help, b. political 'interlocutors' to negotiate with.

Most of the FGE leaders admitted that their strategy had been overtaken by locally-led roadblocks and demonstrations reflecting widespread *anger*:

'Our problem was how to organise that mess. Some of us wanted to lead the conflict, others wanted to leave the unemployed organise themselves... there was disorder all over, assemblies all over... it was a moment of great political upheaval, political power was at stake... eventually we decided that they had to organise themselves' (FGE leader).

Although FGE leaders saw the roadblocks as 'a mess' demonstrators explained it as a moment of magic. Action turned into the experience of redefining themselves,

reshaping their images and relationships, recovering desire and concrete needs. Resisting repression and taking advantage of political struggles within the public administration, the practice of direct democracy and the build up of solidarity and organisation developed during the conflict:

‘I took the microphone and spoke up... The media turned up and that was quite helpful for ... most of the newspapers and radio stations in Libertador are controlled either by the government or by *Ledesma* (Juan).²⁰²

Protesters held their demands but now they asked for the retreat of police too as a condition to suspend the roadblock. However, the atmosphere turned sour when military riot police, supposed to clamp the masses back, cleared the road by force and got into the neighbourhoods. They burst into the neighbourhoods, into the houses, instead, taking repression further than the M34. At some point

‘There were more than 1,000 policemen. Provincial MPs firmly demanded the retreat of military police ... Governor Ferraro sent letters to the Interior Minister Mr Corach, the home security secretary and the head of military police asking the police to leave the place: they would go back down to Lote Paulina, six kilometres away from the roadblock. An MP stated: “If troops don’t go back down a massacre could take place”. There were 80 more injured and 22 were imprisoned’ (Ballatorre and Pantoja *Clarín*, 23.5.97, Internet).

The tent that had been installed at the roadblock was stolen by the military police who accused them of hiding weapons. But

‘the only weapons we had there were some knives to cut the meat and vegetables, and of course, the lemons to repel gases... the tent was my aunt’s. She needs it to sell chicken on the road ‘when it is raining... you know... it is a shame, it was really expensive because it is a big double one!’(Juan).

²⁰² Juan is 37. He is a horse breaker and a blacksmith too. His father worked for Ledesma for 40 years. At present, he lives with his mother, Doña Mercedes, although he’s got two children in Buenos Aires and a daughter in Ledesma. Juan’s eldest brother is a policeman. With Leo and the others he became

The organisation of the roadblock improved vis-à-vis repression. A traditional *Olla Popular* (popular pan), a big tent and a truck and microphones for assemblies were installed beside the river to provide food and information for everyone. The road became not only a battle field but also a scenario for decision-making and increasing solidarity:

‘Every house had a hosepipe ready (to catch the gas bombs into pails filled with water). At the beginning, they just shared out some lemons, but later the lemons were already cut and piles of stones were already prepared for the time the young came to pick them up... everything was organised’ (demonstrator, unemployed).

‘For independence day [Sunday 25th of May] ... we had our own party on the road. There was a procession, a parade. More than 20,000 people were there eating *locro*, dancing to typical music, playing guitar... children wrote poems dedicated to Libertador’s struggle. It was impressive!’ (Ibi).

While the strength of the roadblock was growing, the government itself became the realm of confusion and disagreement regarding two main issues: i) political negotiation and ii) money resources. The roadblock disorganised the state and institutions. Local and national administrations were politically unable to deal with what they called the ‘social anarchy’ unleashed at the roadblock as well as with the combative FGE, except with the help of the church:

‘The nature of these kind of problems is that they turn into anarchy’ (civil servant, MTSS).

‘Jujuy is the realm of political chaos... I mean a changing scenario’ (civil servant, MTSS).

‘He [Minister of Labour] said to me: “let’s bring an ‘expert in conflicts’ to Jujuy. He could grasp who were the representative persons and then work it out”... The expert has been working there for two months.. the minister thought that he might find a solution’ (civil servant, MTSS).

The roadblock unfolded the struggle for obtaining, controlling and distributing the flows of money (credit) from the WB and the IMF borrowed by the central government to control social conflict, in a region where the lack of cash was striking. During negotiations, the central government held a tight position leading to terrible tension between it and the provincial government:

'In the Pink House, the Vice Interior Minister said [Governor] Ferraro has promised 10,000 jobs. The national government promises 2,488. Where is Ferraro going to find the rest of the money? Jujuy has a month's fiscal deficit of 10 million dollars. In order to refinance the public debt, the legislative power's consent is needed, but the government has got very few allies. It has to be done by issuing an emergency decree. The Minister of Economics rejected the provision of more financial help to Jujuy. He might only agree with a refinancing of public debt abroad through tokens, whose guarantee would be part of Jujuy's incomes from the Fiscal Pact. It is impossible to avoid the Fiscal Pact' (*Clarín*, 3.6.97, Internet).

Whilst the government was trying to find a 'valid interlocutor' in Jujuy and get 'money' from the central government, new leadership emerged at the roadblock.

The Emergence of a New Organisation vis-à-vis Institutional Recognition

A new organisation called Coordinadora de Piqueteros de Ledesma (i.e. Libertador) was born in the light of discussions and disagreements around the proposal. The new Commission replaced the Commission for the Unemployed and organised the Coordinadora de Piqueteros of Jujuy. Both organisations were legitimised and recognised by the government to discuss and negotiate a new proposal. After long hours of hard negotiations with local church mediation a 19-point agreement was reached on the 31st of May. The Piqueteros had to suspend the roadblocks and give up their 'weapons'. However, 11 out of the 19 roadblocks came back to the roads. The

reason being that by August the agreement had not been accomplished. Eventually, a final agreement was reached. It was accompanied by the organisation of two Round Tables convened by the church to discuss the main problems of Jujuy among the main social organisations of the province during August.

As organisation and resistance increased, the government gave up repression and offered a new proposal. The *roadblock* discussed the government proposals under the rules of direct democracy:

‘The *Commission for the Unemployed* wanted the meeting to take place far away from the conflict point and tried to convince people of the benefits of the government proposal... people answered: “no way!” and we kept on blocking the road. The commission was thrown out. We were just a group of *changos* who had won people over. Subsequently, we replaced the old commission which had disobeyed the assembly’s decision by going to Jujuy’s capital to negotiate. I said: “we should put pressure on the government now... today is an opportunity for asking for more, not only money and you are wasting this opportunity”... more widespread roadblocks, we supported them and sent food, tyres and *changos* to the places... so not only the *Piqueteros* in Ledesma [Libertador] but also the *Coordinadora of Piqueteros of Jujuy* was born there’ (Leader of *Piqueteros*, Roadblock Libertador).



However, the members of the *Commission for the Unemployed* experienced this as a surprise:

‘The organisation split. The *Piqueteros* gained in representation capacity. The

whole province was blocked... the bishop invited them [one representative for each of the 19 roadblocks] to talk. But we, the members of the *Commission for the Unemployed* were not invited, I don’t really understand why!’ (Leader of the *Commission for the Unemployed*).

On Tuesday 27th the *Piqueteros* were officially accepted by the Church and invited to join the negotiations with the government. The latter also officially recognised the *Coordinadora de Piqueteros of Jujuy*, that represented 19 roadblocks throughout the province.

Agreement and Disagreement

The new proposal offered 10,000 jobs (2,500 from the National Programme *Trabajar*, 5,000 on provincial programmes; 3,000 created “indirectly”), that would be managed and distributed by the *Piqueteros* and the church. The government also met the FGE to talk about the provincial debt, the shift of the tax burden away from direct to indirect taxation, tax policies aimed at big enterprises, policy on unproductive lands, and the devolution of 15% of revenue sharing for Jujuy. Ferraro promised also the refinancing of the public provincial debt, which meant the end of the emission of tokens and a return to state workers’ cash payment (*Clarín*, 31.5.97). Delegates assessed the proposal... eventually ‘an agreement was reached after several hours of exercising direct democracy. Men and women called into question and also booed politicians’ (Eichelbaum, *Clarín* 31.5.97, Internet). Mr Corach thanked the church for its valuable mediation (*Clarín* 30.5.97 Internet). The 19-point Agreement of 31st May would oblige the *suspension* of roadblocks for 15 days.²⁰³

Yet, a new disagreement between the government and *Piqueteros*, without church and community support, arose when, two months later, on 4th August, 11 roads were blocked again by *Coordinadora de Piqueteros*. They demanded the implementation of the 19-point Act and a wage increase for unemployment programmes (\$400 instead of

²⁰³ See further points in Agreement 31.5.97

the \$200 previously agreed), as well as genuine active participation in the management and distribution of employment programmes. Hence, roads were blocked again demanding the *real* implementation of government promises. They argued that 'the government [was] lying: only 30% of the promises were fulfilled. Nothing has been said about industrialisation, or the end of the bloody tokens'.

The Ministry of the Provincial Government said 'their attitude had to be considered as irresponsible and out of context' (*Página/12*, 5.8.97: 8). The return to the road provoked self-criticism within the *Coordinadora de Piqueteros*, since it lacked the full support of the community and the church:

'We have to draw lessons from struggles, as everyone does... trial and error...the government wanted division, splits... The last roadblocks were a failure: they did not have social support' (FGE leader).

Eventually, due to church mediation, on the 6th August, the *Piqueteros* suspended the roadblocks after reaching a truce. It added to the previous ones the provincial administration's commitment to fix those houses damaged by bullets and stones during the conflict as well as economic compensation to landlords; access to health care in Public Hospitals for those workers in employment Programmes; increase of wages within National Employment Programmes to \$400 per month. The government recognition of the situation of the whole community and discussion of the main critical issues, as well as the discussion on the implementation of the 10,000 new places on employment programmes, were at the core of that meeting. The *Piqueteros* were also invited to the first of two Round Tables (*Mesas de Concertación*) convened

by the church under the slogan '*Everyone wins*'.²⁰⁴ The *Mesa de Concertación* clearly aimed to *depoliticise* and *minimise* the problem as well as to create a fiction wherein peaceful agreement was a real possibility. The Mesa was devised by experts in conflicts hired by the Minister of Labour but presented as a Church proposal.

Concertación

What to do tomorrow?

On the 22nd August, the day before the Mesa was going to take place, the *Piqueteros* of the roadblock in Libertador discussed the strategy for the meeting. The discussion concentrated on *what to do tomorrow*, or better, what *Juan had to do tomorrow* for he had been elected as the representative of Ledesma within the Coordinadora de Piqueteros of Jujuy for the *Mesa de Concertación*, that would gather all social, economic and political sectors planned by the Church.

In general, they thought the *Mesa* was a trick but also an opportunity, for the government and the Church had recognised them as genuine participants and potential managers of employment programmes. During the meeting, the *Piqueteros* discussed politics. Some of the *Piqueteros* had joined left wing-political parties. Others don't have any political affiliation at all. So they discussed the convenience of having a party to support the struggle of the unemployed. The agreement was that the aim of the organisation of the *Piqueteros* was to gather people regardless of political differences. The most important thing was not to ease off and resist. They also

²⁰⁴ See title of a book *Todos Ganan. Claves para la negociación estratégica en los ámbitos personal y*

assessed their power situation within the *Coordinadora de Piqueteros* of Jujuy. They argued that the *Coordinadora* was reaching a definite agreement with the government. Piqueteros from Libertador had initiated the struggle so they needed to remain quite independent from the rest of the commission yet without isolating themselves. The need to have political cadres was also put forward when a participant argued that ‘there are so many people who still do not understand the meaning of this struggle even when they are supporting it’. With regard to the *Mesa de Concertación* there was consensus around the idea of attending and giving Juan the support to participate. They agreed with the fact that some *Piqueteros* were clearly identified with the political parties that they belonged to by the government and the police, so it was better that Juan, who had no political affiliation, represent them *tomorrow*. Leo collected some money for Juan’s coach ticket to the capital city

The Secret Meeting: ‘Everyone Wins’

The first Round Table convened by the local priests took place on the 23rd August in Alto Viña Hotel, outside Jujuy’s capital city. The aim was ‘to share a common diagnostic towards finding mutual necessities rather than the differences to establish priorities for the social emergency in Jujuy; to achieve concrete commitments for common welfare with everyone’s contribution’ (Church document, 11th June 1997). The 60 participants invited were the Provincial Government, provincial MPs, Mayors, Central Government, businessmen, Trade Unions, the *Coordinadora de Piqueteros*.²⁰⁵

laboral, Paidós, Buenos Aires by C Altschul and E Fernández Longo, 1992. The latter was hired by the government as a consultant to solve the conflict in Jujuy

²⁰⁵ According to *El Tribuno de Jujuy*, it was a top secret (closed) meeting. The press hardly got into the place, with the exception of official journalists who spent the whole day inside the hotel. A security operation, including door men who used to work at the government house and policemen inside the hotel, was carefully organised (*El Tribuno*, 23.8.97: 21). The FGE and *Ledesma* did not attend the *Mesa de Concertación*. Within the FGE some considered it important to participate (i.e. CTA). Others believed that the Mesa was a trick for it helped the government to show its capacity to gather different social organisations whereas it does not provide information as to where the money is going to come

Members of the Church (*Equipo Pastoral*) explained the *rules of the game* to the six working groups which consisted of businessmen, trade unionists, national and provincial executives, national and provincial legislature, counties and unemployed: they had to listen sincerely to the others, reconcile disagreement and help the one who cannot understand other standpoints, to help to clarify their aims within every group. Every member has to understand them; to give up at least for today any kind of political or other differences in order to put forward, in the first place, what are the needs which are able to unite us; henceforth, to draw proposals for Jujuy's sake from any word or contribution; to avoid political speeches, and leading attitudes as well as reproaches for past actions; to control the impulse of judging others; to focus on essential needs and issues, avoiding debate around temporary subjects; to use a simple language; to respect the others; not to go out or use mobile phones, just concentrate on what we are doing here; to promote a model of co-operation, for to speak is not enough.

Before working on fears and expectations, and determining the Provincial priorities beyond particular interests, the participants attempted some definitions of the state, the government, civil society and private companies. The *state* was defined as 'the community of all persons and institutions which live in the same territory, share a common historical background, who have organised their government on behalf of all of them with everyone's contribution and participation'. The *government* was seen as

from the CCC. Whilst the local CGT did attend the meeting, the FGE did not take part in it. Some Unions that belong to the FGE were on strike during the meeting. After a 48-hour strike during Thursday and Friday of 80% of lecturers belonging to the CEDEMS, lecturers and high school teachers would keep on striking progressively until the next 24-hour strike on Wednesday 27th August. Also ATSA was on strike the last two days (Thursday and Friday) The motives were overdue wages for July, which would be paid on the 1st September (*El Tribuno*, Jujuy, 23.8.97: 20). The refusal of the

‘that social actor in which all members of the state have delegated their power to be used in their names and on behalf of them... it is a public institution whose end is common welfare... It has the responsibility of the administration of wealth in order to achieved social welfare’ As far as *civil society* was concerned ‘it is composed of all those people and institutions which do not take part in the government. A first important division is between private companies and the third sector’. ‘*Private companies* are civil society institutions aiming at profit with private ends. Their social responsibility is to create wealth, good and services without damaging the rest of the population’. The third sector was defined as ‘those institutions in civil society which do not aim profit. They are lead by private initiatives but for public ends. It social responsibility is to allow the organised participation of all citizens who are not part of the government on behalf of everyone’s welfare’ (Document given to the participants of the meeting, 23.8.97).

As a result of the 6 different workshops, an 8-point document established the following 10 priorities for Jujuy: The development of small and medium-sized business as a source of job-creation and the protection of production; 2. Education, health and child care; 3. Social security for the unemployed working in employment programmes and Community Services; 4. Labour training for workers as well as the unemployed in specific areas; 5. The development of tourism and the mining industry; 6. Duty free areas; 7. The strengthening of democratic institutions; 8. The end of tokens and their convertibility into cash. Regarding the round table, the FGE split into two opinions: some stressed the importance of having genuine representatives at the table, for anarchy could have ended up in chaos (ATE, CTA and CEDEMS, CEOM,

governor to receive the FGE leasers made them decide not to attend the *Mesa de Concertación*. The

CCC). To others the meeting convened by the church was like 'sitting the hangman and the victim at the same table' for 'money has to be squeezed out of those who have got it, namely, companies which have enriched themselves with people's money' (CEOM, CCC).

Assessment

The next day, the *Piqueteros* assessed the results of the Round Table, at night, at Nelly's house, eating *empanadas* prepared by the women. The representative for Ledesma to the meeting reported the event. He explained that the *Piqueteros* were 'already an institution'. Juan demanded the collection of some money to pay his aunt back for the loss of the tent at the hands of the police. They spoke about delegates' elections to the *Coordinadora of the Piqueteros of Ledesma*. They were really concerned about how to go on, what was going to happen next. On 29th August, a second *Mesa de Concertación* would take place in order to reach consensus and obtain formal commitments from all social sectors. On the same day, the CTA called for the First National Meeting for the Unemployed at its headquarters in Buenos Aires. The meeting revealed that the problems of Libertador were shared in many localities and regions of the country.

IV
M- Roadblock-M'
 A Determinate Abstraction

The theoretical Challenge

The analysis of this new form of resistance in Argentina posed theoretical challenges. Struggles like the roadblocks have been labelled 'IMF or food riots' (Walton and Shefner, 1994). As mentioned, in Argentina they were regarded in two ways forms: the first being a demand for 'getting into the system' (Favaro *et al* 1997), and this includes the roadblock as an effect of institutional and political weakness (Gauchet in Tenti Fanfani, 1996: 266) and as the post-industrial form of conflict where 'the capital and labour relation is not any longer central to the development of capitalism' (García Delgado quoted by Favaro *et al* 1997: 22). The second being 'popular rebellions' (Iñigo Carreras and Cotarelo in Klachko 2000, see chapter seven), the resurgence of the left (Petras, 1997) with a revolutionary potential to break down the system in the future (Lizaguirre *et al* 1997). Whilst in the former case the demonstrators are seen as the victims of an unfair situation, fighting social exclusion, struggling to be 'included' and the roadblock as a residual form of resistance, a desperate attempt to be heard and seen against social, economic and political exclusion, the latter present the participants of the roadblock as a new identity-subject of social change.

In this chapter, I did not aim to classify the roadblock but, rather, to allow it to speak by itself, by reconsidering the ways and categories through which we aim to grasp it. My initial question was how to understand the '*interest*' of the roadblock when it

became a point of encounter of many interests and reasons, meanings and feelings. The striking feature of the roadblock was the richness and heterogeneity of the participants and still their capacity to organise and put demands forwards. The notion of 'class interest' or simply 'interest' were inappropriate for my understanding of the roadblock. Resistance, organisation and solidarity were driven by anger, fury, sadness, frustration and also an empowering feeling of participating, defending themselves, articulating action, discussing ideas, organising, defending a meaning for their lives. So the challenge was to understand the meaning of the roadblock by rejecting the notion of *class interest*. I realised that the roadblock did not unify class interests but rather *dissolved* them.

Secondly, the roadblock allowed an alternative understanding between passion and action. The fact that demonstrators themselves expressed their anger and fury, their frustration and desperation as the reasons for collective action did not mean that their action was 'irrational'. In fact, *any* struggle is incomprehensible without those elements for, far from being metaphysical, the constitution of labour capacity as abstract labour entails the struggle for the *harnessing of passion and needs* to the commodity form (Dinerstein 1997). But these elements are usually neglected by the sociological theory of action.

Thirdly, the case study highlighted the significance of the experience of the struggle rather than its 'outcomes'. The theoretical discussion developed in previous chapters emerged out of my field work and the analysis of the ways in which, by blocking the roads, the demonstrators not only counter posed a physical barrier to the 'escape' of capital, but most importantly, how this action became revealing, empowering and

transgressive in the here and now for those considered 'excluded'. As a form of labour unemployment fosters its own form of subjectivity. The roadblock meant a moment of personal and collective realisation.

Fourthly, the roadblock made distinction between social political and labour conflicts superfluous. The roadblock does not implies the 'politicisation' of the labour conflict or a social conflict of those who cannot be included in the category of 'labour. As a determinate abstraction, the roadblock represents an explosion of energy (politics) which resists encapsulations into the category of 'labour', or 'social' of political'

Finally, the roadblock questioned the sociological distinction between global and local struggles. I aimed to show that this 'local' struggle is not just an example of a global or national trend but rather, as the particular expression of the global recomposition of capitalist social relations, it encapsulates the global and local.

The Political Challenge

The empowering feature of the roadblock lay in that it allowed the so-called 'surplus labour capacity' to express itself as surplus (unsustainable) life produced by capital.

The decision to block the road puts in motion existing contradictions within the national and provincial administrations and capitalist financial institutions, allowing the roadblock to evolve into a more sophisticated form of resistance and to constitute people's identity as demonstrators. The first form in which the roadblock becomes powerfully material was by means of the resistance against repression. Pushed by the young unemployed, the roadblock rejected subordination and set a *physical barrier* to the uncertainty imposed by the *scarcity of money* underpinning unemployment which

turned the M34 into a battlefield. Rather than intimidating the demonstrators, police repression led to anger and fury, and fostered a great sense of solidarity. So the road became also the place for expressions of solidarity, connections, decision making, communication, negotiation and recomposition of identities. The roadblock articulated frustration, suffering, isolation and misery into a movement of enthusiastic resistance. State repression was a catalyst for the building up of resistance and solidarity simply because it made capital's struggle for real subsumption visible, liberal institutions hollow, employment policies hopeless and corruption clear.

The second form in which the roadblock contested invisibility was the development of their own organisation beyond resistance to repression. Whilst resistance developed into a higher level of co-ordination and organisation of diverse participants of the struggle, different institutional layers struggled to find resources to meet the demonstrators' demands. New organisations emerged out of the old and were institutionally recognised by political power. During the struggle, the old commissions for the unemployed were transformed into the *Comision de Piqueteros* and after that into the *Coordinadora de Piqueteros* of the province, where young unemployed had a leading role. The third form in which the roadblock achieved strength was through the capacity to achieve political recognition without losing their initial organisations. They also influenced local and national union strategies with regards to unemployment in general and the roadblock in particular.

The roadblock posed political challenges to the organisations of the unemployed themselves, democratic institutions and trade unions. The first political challenge posed by the roadblocks was the degree of organisation, consolidation and networking

capacity of those civil society organisations and new identity movements, such as the *Piqueteros* and the *Coordinadora de Piqueteros*, the *Movimiento de los Trabajadores Desocupados* (Francisco Solano, Buenos Aires) and other organisations such as *Grupo de Apoyo al Pueblo Mapuche* (Neuquén), *Archipiélagos*, *Cátedra Libre Guevara* (La Pampa) (see Archipiélagos 2000) which emerged out of the economic crisis, disenchantment and protests of the 1990s.



Secondly, the roadblock revealed that the neo-liberal transformation undermined those institutional arrangements which regulated both labour and socio-political relations, as well as the unsustainable tension between

local and central administrations, and the central administration and the IMF. Under Menem, two major debates within the cabinet developed between those who were determined to defend the country's financial performance and those whose goal was to reduce social tension through social reform. As this tension continued into 2001 the struggle to maintain stability provoked the deepest political crisis of the last decade (see conclusion).

Thirdly, the roadblock illustrated the effort and difficulties of the existing labour organisation in incorporating the problem of unemployment and social exclusion in their agendas. In August 1997 the executive committee of the CTA organised the *First National Meeting for the Unemployed* with local and provincial representatives

of the unemployed and other social groups taking part (see previous measures against unemployment in CTA 1996). The aim of the meeting was to discuss the functioning and achievements of existing local commissions for the unemployed, as well as the perspectives for further developing the organisation of the unemployed in Argentina.²⁰⁶

Most of the issues arising in the workshops during the meeting constituted a common pattern that was present in the Jujuy case. The partial achievements of the different social organisations and the organisations of the unemployed throughout the country have been: special treatment for the unemployed with regard to the payment for public services, tax exemption and suspension of mortgages with no interest with the 'House Provision Institute', FONAVI (Resistencia, Chaco; Viedma, Río Negro). In some localities, organisations achieved a moratorium for taxes, free public transport, training courses for the unemployed in telecommunications (Rosario) or in the management of the employment programmes (San Miguel, Buenos Aires). In other cases they achieved temporary jobs by agreements with small companies to do jobs like rubbish collection (Pergamino, Buenos Aires) and small business (Santa Rosa, La Pampa). In Bahía Blanca the unemployed went from protest to proposal (*'de la protesta a la propuesta'*) and achieved 500 TRABAJAR employment programmes after a 79 day strike under a tent installed at the front door of the county hall. They also created a co-operative for job creation. This is also the case of Capitán Bermúdez, Santa Fe where the unemployed had an office where they devised a project to create kindergartens to help single mothers. In La Plata, the unemployed organisations deliver courses to allow the unemployed to finish primary and

²⁰⁶ The strategy of the CTA was to increase pressure on the unions to which the unemployed belonged before, to let them enjoy benefits as workers: 'The unemployed are not unemployed from nowhere!'

secondary schools, since this is an exigency to find a job. A programme of market gardens in the neighbourhoods (*huertas en los barrios*) has also been created through the National Institute of Agro Technology (INTA). They also organise professionals to provide counselling, particularly to the male unemployed. As the delegate put it, 'the culture of the breadwinner is very deep in our society and this is nowadays broken ... we talk with psychologists to have counselling to make the *compañero* understand that he/she has to struggle against this plan of death'. Puerto Madryn, Chubut presented an interesting case for the unemployed to achieve institutional status. Namely, they undertook a serious statistical study of unemployment and determined the main necessities of each family group. The results highlighted that among a population of 50,000 there were 800 families, i.e. 3,500 people, in a very vulnerable situation. Divorce spread. Men left home trying to find a job somewhere else. Most of the unemployed were single mothers, old people and children.

Yet, for the CTA organising the unemployed was not and is not easy. Organisational, geographical and financial problems also arose. First, whilst the leadership of the roadblocks, i.e. the leaders of the unemployed and of other social organisations, were reluctant to join a trade union confederation, trade union activists suspected the unemployed of being unable to join the union in an organisational form. Whilst the former feared being co-opted by the confederation, the latter feared being disrupted by the unemployed. Some of the unemployed pointed at a contradiction within the CTA, i.e. whereas the unemployed were encouraged to affiliate to the CTA and participate, they were not included in the executive committee. Secondly, the roadblocks take place in isolated areas of the country and have been patchy. Thirdly,

the unemployed can provide very little financial contribution to the trade union. This can increase the competition between workers and the unemployed. As a result, rather than promoting a centralisation of the organisation of the unemployed, the subordination of the unemployed to the executive committee of CTA and giving financial support to the unemployed organisations, the CTA decided that the *Central* should act as a network. The challenge was, then, to articulate and to connect different social struggles and organisations that genuinely emerge in different parts of the country. Not only workers and the unemployed but also prostitutes, children in the streets, pensioners, the *sin tierra* (landless) would join the CTA (interviews with the CTA leaders 1999; see further action against unemployment in CTA 1999, *La Nación* on line 8.6.00; *Página/12*, 6.8.00, internet).

Ya Basta!?

By blocking the roads, workers, the unemployed and entire community of Libertador made themselves visible against the violence of stability entailed in the current forms of capitalist work. The roadblock set a physical barrier to the flight of capital and the uncertainty imposed by the scarcity of money underpinning stabilisation and flexibilisation policies. It called into question the rationality of the end of politics and offered an alternative to it. Necessity became politics (see Kennedy 1996; Mellucci 1989). Political action became a form of survival. I did not claim for the unemployed, instead of the working class, to become the historical subject for revolutionary social change; rather, I argued that the process of valorisation of capital *creates* critical forms of existence. The unemployed are not just 'externally' forced to exist in a unsustainable form, but rather produced as an unsustainable human form of existence.

Unsustainability refers not only to the simple fact that, under the real subsumption of society in capital (Negri 1992) neither autonomisation nor reproduction of labour are possible. Most importantly, unsustainability highlights the hidden unhappiness produced not by the lack but by the intensification of capitalist work, intensified in the case of massive unemployment and poverty. This significant element is usually neglected in favour of more abstract (political, economic and sociological) analysis of unemployment. I argued that it is this unhappiness what makes the subjectivity of unemployment political. The struggle made apparent how the more 'abstract' capital becomes, the more invisible labour becomes. The political power of the roadblock

does not *just* lie
 obtain more
 programmes or
 capital
 impoverished
 Its political power
 materiality to the



in the ability to
 employment
 even more jobs and
 investments for the
 areas of the country.
 lies in that it provides
 abstraction of M-M',

by making the avoidance of labour impossible. It was shown how the contradictions underpinning the production and reproduction of capitalist society as a totality, and within which dynamic we usually lose ourselves, can articulate in a dramatic form within us. Following this, the roadblock is an attempt to contest the hidden unhappiness entailed in the virtual disappearance of labour. *Enough!*

Resources for the Case Study

Press Material: *Clarín/ Página/12; La Nación; The Economist; El Tribuno de Jujuy; El Pregón de Jujuy, El Tribuno de Salta, Animadores* Journal of the Prelatura de Humahuaca Año XVIII Junio 1997 n° 198); Journal *Conectandonos* (CTA).

Official documents and Legislation: Agreement Act 6.6.97; Decree 3065, Jujuy, 6.6.97; Decree 3,115 Jujuy 12.6.97; Agreement 26.6.96, Provincial Government, Jujuy; Multisectorial of Puna and Quebrada, Letter to the Minister of the Interior, 11.7.96; Working paper of the Meeting 9.8.96; Agreement 31.5.97; Agreement between the provincial government and the Commission for the Unemployed, 6.8.97; Provincial Legislature of Jujuy, Resolution no 19, 27.6.97; Invitation by the *Prelatura de Humahuaca* to the Mesa de Concertación; Aproved Projects (Servicios Comunitarios (Ledesma); Ficha Procesamiento de Desempleo (Ledesma).

Interviews: CTA National level: Egardo Depetris, Secretario de Organización - CTA Nacional, 26.8.97 Buenos Aires; Victor De Genaro, Secretary General CTA, 4.8.97 Buenos Aires; Claudio Lozano, Director IDEP – ATE, 4.9.97 Buenos Aires; FGE San Salvador de Jujuy: Carlos *Perro* Santillán, Secretary General CEOM, Leader Corriente Combativa Clasista, 20.8.97, Federico Medrano, Secretary General CEDEMS (Centro de Docentes de Enseñanza Media y Superior de Jujuy) 19.8.97; Juana Sosa. CEOM (Sindicato de Municipales de Jujuy), 20.8.97; Fernando Acosta, Secretary General ATE and CTA Jujuy 19.8.97; MTSS civil servant high level related to Jujuy case: Enrique Deibe, Director Regional Buenos Aires, MTSS, 15.8.97, Buenos Aires; José Hugo Ceriani, Director Regional NOA MTSS, 26.8.97 Buenos Aires; Members of the Commission for the Unemployed (5); Leaders Coordinadora de Piqueteros (5); Other key informants from Human Rights Organisations (Olga Aredes, Madres de Plaza de Mayo) and social organisations (Hilda Figueroa); Participants in the roadblocks (20).

Participant Observation: March, Thursday 22.8.97, Libertador General San Martín, Jujuy; Meeting *Piqueteros* before the Mesa de Concertación, Libertador General San Martín, 22.8.97; Meeting FGE 22.8.97, Libertador general San Martín; Mesa de Concertación 23.8.97, Jujuy capital city; Meeting to assess the developments within the *Mesa de Concertación* 24.8.97 Libertador General San Martín; Activity of the *Piqueteros* after the agreement Libertador General San Martín, First National Meeting for the Unemployed 29.8.97, Buenos Aires.



Graphic
Summary



APARICION

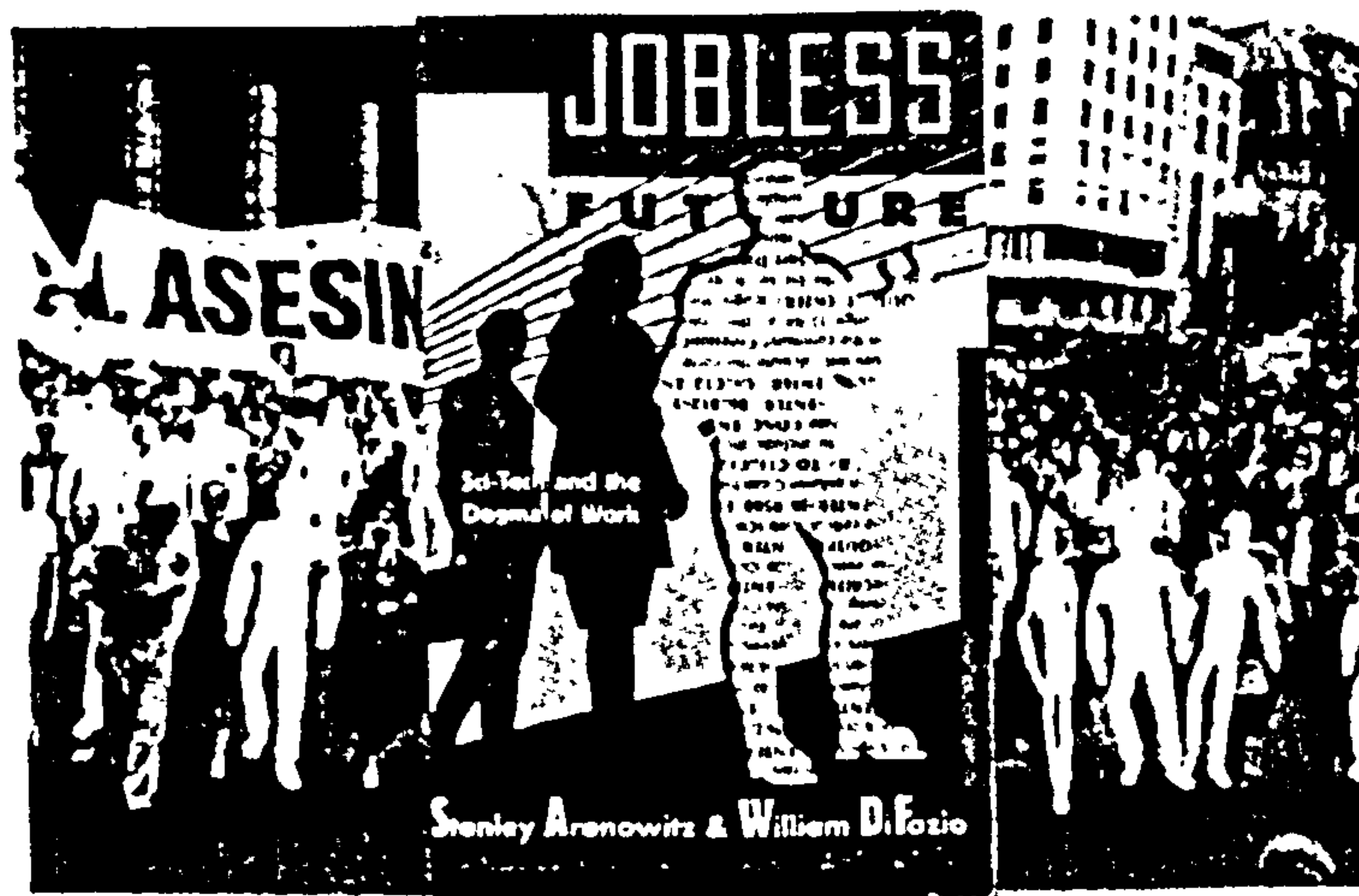


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Conclusion

2000: Fighting 'Virtual' Disappearance



The Mothers march with silhouettes of the *disappeared* (photo by Gerardo Dell'Orto)

This thesis comprised a theoretical and empirical investigation of the subjectivity of labour in Argentina, with particular emphasis on the 1990s. The global capitalist crisis of the 1970s produced a unique recomposition of capitalist social relations worldwide. Although capital has been always global, 'globalisation' seems to be new in that for the first time capital asserted itself as a global social imagery where it is seen as free and detached from labour.²⁰⁷ This 'disconnection' between capital and labour is deeply disempowering for it denies the source of social transformation (labour) in favour of the reification of an abstraction (capital).

A *social imagery* is not a myth, an illusion, or an ideology but a material dimension of social practices. The adequate ideas about ourselves, the others and society are constitutive of social practices and not just 'external' notions to be 'internalised' by the subjects involved but *constitutive* of our subjectivity. The social imagery of globalisation, and within it, the need for stability, has been validated, since the 1970s, by the real predominance of the *abstract* over the *concrete* aspects of the capitalist

relation produced by the volatilisation, liquidification, liberation, deregulation and transnationalisation of global capital which followed the capitalist crisis of overaccumulation. This dominant imagery of a dynamic and positive 'melting' of the barriers to capital's circulation (Bauman 2000) and its expansion coexists with the fragmented reality of violence underpinned by the intensification of exploitation, the destruction of the productive capacity of capital, the reorganisation of production, consumption and of technological arrangements, unemployment, poverty, environmental destruction, etc.

Insofar as local, national and global struggles have endlessly emerged against this new form of planetarian global capital, many have attempted to elaborate a critical account of the new situation as a means of contesting the material and spiritual hopelessness and frustration that globalisation brought about. It is clear that traditional categories and methods of analysis to understand the subjectivity of labour in 2000 are becoming increasingly meaningless or, even worse, a barrier to assess the new forms of the power of labour.

In Argentina, the reification of 'global capital' led to a social obsession with economic stabilisation. This obsession is not new. As shown in this thesis, political and economic instability have been the historical features of Argentina since the constitution of the national state in 1880 onwards, thus seeking economic stability was also a historical goal of successive governments. Yet, the obsession with stability intensified in the 1990s when the halt of hyperinflation legitimated a deep recomposition of social relations. The 1990s marked the emergence of a new social

²⁰⁷ See Clarke 2001, Harvey 1999; Negri 1992.

arrangement based on both the idea that labour (i.e. Peronism) was defeated and that stability, which accomplished the much needed control of the uncontrollable, i.e. hyperinflation, was supposed to benefit everyone, particularly workers. As an untouchable achievement stability located popular demands as destabilising *stability*, since they make governability and the accomplishment of international financial compromises difficult. The repression of labour in favour of the reification of an abstraction created a vicious circle which led to a general 'bad social mood', frustration and anger, which outlived the Menem's administration period in office.

This problem evoked a re-examination of widely shared assumptions regarding both the crisis of labour and the triumph of neo-liberalism, which were of major concern of this work. Multidisciplinary studies of the period 1989-1999, although abundant and interesting, lack an adequate interrogation and questioning of the categories and methods used to grasp Menem(ism) *insofar* as it transformed the subjectivity (power) of labour in Argentina. This is why my focus was not Menemism but *subjectivity*.

Going beyond the formulation that the state, money and the law are the political economic forms of the social relation of capital (Holloway and Picciotto 1977; Clarke 1991; 1988), I suggested that the subjectivity of labour is itself a determinate abstraction. The notion and method of subjectivity as a determinate abstraction aimed to relocate human subjectivity at the focal point of the process of valorisation of capital. As mentioned this was politically relevant in a moment in which the current forms of existence of labour appear to be excluded from the process of valorisation of capital itself, e.g. unemployment in the Argentine case. Once subjectivity is recognised as being produced by capital from within, the critique of capital can only

be located from within capital itself, even when it appears, like in the present time, that subjectivity is no longer determined or produced by labour (see Gorz 1999).

What is subjectivity as a determinate abstraction? First I work on the idea that there was an inner connection between the process of valorisation of capital and subjectivity. The connection being that valorisation is a political process (Cleaver 1979) which not only subordinates (Cleaver 1992; 1993) but *produces* forms of human existence that allow capital to reproduce and expand, as well as to enter into crisis. As argued in chapter one, real subsumption implies not only that workers have become part of the machine, and that the generalisation of commodity production makes capital to appear as the subject, by the complete subordination of workers to capital. Most importantly, real subsumption indicates that since capital has become the form of society (Postone 1996) subjectivity is now produced as an intrinsic and inner aspect of capital. Human existence and action is produced by capital and creates the barrier to the valorisation of capital from within it. However, since value is not an established fact but a social relation (Bonefeld 1996; Neary 2000), the forms of subjectivity are permanently recreated as capital expands itself as a form of society through class struggle.

I call subjectivity of labour a dramatic form of existence which emerges as the articulation of the subjective and objective aspects and social forms that mediate labour as a social activity within the subject. Postone (1996) has suggested that the problem between the social constitution of capital as the subject and the possibility of the emergence of oppositional subjectivity can be overcome by studying the dialectical mutual constitution of social structures and everyday forms of social

practice. According to him, Marx 'analyses social objectivity and subjectivity not as two ontologically different spheres that must be related but as intrinsically related dimensions of the form of social life that are grasped by his categories' (Postone, 1993: 224). The implications of this proposal for the development of a theory of subjectivity are significant: it is 'a non functionalist theory of subjectivity ...based on an analysis of the forms of social relations' (1996: 218).

However, the contradictory process of production of subjectivity in a world produced by labour, but where capital has become the subject is still mysterious.²⁰⁸ I suggested that Marx's critique of political economy and his method of determinate abstraction allow an understanding of subjectivity as a determinate abstraction. Subjectivity as a determinate abstraction offers the possibility to relocate human action at the core of capital, and therefore contributes to an empowering (non)theory of subjectivity (praxis).

As argued real subsumption indicates that, since capital has become the form of society (Postone 1996), labour as value-creating social activity materialises in two forms: as 'labour' and as 'social forms' both historically produced by class struggle (Postone 1996; Neary 2000) Whilst the former refers to the human form of existence of capitalist social relations, i.e. what we usually call 'labour', the later refers to the social forms which mediate the impersonal domination of labour by capital (Postone 1996: 59), i.e. what we usually call 'capital': the state, money and the law. In order to understand a form of subjectivity, it is important to look at the interaction between the

²⁰⁸ On this see the exciting work of Neary and Taylor, 1999; Neary, 1999, 2000; De Angelis 1995; Cleaver 1993; 1996; Neary Michael and Rikowski Glenn 2000; Rikowski, 2001; MacLaren, 1999.

aspects which constitutes 'labour' and the social forms which constitute the capitalist powers for *both* mediate labour as a social activity.

On the one hand, 'labour' exists through at least three aspects: identities, organisation and strategies of resistance. These aspects mediate and shape labour as a social activity. For example, the labour movement facilitates both the organisation of the working class' resistance and the institutionalisation of it. But although these aspects can be approached separately, e.g. in order to understand a form of 'labour' we can look at the significance of the national identity of the working class, or the power of trade unions, none of them alone can explain a form of 'labour' for each constitutes a partial expression of a totality. On the other hand, labour as social activity is mediated by social forms which, represent the capitalist powers. Capital materialises through these forms. The state, money and the law allow capital to exercise its command over labour. As an example, the state and the law are decisive in shaping the identity of the working class. However, each of these social 'objectified' forms represent a partial aspect of a totality. The study of the relationship between 'labour' and, for instance, the state, although decisive, is insufficient to grasp the constitution of the subjectivity of labour.

Following this, subjectivity of labour is the site of conjunction of the aspects which characterise 'labour' in and against the capitalist powers. As a determinate abstraction (historical, transient, concrete and abstract) subjectivity can be seen as a *hieroglyphic in motion* of the multiple forms, struggles and contradictions which constituted as such in a determinate historical moment of struggle. Class struggle is ultimately a struggle over the form of subjectivity. Since labour is a mediated activity, the struggle

over the form of subjectivity does not take place directly, but is *transferred on to* (or asserts itself as a struggle over) the subjective, political, economic and legal forms which mediate labour, namely it expresses as a struggle over workers' identity, ideology, imageries, the forms of the institutionalisation and regulation of class conflict, the forms of control of the power of trade unions, the welfare state, the labour code, workers' or human rights, wages and so on. This understanding of class struggle as a struggle *over the form of subjectivity* is not only relevant to understanding the main changes in workers and social identity, labour and social organisations and the forms of resistance, but most importantly it allows first a better understanding of the recomposition of the state, money and the changes in the law insofar as the production of adequate subjectivity is their *raison d'être*, and secondly, of the dynamic interaction between the concrete and abstract aspects of capital as a social relation, which are embodied in a particular form of subjectivity.

But if these forms of being were created within the process of valorisation of capital it was necessary to grasp them in the historical moment of their production, within a non-teleological continuum of class antagonism. I suggested that, in order to be consistent with my theoretical framework, the analysis of labour and social conflicts were fruitful since they assert themselves dramatically as critical moments whereby the aspects and forms which constitute subjectivity are, like in drama, put in motion with unexpected results.

I explored five historical *forms* of subjectivity which emerged as the dramatic expression of the social relation of capital: the Anarchist (1920s), the Peronist (1940s), the Anti-imperialist (1960s), the Revolutionary (1970s) and the Democratic

(1980s). My intention was not to present the most significant moments in the history of struggles but, rather, to show how labour made history by taking dramatic forms which encapsulated crisis, deconstruction and new integration into another one, i.e. how labour moves (Neary 2001; Dinerstein and Neary 1998). The analysis of each form was then located in a continuum of resistance vis-à-vis the different forms achieved by capital, the state and the law. These dramatic moments of subjectivity reconstructed the dynamic principle, the multiple contradictions and subjective and objective forms which underpin the production and transformation of subjectivity in each historical period and allowed me to establish the inner connections between forms of valorisation of capital and the production of determinate forms of existence of labour. Each chapter contributed to my argument that subjectivity of labour was a transient conjunction of multiple aspects, the producer and the product of historical capitalist social relations, a *form of being* which bears the past yet puts it in motion into the future.

Labour Moves

Chapter two presented the Anarchist *form* of labour through an analysis in motion of the rural workers' strikes in Patagonia in 1921. I did so with the help of a film. The use of a film provided me with an excellent tool which matched my methodological and theoretical proposal. Whilst historical documents can uncover the identity, organisation and forms of struggles of *Patagonia Rebelde*, subjectivity exists in the form of a mythical representation of the event. The film is an expression of that mythical representation. The dramatic nature of the plot allows one to capture the movement of *production* of subjectivity, by recreating the imperceptible dynamic

which is detectable only in action. Each scene asserted a synthesis of a multiplicity of conflicts, meanings, reasons, feelings and contradictions which develop through action.

The conflict in Patagonia in 1921 signalled an apex in the struggle for and against the real subsumption of labour by capital. The Anarchist rural labour force was produced within extensive accumulation of capital in light of the expansion of the agro-export economy led by landed classes and foreign capital. It was composed by immigrant labour force which rejected integration into the state. The *Patagonia Rebelde* put in motion the struggle for and against the real subsumption of labour by capital which took the form of a centripetal antagonism between workers' tactics of direct action and capitalists' and conservative politicians' unlawful repression of workers by means of military operations or starvation wages. The limits of this form of labour and of class antagonism was that the crisis of extensive accumulation of capital and the shift towards intensive accumulation required the progressive institutionalisation of class conflict by the state. When the strikes in Patagonia took place, a more complex form of labour and class antagonism had already emerged.

Chapter three (1945-55) illustrated the movement of labour into a constitutive moment of appropriation, recognition and integration of labour into the state under a new form: the national (Peronist) working class. It was shown that the 17th October marked a turning point insofar as the power of labour became apparent, corporeal and visible. Peronism meant the social construction of the imagery integration of the working class under a self-contained identity, ideology and doctrine, as well as a powerful state-sponsored trade union movement (politically active and strongly

developed at the workplace). The peculiarity of Peronism lay in that workers invented it (James 1988), as well as that it produced a peculiar form of subjectivity where the political became emotional, i.e. a *sentimiento* (a feeling). The constitutive emotional characteristic of Peronism was rooted in the political recognition of labour as the driving force of society by the state. The strength of the populist state was rooted in the power of the working class. But, as shown, this peculiar arrangement of the post-WWII period did not mean the end of class antagonism but a centrifugal form of it. The main contradiction of this form lay in that whilst the recognition of the centrality of the power of labour was achieved by means of the recomposition of the state in a way which it allowed its institutionalisation, the power of labour and resistance was posited at the heart of the state. This made class struggle 'political'. Economic crisis and political instability will be, from now onwards, associated with Peronism and the power of the working class.

The struggle for the deconstruction of the Peronist *form* which marked the following 45 years of struggle in Argentina, and which asserted itself as anti-Peronism, military corporatism, democratic struggles, labour reforms and economic crisis, was ultimately a struggle for and against the deconstruction of the centrality of labour within the state, in light of the transformation of capital after 1955. Whilst capital aimed at the deconstruction of the recognition and integration of labour into the state (*deperonisation*) (Tedesco 1999), the power of labour took even more radical forms

Chapter four addressed the first of these radical forms: anti-imperialist resistance embodied in the *Cordobazo* in 1969. The anti-institutional and anti-capitalist spirit of Anarchist labour and the strength of the working class was put in motion by a new

non-bureaucratic and anti-imperialist political movement with a nationalistic class-oriented ideology which was to become central to Argentine politics during the 1970s. The *Cordobazo* produced a real change in the forms of resistance in Argentina vis-à-vis the also new forms of repression embodied in the first bureaucratic state (O'Donnell 1988) which blatantly subsumed the whole society under state control and repression. The period 1955-69 was marked by the increasing penetration and expansion of transnational capital into the country's economy as well as an increasing imposition of the US in politics. During this period, and although Perón was in exile, the state achieved democratic and dictatorial forms produced by the capitalist struggle to deperonise labour, i.e. to harness radical grass-roots activism (the *resistencia peronista*), as well as the political influence of the union bureaucracy. The expansion of capital command over and the intensification of repression also led to the expansion of resistance to other social sectors which joined the working class against imperialist capital and state terror. The *Cordobazo* highlighted the existence of a consolidated and combative industrial working class *explicitly* determined to fight imperialism, a labour movement divided into the bureaucratic leadership and radical grass roots resistance and the unity between workers, students and the whole society against a common enemy broke the dichotomy labour movement *versus* university students entrenched by the Peronist doctrine, gathered the CGTA. The main contradiction of the anti-imperialist form highlighted lay in that the intensification of the process of real subsumption of society in capital (by means of the technological transformation and the transnationalisation of the economy), as well as a dictatorial state did not control labour but rather produced a powerful industrial working class and the articulation and expansion of radical politics to other sectors of society, such

as artists and students, which contested the technological revolution, the transnationalisation of the economy and repression.

Chapter five focused on the second radical form which followed the *Cordobazo*: the revolutionary Peronist guerrilla organisation *Montoneros*. The *Monto* gathered a new young generation of radical Peronists who pushed the contradictions underpinning the Peronist form toward their limits. Rather than the humanisation of capital, *Montoneros* and the JP aimed at a socialist (although Peronist) revolution. The populist state and the Peronist doctrine offered them the starting point for their project. As a result, the struggle over subjectivity was expressed in this case as a struggle over the meaning of Peronism and the state, personified in the complex relationship between Perón and *Montoneros*.

The crisis of *Montoneros* was presented in the chapter by looking at the massacre of Ezeiza in June 1973 and the mobilisation of the 1st of May 1974 in Plaza de Mayo. Whilst *Ezeiza* symbolised the explosion of the 30 years of contradictions of Peronism (Verbitsky 1995), the 1st of May 1974 symbolised the deconstruction of the pact between revolutionary labour and the capitalist state. The main contradiction of this revolutionary form was that whilst *Montoneros* aimed at socialism, their project clashed with the impossibility for Peronism and the populist form of the state to transgress the capitalist arrangement. This impossibility was reinforced by the forms taken by capital in the 1970s. The defeat of the Chilean socialist project was the best example of this.

After the defeat of revolutionary projects in the mid- 1970s, the intensification of the abstraction of capital in its money form marked a decisive moment of *disembodiment* of labour, when the repression of Montoneros and radical militants was extended to the whole society leading to the 'disappearance' of thousands by state terrorism.

The physical elimination of humans (1976-1982) as a form of eliminating the centrality of labour highlighted the highest moment in the struggle by capital to exorcise labour. As shown, a period of seven years of torture, social, political, economic, physical and psychological intimidation and repression (the disappearance of labour) facilitated the intensification of the abstraction of capital (the disappearance of capital) through the flight of capital, the creation of the public debt, financial speculation and the astonishing transference of resources from society to new economic groups linked to transnational corporations. Yet, the main contradiction of the military regime lay in that the physical elimination of labour coupled with the madness of money made stability impossible to be achieved. The 1980s were marked by the struggle to achieve the necessary 'stability' to legalise and legitimise the terrorism of money (Marazzi 1996). Against this background, democracy emerged as a foundational moment and the magical solution to the past years.

Chapter six addressed the period (1983-1989) when the struggle over the form of subjectivity materialised as a struggle over democracy. During this period, so-called 'transition to democracy', resistance which had been organised in clandestinity under state terrorism (i.e. social and human rights movements, new trade union groupings, other social movements, see Jelin 1985) were openly recognised. Human Rights movements expanded to the extent to which they constituted, together with the

sindicalismo de base, the basis for the consolidation of democracy itself. On the one hand, the *Mothers* of the Plaza de Mayo emerged out of the physical elimination of labour into a unique form of resistance. The *Mothers* organised around a *lack*, around *absence* and transformed it into a political issue. They brought about materiality and visibility to the unreality and immateriality of 'disappearance'. The Mothers's demand of *aparición con vida* was (is) in no way moral or sentimental but eminently political. Thus, although legitimate, *Mothers'* demands became a *barrier* to the consolidation of democracy.

On the other hand, the labour movement was reorganised and renewed against the union bureaucracy, as well as the pressure of the IMF and international banks and creditors for the payment of the service of the external debt. The unions' demands of wage increases and economic independence became also a barrier to the stability required by the new rules of global money, particularly since democracy allowed their democratisation and renewal.

The most important contradiction of this 'transitional' period lay in that, although democracy facilitated the materialisation and visibility of the political and economic terror of previous years and legitimated political and economic demands, it simultaneously repressed resistance in favour of a progressive legitimisation of a new form of domination *via* uncertainty, instability and economic repression. Pluralist theorists of transition to democracy were at the time unable to grasp this hidden transition, which deployed an intense struggle over democracy. The hyperinflationary episodes of 1989 crystallised the climax of this antagonism and facilitated the legalisation of the 'terrorism of money' (Marazzi 1996) under the form of Stability.

The 1990s

In order to grasp the main forms of subjectivity of the 1990s, the second part of the thesis offered an analysis of the main set of policies under Menem insofar as they contributed to the social construction of the paradigm of Menemist 'stability', defined as the legalisation of uncertainty, the reification of capital and the end of politics. It was shown that the apparent paradox between these policies which were argued to be the source of stability and economic growth, and the creation and legalisation of unstable forms of labour and of human life, could not be grasped by understanding Menemism as an unavoidable economic or political strategy, and the new forms of labour resistance as produced, in a quasi religious sacrifice, as 'undesirable' effect of a 'necessary' strategy. Rather it was argued that, in order to understand the subjectivity of the 1990s, Menemism must be seen as a new form of class antagonism based on the intensification of the abstract aspects of capital and the consequent imagery deconstruction of the centrality of labour, which is, in the Argentine case, identified with Peronism.

The three chapters in part II focused on three main sets of policies, addressed *ceteris paribus* the others only for the purpose of the analysis. Chapter seven explored the transformation of the subjectivity of labour as an intrinsic aspect of the privatisation of state-owned companies and the decentralisation of education under Menem. The recomposition of the state led to a crisis of identity for those workers in the public sector and state-owned companies; as a redefinition of trade union organisation and their relationship with the state, and as a weakening of rank-and-file resistance. The reform of the state contributed to the social imagery of crisis of the public sphere,

privatisation, individualism, decentralisation, depoliticisation, marketisation of social life.

However, the chapter emphasised the contradictions of this deconstruction: although these policies were to depoliticise, decentralised and fragment public sector industrial disputes, as well as weaken state workers' struggles, they led to the politicisation and national articulation of fragmented and local protests, like roadblocks and the *Carpa Blanca*, as well as to the renewal of trade unions opposition trade unionism, i.e. the CTA. Thus, the state did not transfer the problem of the power of labour to the private sector, but rather expanded it in more un-institutionalised and direct forms.

Chapter eight explored the struggle around the labour reform under Menem. Through the labour reform, the struggle over subjectivity asserted itself as a struggle over the law. The legislative changes contributed to the construction of stability in that they *legalise* the uncertainty, insecurity, risk and instability entailed in the internal and external flexibilisation of labour, the privatisation of social security, the marketisation of health, occupational accidents and pensions. It was shown that the union bureaucracy played a significant role in legitimising the flexibilisation and destabilisation of workers' lives, labour relations and working conditions. The CGT reshaped itself in a form whereby collective bargaining and their participation in business *were the means* to exchange workers' rights for the government's or capitalists' financial or political privileges for the unions. I called this the perversion of the trade unions. Perversion lay in that the financial stabilisation of the unions was achieved by means of the legalisation of the instability of workers' lives in a moment in which these policies were being discussed, negotiated and also imposed.

Yet, since the co-optation, confrontation and agreement between the CGT and the Menem administration was 'institutional', neither the government nor the CGT could control grass-roots resistance and the expansion of labour and social struggles led by the CTA (and the MTA). Together with the struggles led by an agonic UOM, the CTA and the MTA attempted to organise fragmented and geographically dispersed conflicts, owed in great part to unemployment, one of the main products of the labour reform agreed by the CGT.

Chapter nine discussed the new reality: massive unemployment, as the main product of stability. The chapter offered an analysis of the causes of unemployment, i.e. stabilisation plans, economic adjustment and flexibilisation of labour (the creation of the subject). It presented an exposition of the institutional and legal transformation of the state, as well as state employment and social policies launched to 'cope' with unemployment and poverty (the control of the subject). Finally, the chapter revisited some theoretical interpretations of unemployment (underclass thesis and reserve army of labour). It was argued that social and employment policies reinforced the fragmentation of labour and became a problem itself. The reason for this lay in the historical characteristic of social policy in Argentina reinforced by the rationale behind the policies: that unemployment means temporarily exclusion from the labour market. The state aims to mediate this exclusion and maintain social order by means of employment benefit, workfare, social policies or the repression of the unemployed.

It was argued that the widespread interpretation of unemployment as 'exclusion' does not account for the reality of the unemployed and contributes to their

disempowerment. By contesting the dominant assumption that unemployment means the *lack of work* and *exclusion from* the labour market, while the absence of adequate employment policies implies the erosion of social networks, the main argument of the chapter was that unemployment was rather a *form of* labour produced by the intensification of the real subsumption of labour in capital. This form of labour fosters *forms of existence* which, whilst experienced by subjects as their exclusion from the production process, the labour market and even from social networks, constitute an intrinsic aspect of the process of valorisation of capital.

The *form* 'unemployed' is defined by the *non-participation* of the unemployed as subjects in the productive process. As a matter of fact, the (un)employed cannot sell their labour power. But owing to the real subsumption of society under capital, they cannot free themselves from their commodified form of existence either (c.f. Gorz 1999a, 1999b). In the subjectivity of the unemployed, the abstract aspects of labour have overwhelmed the concrete. The absolute poverty of the working class becomes apparent since the use-value of the commodity labour power is denied, the transaction postponed, yet the unemployed are still subsumed under the social relation of capital. This tension is eminently political. It cannot be reduced to an economic or social problem. The contradiction within the subject constitutes a critical form of subjectivity, which although seemingly 'invisible', becomes a barrier to the self-expansion of capital.

I pointed at the political problem of how to give an account of this invisible subjectivity which is derived out of the intensification of the abstraction of capital and its crisis? In order to make the subjectivity of the unemployed *visible* and integrated

into the process of valorisation, I extended Marx's formula for the reproduction of capital C-M-C/M-C-M' and its crisis and recomposition in its money form, i.e. M-M' (Bonefeld 1996), with my own equations that highlights the presence of critical subjectivity of labour: M- α ; β ; γ ; δ -M'. α , β , γ and δ portray the contradictory forms of existence (subjectivity) produced within the circuit of reproduction of capital. This include those who are not recognised as being part of the process of production of value, i.e. the unemployed and the 'socially excluded'. Unlike M-C-M', where 'labour' is a 'commodity, and M-M', which is a condensed form of expression of the avoidance of labour by capital (Bonefeld 1996), and thus both leave the question of subjectivity out of the process of valorisation, M- α ; β ; γ , δ -M' asks first, how were these forms of subjectivity produced *within* the process of valorisation and, secondly, to what extent α , β and δ became a barrier to that process. In M - α ; β ; γ ; δ - M' the subjectivity of the unemployed (α) comes out as a visible real abstraction, i.e. an abstraction *in* reality (Gunn 1992) which cannot be grasped if it is separated from the real *movement* that produced it.

Part III offered an insight into this proposal by means of a case study of one of the main forms of resistance of the 1990s produced in and against stability: roadblocks. M-Roadblocks-M', organised by the unemployed, public sector workers and the local community have spread uninterruptedly throughout several provinces of Argentina during the 1990s.

The *roadblocks* were regarded initially by scholars and politicians as a spontaneous (somehow violent) response to the effects of the neo-liberal adjustment and stabilisation plans. Some insisted on the idea that, apart from being developing new

cultural identities among demonstrators, such as the *Piqueteros*, the demonstrators at the roadblock simply aimed to get into the capitalist system (Favaro *et al* 1997). Others emphasised the significance of the working class rather than the unemployed in the organisation of the roadblock (Iñigo Carreras and Cotarelo 1999). Finally, others saw in the roadblock the potential revolutionary character to *break down* the system (Lizaguirre *et al* 1997, Petras, 1997).

Yet, this thesis showed that not enough attention had been paid to the *inner connection* between those struggles and the capitalist transformation, that is to the extent to which these struggles were produced as an intrinsic aspect of stabilisation and economic adjustment and move beyond. The aforementioned interpretations do not account for the inner connection between the roadblocks and stability insofar they, by opposite reasons, i.e. need to be included or liberation, are based on M-M' and thus reinforce the notion of unemployment as exclusion (struggles for inclusion or liberation of labour).

The chapter showed in a case study the processes through which a condition of misery, isolation and frustration suffered by the unemployed, public sector workers and other social organisations was transformed into an act of resistance which gave visibility to the virtual disappearance of labour in unemployment and poverty. My main point was that like the *Patagonia Rebelde*, the *17th October*, *Cordobazo*, *Ezeiza* and the struggle of the *Mothers*, at their own time, the *Roadblock* is the crystallisation of the transformation of capital in the 1990s. As a determinate abstraction, the analysis of this particular roadblock illustrated that the recomposition of the state, the labour reform and the economic adjustment did not prevent the constitution of

problematic subjectivity from emerging but rather produces new forms which encapsulate the contradiction of the dual character of labour within the subject.

As a determinate abstraction, the *roadblock* embodied the transformation of identity, labour and social organisations and forms of resistance, as well as the recomposition of the state money and the law during the 1990s. The roadblock questions the traditional view of the industrial working class as the most important subject of class struggle. This is not to argue that the unemployed and the 'marginalised sectors', instead of the workers, became the historical subject of 'revolution'. Rather, the roadblocks show that casual workers, the unemployed and the poor are not excluded from capital's command. Their struggles can contribute to the resistance to capital's exploitation. Secondly, the roadblocks pose a major question to the unions' organisational strategies. Unemployment has been included as a major issue in the unions' agenda. However, their challenge is to articulate diverse local struggles and organisations that emerge in different parts of the country. Finally, the roadblocks challenge the traditional conception of social, political and labour conflicts as discrete forms of protest, since during the roadblock, the *road* becomes the setting for the construction of new identities and the building up of political solidarity beyond class fragmentation.

There is a significant difference between conceiving the roadblock as an 'effect of stability or as a phenomenon 'produced within' stability. Whereas in the former case, the capacity of those involved in the struggle to modified the objective situation is remote, and then their capacity of critique is eliminated (i.e. democracy consolidated with social exclusion see Acuña 1994), in the latter case subjectivity is produced

from within and therefore becomes a barrier and thus a powerful critique from within. Following the same example, here democracy is not consolidated *with* unemployment and poverty but rather thanks to them. *M-roadblock-M*' facilitates the visibility of the unemployed, casual workers, poverty, and other forms of unhappiness produced as a 'living critique' of stability.

It was shown that the contradiction within the subject between the concrete and abstract aspects of the capital relation constitutes a critical subjectivity, which although seemingly 'invisible', becomes a barrier to the self expansion of capital. Whether or not capital exploits labour effectively, the commodified form of existence of the unemployed does not cease to exist. Rather than the *lack of* or exclusion unemployment implies an intensification of the real subsumption of labour under capital: whereas, on the one hand, the worker is liberated from actual exploitation, she is, on the other hand, a prisoner of her commodified form of existence. But this cannot be reduced to an economic situation but involves almost all aspects of human sociability. The hidden unhappiness of capitalist work comes out clear through the un-employed, and its affirmed and reified by the state and society but also by sociological accounts of the misery endure of the unemployed and the marginalised.

Stability, Instability and the Power of Labour

By looking at the inner connection between the forms of capitalist social relations and the forms of subjectivity produced within it, I put forward a discussion of the widespread belief that Argentine history is a history of political and economic discontinuities (instability and crisis) (Waisman, 1987; Lewis 1992). The source of

this 'abnormality' is argued to be, among other reasons, the lack of democratic culture, corporatism, the difficulties to establish political legitimisation, structural economic problems, the lack of an hegemonic project of the dominant class and so on.

The meaning that we give to instability conditions our understanding of stability. The key to understanding the problem of instability – stability in Argentina as opposed social imageries which organise social practices is the analysis of the *struggle over the form of subjectivity*. One of the main arguments of this thesis is that the political and economic instability before 1991 was owed to the recognition of the power of labour as a central theoretical, political and economic issue by the state. The notions of economic or political crisis impregnated social relations from 1955 until President Menem took office.

I presented the history of Argentine labour through *moments* of resistance or events, where the political and economic instability, discontinuities and crisis were fostered by the struggle over the form of the subjectivity of labour, particularly after 1945 when the power of labour produced a form of the state which in time appropriated and integrated that power into its form and thus class conflict became political. As mentioned in chapter one, the process of real subsumption does not indicate that capital controls labour but that the production of problematic subjectivity lay at the heart of capital as a social relation.

By emphasising the contradictions underpinning the emergence and crisis of subjectivity in different historical period, as well as the link between them, I showed that political and economic instability was the phenomenal expression of the class

struggle to force labour to exist in adequate forms for capital accumulation and the resistance to it. The forms presented in this thesis illustrated this.

I attempted to move beyond the historical discussion of Peronism-anti-Peronism, by providing the content which constitute them as major explanations of social relations in Argentina. It was shown, on the one hand, that in the 1940s Peronism emerged as the most important form of labour: the national working class. Yet, the imagery integration of the working class into this homogeneous form was relative. On the other hand Menemism did not imply the consistent and systematic disintegration of the working class either. The historical perspective contests the notion of Menemism as a break with the past.

As shown, in the 1990s the concern about consolidation of democracy and economic instability appear to come to an end. However, my investigation showed that there is nothing in the 1990s which forces us to think that the historical pattern of 'instability' has changed for the good except for one aspect: that the political deconstruction of the power of labour became increasingly legitimised as the key to sustaining democratic institutions and to maintaining zero inflation and thus generate the conditions for capital investments and the payment of the interest of the external debt to international creditors. The 'defeat' of labour has been politically, economically, discursively and legally legitimised not only by those in power but by those who resist, trapped into the vicious circle of instability-stability.

Although stability seems to be about politics i.e. the consolidation of democracy, or the law, i.e. the proper re(de)gulation of labour conflict, markets and society; or

economics, i.e. a monetary strategy to provide the stable basis for economic growth, like instability, it cannot be understood simply in terms of 'political' or 'economic' or 'legal' terms but must be viewed more comprehensively in terms of social imagery which emerged as a rationalisation of class antagonism. These imageries cannot be understood as detached from the social relations which produce them. Similarly, the violence of stability cannot be explained by the policies or political strategies which constitute stability, i.e. the Menem administration's success in defeating Peronist labour through anti-labour policy-making and the co-optation of the CGT, the capacity of Minister Cavallo to force provincial governors' to enforce an inhuman economic adjustment, and so on. It was only by looking at the unstable forms of life produced by *stability* that I was able to grasp the essence of stability beyond discussions of the subjective, economic, political and legal aspects of Menemism.

Stability did not mean the real stabilisation and democratisation of society but rather the opposite: it is a metaphor for a new form of instability which suffocates and dominates labour resistance not by its physical elimination or political confrontation but, rather, by producing unstable and desperate forms of existence under the form of the virtual disappearance of labour from the political and economic scenario. The violence of stability lay in that, whereas it became a social imagery of the basis for the amelioration of the future, it created the most unstable forms of existence, which made it an impossible project. The domination of the 1990s is a domination *via* uncertainty.

The social construction of stability was the means of the 'natural' selection of those who will 'belong' and those who will not belong to the new capitalist project. To that

extent, stability plays a regulatory role for any struggle. It provides the setting for protest and critique to develop and became the struggle not to be 'out'. However, by looking at the subjectivity produced within stability, I showed that stability was far from preventing labour conflicts and social protest from emerging. It only changed their forms. Poverty and unemployment are not 'negative effects' outside stability, but rather its main ingredients. The uncertainty, instability and insecurity brought about by stability are constitutive of subjectivity, *embodied* in the new forms of resistance in and against unsustainable life, presented in this thesis.

Although it looks rather the opposite, the roadblocks do not destabilise stability, as it is implicitly or explicitly argued but, rather, as a form of class antagonism, stability destabilises individual and social life. Menemism implied the continuation of the struggle to exercise labour as the means of achieving stability. It is possible to argue that wisely, the politics of resistance of the 1990s aimed to *stabilise* the uncertainty entailed in the violence of stability by imposing visibility and physicality on the abstraction of global capital.

It was shown that the period previous to the 1970s, the recognition of the centrality of labour allowed more political, direct and physical forms of repression. The recognition of labour was expressed in the corporeal struggle in and against the state of the 17th October, expanded in the *Cordobazo* vis-à-vis and intensified through the guerrilla movement. The 1970s marked a shift to *physical elimination* to uproot *de cuajo* the power of labour from the state. Since then, there has been a progressive apparent detachment of capital from labour and from institutional control, and a tendency to a centripetal struggle between labour and capital within which the state is

taking repressive forms. The form of the 'avoidance' of labour by capital is *virtual* disappearance. Yet, history does not repeat itself. The *Piqueteros* are not, and could not be, Anarchists. Real subsumption points out the impossibility of externality. The *Piqueteros* are a product of the present form of capital as a social relation. The conditions for transcendence must be found in the contradictions between the concrete and abstract aspects of labour embodied by a form of subjectivity (determinate abstraction), within the totality constituted by capital.

2000 and One

In October 1999, when the centre-left *Alianza* won the general elections, the illusion of the end of monetarism associated with the defeat of President Menem soon vanished: the new administration, scrutinised by the IMF, not only embraced the same solutions to the economic crisis as the previous one, but launched an even deeper plan to maintain stability. As a result, during April and May 2000, a new wave of roadblocks throughout the country reached massive proportions in Tartagal and Orán (Salta), Cutral-Co (Neuquén), Palpá (Jujuy), Resistencia (Chaco), Trelew (Chubut), Cippoletti, Cruz del Eje and Río Cuarto (Córdoba).

Having the roadblocks as a background, many of the issues which marked the contested relationship between the Menem administration and the labour bureaucracy were 'solved'. The labour reform was a crucial issue demanded by the IMF to the new government. On the 20th April, a demonstration at the National Congress against the new labour law organised by the ex MTA and recently created 'dissident CGT' (*Confederación General del Trabajo disidente*), supported by the CTA, was severely

repressed by the police. Workers attempted to *physically* prevent the national MPs from getting into the debating chamber where the labour reform law was going to be discussed. This time the labour reform bill would change industrial relations for good since it destroyed the bargaining power of central confederations by decentralising collective bargaining to the level of the enterprise and disowning the collective agreements as the framework wherein each specific agreement would be reached. As under Menem, the new labour law was argued to create the conditions to generate stable employment. It has been pictured as 'a progress in the way towards modernisation' (Gerchunoff, *La Nación on line* 28.4.00: 2). However, according to the unions, since it extends the 'probationary period' from one to three months up to one year and *decentralises collective bargaining*, now located at the level of enterprise, it might lead to an even deeper casualisation of jobs, wage reductions, the lose of social benefits and the worsening of working conditions, but above all it destroyed the power of central unions.

In June 2000 a final Decree issued by the Vice President Alvarez, firmly rejected by the three central confederations, deregulated the OS. The new government recognised that if competition is not 'regulated', health 'could become a big business' (Minister Meijide in *Clarín*, internet, 4.6.00). The labour reform, the OS deregulation Decree (together with wages decrease in the public sector) led to a general strike carried out on the 9th of June against these unpopular measures and to *give a voice* to the unemployed and oppose the deepening of the economic adjustment. Support for the general strike was massive: 85% according to the organisers' estimations and 60% according to official sources.

In spite of this, a new LPA 25,250 aimed to send a signal of governability and stability to the international bodies and capital. Whilst the previous one (14,250) allowed monopoly of representation and was only modified at the confederation level (Murillo 1997a: 81), the new law allowed the collective agreements at the company level *without* the intervention of the union at the branch or activity level.

The deepening of the economic adjustment to maintain stability fostered, as in the previous ten years, further instability. When President de la Rúa took office in December 1999, a roadblock in the province of Corrientes ended up with the murder of two workers by the military police, in addition to the many injured and imprisoned. In a press conference with the participation of representatives of the Mothers of the Plaza de Mayo and the Nobel Peace Prize recipient Perez Esquivel, the CTA called for a 24-hour general strike for the 20th of December to repudiate state repression, to demand the liberation of prisoners and an investigation of the murders.



In November 2000, Aníbal Verón, a 37 year old worker, father of five children, was killed by the riot police during a battle that took place between 400 military police officers and 100

demonstrators as a roadblock of the M34 in Tartagal, a small locality of the northern province of Salta, ended dramatically. Verón's death took place in the same circumstances as that of Victor Choque in Tierra del Fuego in 1995 (see chapter eight)

and Teresa Rodríguez in Neuquén in 1997 (see chapter seven). After Verón's death, the government kept on insisting that any dialogue with the demonstrators must be based on 'peace and order' (*La Nación*, 14.11.00, on line). As a response to the government's indifference, the CTA and the MTA called for a 36-hour general strike and a demonstration on November 23. The general strike was considered the most important in the last 15 years. The demonstration gathered thousands of strikers outside the National Congress in Buenos Aires.

The persistence of the roadblocks had opened a much needed debate within the government between those who were determined to defend the country's financial performance (Ministry of Economics) and those, primarily in the Ministries of the Interior, Education, Social Development, and Labour, whose objective was to reduce social tension through social reform (*Página/12*, 16.05.00). Whilst the organisation of the roadblocks, trade unions, and all sorts of social organisations were reasonably expanding (see *Archipiélagos* 2000) in March 2001, the alliance in power entered a political crisis. The struggle between IMF pressure and social protest led to the resignation of the Minister of Economics, Machinea, who was replaced by the economist López Murphy. The new Minister launched a deep economic adjustment directed to liberate sources to pay the interest on the external debt and avoid technical default. This affected particularly the public expenditure in the area of education. Teachers' strikes and social protests spread. Consequently, those cabinet members who belonged to the left-wing FREPASO within the Alianza left the government as a sign of opposition to the shift to the right and the deepening of the economic adjustment led by President de la Rúa. After these news another week of protests and a 48-hour general strike in the education area followed. After two weeks in office, the

minister of Economics López Murphy resigned his post too and was replaced, in a 'desperate choice' (*The Economist* 24.3.01: 24) by the 'father' of the stabilisation policies under Menem, Domingo Cavallo (!).

Another general strike, successful in those areas where the roadblocks had been taking place, e.g. Jujuy and Salta (*La Nación* 22.3.01, on line) was carried out on the 22nd of March. In an atmosphere of general disappointment, political crisis, investors' panic, the narrowing of political manoeuvre (*The Economist* 24.3.01: 24) and economic instability, another general strike and more demonstrations were organised by unions and social organisations for the 5th and 6th of April (see Dinerstein 2001). This would include roadblocks and demonstrations throughout the country. At the moment of writing, (May 2001) the roadblocks have expanded throughout Buenos Aires, the richest area of the country. Roadblocks in La Matanza, La Plata but also Jujuy and Salta ratified the roadblock as the main form of protest in Argentina (Buenos Aires oculta.com). Argentina, according to many, has become a big roadblock. The tension between the IMF demands to renegotiate the payments of the external debt and popular demands is becoming unsustainable.

In 2001, neither democracy nor stability can be argued to have been the major achievements of the 1990s. The problem of instability-stability proved already to be rather than technical, political, i.e. the power of labour. Yet, the accurate appreciation of the significance of new forms of struggle depends on political praxis. This thesis is a contribution to it.

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