

Pragmatism, ideology or politics? Trade unions and workers' responses to the imposition of neo-liberalism in Argentina (1976-2010)

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Introduction

Since 1976, responding to macroeconomic international variables, local political struggles and social conflicts, different phases of neo-liberal inspired market reforms have been implemented in Argentina. Four main phases can be identified, each corresponding to a specific economic–political context. The *imposed consensus* of the military dictatorship of the period 1976-1983, the structural and fiscal adjustments of the return to democracy in 1983-1989, the massive neoliberal program of privatizations, reform of the public sector, labour flexibility and attack on workers' rights implemented during the 1990s but opened by the *economic terror* of the hyperinflation of 1989-1990, the *neo-developmental* and agricultural commodities export oriented model of the post 2001 crisis.

These phases have, in turn, differently affected trade unions and workers responses which have alternated between full or partial rejection, forced or pragmatic acceptance, complicit or explicit consensus, reflecting not just, within each of these phases, a variety of political-ideological or contingent approaches but also showing profound differences between institutional and grass root based responses. This variety, which also corresponded to broad divisions within the labour movement, does not allow for a clear cut distinction between different trade unions' ideological stances toward neo-liberalism. Thus, while parts of trade unions' peak organizations have supported, particularly in the 1990s, government turn to neo-liberalism, this has never been by assuming a mutual gains agenda but rather just plain pragmatism and opportunism. On the contrary, those trade unions that have opposed neo-liberalism have done so either advocating distributive policies according to the classic heritage of *Peronism* or without a clear objective and on a short-term perspective, looking for community wide alliances, building ad-hoc or strengthening workplace based structures, rather than explicitly advocating social democracy or socialism as an alternative. Thus, although ideologies have at time come to the surface, as it happened for instance in the 1980s *Confederacion General del Trabajo* (henceforth CGT) opposition to IMF and economic adjustment, that combined the Peronist long-standing ideal of *justicia social* (social justice) with anti-imperialism, there has been in general a pragmatic rather than ideological character in the trade unions' responses to neo-liberalism.

This character, which corresponds to a certain extent also to that of trade unions' politics in Argentina, cannot, however, be fully comprehended without taking into account some basic institutional, political and organizational features around which the activity of trade unions is structured.

First, since the rise of *Peronism* in the mid-40's, the State has played a central role in the system of industrial relations. Legislation regulates trade unions' representation by giving

legal recognition for the negotiation of collective agreements and representation of workers at the workplace or in courts (the so called *personería gremial*), to just one organization per industrial sector or economic activity. This has strengthened trade unions, introducing a system of vertical control and the centralisation of decision-making. At the same time, a breach of law, or ministerial intervention, often put trade unions at risk of losing their *personería gremial*. Besides, legislation also regulates cases in which the arbitration and participation of public authorities is compulsory, as in the Ministry of Labour formal approval of collective agreements, or in this latter right to force conflicting parts to accept mediation (*conciliación obligatoria*), period during which both employers and trade unions must abstain from taking actions.

Second, most unions' leaders belong to *Peronism* and form part of their political bodies and internal disputes. This, however, have not precluded different strategic choices, even among *Peronist* unions, in front of changing circumstances. Thus, informal and highly volatile alliances, the so-called *nucleamientos sindicales*, have often been formed, gathering trade unions according to political and tactical aims regarding industrial and governmental issues as well as leadership rivalries.

Third, in spite of these frequent divisions, all union leaders, *Peronist* or not, share the defense of the legal framework of trade unions, which strengthens their bargaining position and warrants top-down internal management, and the defense of trade unions health institutions, the so called *obras sociales*, which provide financial and political resources to union leaders. *Obras Sociales* are perhaps, the most salient feature of Argentinian trade unions. Through these, unions provide workers with health care, recreation centres, holiday packages, professional education, personal loans, housing schemes, and the like. Over the years and with the reduction of public spending associated to market reforms, the *obras sociales* have become pillars of the country's health system and consequently a source of power and an axis of political exchange with the State.

Fourth, the legislative framework that empowered trade unions national structures also meant that their shop steward structures, the so-called *comisiones internas*, developed and became stronger. While collective bargaining has tended to revolve around wage matters, in Argentina the *comisiones internas* have directly challenged managerial control over the labour process and working conditions, apart from being also the only effective way of guaranteeing the fulfillment of collective agreements at the workplace.

In sum, the variety of trade unions reactions to neo-liberalism can also be explained by the existence of a contradictory tendency that has always characterized trade unionism in Argentina. On the one hand, the juridification of the system of industrial relations and the relationships between trade unions and the *Peronist* political movement has generated a powerful bureaucracy, which often look for government support and political exchange as means to its ends. On the other hand, grassroots worker mobilisations came to the fore time and again, often through the revitalisation of the *comisiones internas*, and frequently in open confrontation with national or regional trade union leaderships. Therefore every attack to workers' organisations during the four neo-liberal phases mentioned above, entailed an attack to their legal and financial underpinnings and, until 1989, an attack to *Peronism*, but

also, involved the assault of *comisiones internas*, the grass-roots sources of workers' power (Atzeni and Ghigliani 2007, 2009).

Considering this background, in the following sections we will show how these features, specific of the history of trade unionism in Argentina, have interacted with different phases of globally imposed neo-liberal reforms to produce a series of responses from trade unions which, mixing pragmatism, ideology and politics, have allowed these latter organizational survival to thirty five years of neo-liberal policies and, more recently, their renewed political role. However, looking at the devastating effects produced by neo-liberalism on the Argentinean working class, it is questionable the extent to which this success in the defence of the institutional role of trade unions really corresponded to better conditions for workers.

Neo-liberalism through repression: trade unions' opposition to the military regime of 1976-1983

There is common agreement that the military putsch that took power in Argentina on the 24 March 1976 was a turning point in the country's economic and social history. The climate of violence, terror and persecution, that the military regime created in the Argentine society during the years 1976-1983 is well known, although much less, it is the price paid by workers' delegates and unions' activists (30% of the disappeared listed by CONADEP, National Commission for the Disappeared). The physical repression of workers' resistance, the control of trade unions, the anti-labour legislation and the overall attempt to increase productivity by imposing discipline and silencing dissent in the workplace, was the most visibly brutal side of a project that, by dissolving trade unions' political and social power, wanted to entirely restructure the model of capital accumulation in Argentina. Indeed, the first historical encounter of Argentina with a fully fledged program of neo-liberal economic reforms cannot indeed be understood without linking the restructuring of the economy to the physical and associational destruction of the labour movement power.

In consequence, in considering this period, trade unions' response to neo-liberalism should be seen as an attempt to defend workers' historic conquests, their own organizational survival and the ideals of wealth redistribution as embodied in the *Peronist* ideology of the social justice, within a more generalized struggle for democracy. This main response, however, did not avert that a small group of union leaders collaborated with the military rulers.

On the economic front, pressured and justified by growing inflation, the military government introduced a series of fiscal, monetary and financial reforms, all made possible by the expansion of external debt, to liberalise the market, attract foreign investments and increase external competition. This meant the abandonment of the model of import substitution based on the development and protection of local industries that dominated the country's economy for over 30 years. These policies caused de-industrialisation and boosted capital concentration, determining an overall reduction in real salaries and worsening working conditions (Schvarzer 1996). Although not entirely novel in the country, the economic policies of the military government set the foundation of neo-liberalism in Argentina.

On the legislative front, a series of decrees and acts suspended collective bargaining, changed the labour contract favouring employers, increased differences within salaries scale, facilitated redundancies and layoffs, prohibited the right of strike, of any other form of workers' direct action and of unions' activities in the workplaces, and paralysed the normal functioning of national and regional trade unions' confederations, controlling their finances and *obras sociales*.

This legal contraction of workers' rights, the disarticulation of trade unions' organizational power, the state's repressive apparatus and the use of this by employers to eliminate any form of dissent in the workplace (Basualdo, V. 2006), thus went together with the contraction of employment in the industrial sector and the corresponding increase of outsourced, underpaid, informal work in the growing service sector (Chitarroni and Cimillo 2007). These economic and legislative factors, far from been mutually unintended consequences, represented a concerted attack on established workers' rights and on the political power of the trade unions' movement which were seen as the cause of both the political revolutionary and economic turbulence that preceded the putsch (Fernández, 1985). In the military and political right environment were still fresh the memories of the social mobilizations that produced the *Cordobazo*, in 1969, and of the consequences that these events produced in changing the balance of power in favour of workers both at the workplace, contesting the authority of employers and working conditions, and in society, obtaining a more favourable redistribution of national income; or the events of 1975, when the associational power of workers was the major cause of the failure of the liberal and monetarist economic plan of the government (James 1990).

How did workers react to the changes in employment conditions produced by the neo-liberal economic reforms? What sort of reaction was possible in a legally restrictive and repressive environment?

Opinions with respect to these questions have varied, depending on the level of analysis and on the importance given to trade unions' mobilizations within the overall process of opposition to the dictatorship. Some authors, focusing on the formal organizations of workers and open forms of collective action have argued for a generalised trade unions' immobility imposed by repression (Delich 1982); others, instead, have distinguished between a low (1976-1979) and a high (1979-1983) period of mobilizations (Abós 1984). In turn, those who considered the continuous, although scattered and often informal workers' protests and partial strikes in specific workplaces during the dictatorship, criticised the idea of immobility emphasizing the important role that the working class and the labour movement in general, and not necessarily the trade unions as their legal activities were in the majority of cases paralysed, have had in weakening the dictatorship and creating the conditions for the return of democracy (Pozzi 1988).

At the level of national trade unions' coordination, with the CGT banned and most important trade unions under military control, their leaders jailed and in a context of extreme organizational difficulties, divisions emerged between a *confrontation* and a *participation* wing, the first more prone to actively oppose the regime and to give voice to the scattered but continuous local struggles, while the second more open to dialogue and

negotiation with the government. These two groups operated in parallel over the course of the period through diverse *nucleamientos sindicales*. The *Comisión de los 25* called a first general strike in 1979, which ended with hundreds of trade union officials and activists in jail, and a second one in July 1981, this time as CGT (although this was still formally not recognized by public authorities). These strikes were against the government's economic policy, in claim of wage increases and for the restitution of unions and *obras sociales* to workers. At the same time, unions claimed for detainee and missing union activists, and the enforcement of civil and political rights. Both times, the *Comisión Nacional de Trabajo* (CNT), which endorsed an apolitical and servicing unionism, was against the industrial action and in favour of promoting dialogue with military authorities. In 1981, both *nucleamientos* converged within the CGT but the internal struggles caused its division. The confrontationist CGT increased its mobilizing methods and organized two massive demonstrations. Then, with the military forces in retreat, there would be three more general strikes, with the involvement, in the last two, of the 'participation' wing of the trade union movement (Iñigo Carrera 2007). These mobilizations framed the opposition to neo-liberalism together with the struggle for democracy.

Notwithstanding the importance of the national level in coordinating opposition, certainly, in evaluating trade unions responses to neo-liberalism under the dictatorship it is essential to take into account the level of militancy and grass-roots activism. *Comisiones internas*, trade unions locals or simply informal, often clandestine, groups of workers have, by defending their salaries and rights to work, constantly challenged the regime and its economic policies, contributing to the return of democracy. The legal prohibition of any forms of dissent, employers' despotism and often complacency with military repression, left workers alone and at risk in their struggles against the employers. Nevertheless, well representing a recurrent trend in the history of Argentine trade unionism, that of the contradictory interaction between grass-roots mobilizations and organizational bureaucracy, workers scattered but continuous opposition strengthened coordination and representation at national level.

There is no doubt the last military dictatorship has been very effective in reducing what was perceived as a too powerful labour movement. The systematic use of repression, the physical elimination of militants, the introduction of anti-labour legislation, have all been used to break the resistance of workers and trade unions, as these were seen as the main obstacle to the introduction of neo-liberal market reforms. By the end of the dictatorship unions regained political freedom but lost power in relations to employers. Without the support of a peronist government and in an employment context that had changed consistently since 1976, trade unions remained divided, at least initially, in relation to their approach to neo-liberalism. However, government's attempt to use these divisions to reform the structure of trade unionism and the increasing influence of international financial institutions in defining the economic agenda of the country helped to characterize the first period after the return of democracy as one of the most conflictive in the history of Argentina.

Trade unions reactions to structural adjustments during 1983-89: general strikes and bargained flexibility

Workers and trade unions' experiences of and responses to neo-liberalism during the 80's are still under-researched compared to those of the 90's and this notwithstanding their distinctive character. A number of important studies referring to the period have been done during the first years of democracy. However, these lacked a long term perspective and were mostly concentrated in evaluating the immediate effects of the last dictatorship on the labour movement, by looking at both the process of deindustrialization and other structural changes upon working-class composition and action (Nun 1987) and the re-organization of the trade unions structures (Palomino 1985)

Later on, the dramatic changes introduced in the labour scene by capital restructuring and governmental macro-economic and labour policies during the 90's attracted the academic interest. These new studies, dating back the origins of neo-liberalism to the policies implemented by the *coup d'état* of 1976, either considered the first years of the return to democracy (1983-89) as a period of continuity or as a period of impasse. But in both cases, there was little interest in reconstructing its specific character which stemmed from the contradictions arising from trade unions' broad opposition to neo-liberalism and their corporate and organisational interests. It was within this context that a few but influential unions, (grouped in the *nucleamiento sindical Gestión y Trabajo*, a continuation of the collaborationist *CNT*) began to advocate the need to accept change in industrial relations and accommodate their agendas to neo-liberalism, whereas most unions pursued a traditional path and advocated import substitution industrialization policies. Thus, rather than a period of impasse or continuity, the years between 1983 and 1989, notwithstanding the apparently shared political rejection of neo-liberalism, witnessed the seeds of unions likely *transformism* in the face of changing circumstances.

The return to democracy did not reverse the structural changes brought about by eight years of neo-liberal policies and military rule. After a short attempt to reintroduce distributive policies, the government of Raúl Alfonsín (*Partido Radical*) adopted, first, the IMF's recipes to stabilise the economy; and then, since the Baker Plan (1987), World Bank's recipes to promote structural reforms. This meant the privatization of public firms, free trade and deregulation. According to the government, the idea was to promote primary exports while simultaneously restructuring the industry towards an export oriented model through market liberalisation. Nevertheless, the development of neo-liberal reforms was uneven and piecemeal during the 80's; in fact, most of them failed, partly due to inter-bourgeois conflicts, partly due to popular, and, increasingly, trade unions' resistance.

Between 1980-9 the GDP diminished 10 % and the capital net investment fell from 17,7% of the GDP to -1,1%. In the midst of this recessive situation, conflicts between agrarian and industrial interests and between local economic groups and external creditors doomed official economic initiatives to failure, making difficult to deepen neo-liberal reforms. The only sharing understanding of the ruling classes was the need to increase productivity through working-class exploitation. The ratio real wage/productivity diminished 8,87% annually over 1984-7 (Peralta Ramos 2007). Besides, real wages and the labour income component of the GDP fell steadily. Between 1981-9, labour income was 30,2 % of the

GDP (12,6 % less than in the period 1970-5); in 1989, this figure descended to 24 % (Basualdo, E. 2006). The worsening of the reproductive conditions of the labour force manifested in labour market indicators too: the unemployment rate doubled in the first five years of the democratic government. In brief, the recovering of political and organizational rights for trade unions was parallel to the continuing deterioration of the economic situation, which prevented workers to achieve meaningful changes in the relative balance of power *vis-a-vis* the employers.

In turn, the electoral defeat of *Peronism* in 1983 further complicated the recovery of trade unions at the end of the military rule. Union leaders had played a central role over the presidential campaign and were blamed for the electoral failure of *Peronism*. As a result, many politicians within the Peronist Party began to advocate its de-unionisation (Levitsky 2003). Divisions within the trade union movement exacerbated the problem; at the end of the dictatorship there were two CGTs and four *nucleamientos sindicales*, clear indicators of disorganization and lack of strategic perspective.

The *Partido Radical* attempted to take advantage of this situation and just a week after Raúl Alfonsín took office, the government sent a bill to reform trade unions organisational structures. While this was justified as an attempt to introduce a more democratic system of workers' representation it was aimed at the same time to undermine the historical support of trade unions for *Peronism*.

The outcome would be, however, the opposite. Trade unions reorganised the CGT to face this new threat and to advocate the recovery of the institutions and legal basis of the industrial relations cancelled by the dictatorship. This regained unity strengthened the CGT, which by beginning to campaign against neo-liberal recipes it gradually ended up leading the social opposition to the overall governmental policies.

Between 1983 and 1989, the CGT called thirteen general strikes. Most of them had as a main goal the refusal of governmental economic and social policies and wage increases. Indeed, some of these general strikes were explicitly anti-imperialist and included mass demonstrations. In 1985, for instance, around 120,000 people gathered to manifest against the government's economic plan, the payment of the foreign debt and the IMF involvement in the design of economic plans and privatisation policies (Iñigo Carrera 2007).

This widespread trade unions opposition rested, however, on the defense of an inward-looking import-substitution industrialization model, based on State intervention and distributive policies. This standpoint was majoritarian but, as usual, not unanimous among trade unions; moreover, within this orientation there were also tactic and strategic differences. A minority of unions, gathered in *Gestión y Trabajo*, even presented an alternative plan inspired to neo-liberal principles. This *nucleamiento* argued for the need to participate in the political system as an interest group subordinating union policies to the strategic definition of the ruling elites.

However, during this period of return to democracy, more important than some of the unions argument in favour of a new, neo-liberal oriented, system of industrial relations was the reactivation of collective bargaining. While this certainly represented a gain in terms of

contributing to re-balance power in favour of trade unions, it also opened the door to exchange wage increases for flexibility and productivity. Important unions like UOM or SMATA, representing metal and automotive workers', that were campaigning at that time against neo-liberal reforms as part of the CGT, by signing these agreements, left the space open for a *de facto* acceptance of neo-liberalism at the workplace.

At a different level, another sign of opposition to neo-liberal policies, which would gradually develop up to the point of division of the labour movement in the beginnings of 1990s, was the increasing militancy of public workers in Argentina caused by the external debt-driven fiscal crisis which led to IMF imposed adjustment policies for the public sector. Public workers were the prime victims and actively opposed the state reform and its consequences. In the first semester of 1984, 30 % of labour conflicts corresponded to the public sector; in 1989, 48 %. Health workers, civil servants and teachers were among the most active strikers (Villanueva 1994).

Lastly, it is necessary to take into account the ideological and political consequences of the hyperinflation processes that hit the economy in 1989–1990. Its disciplining effects upon the population have been stressed by scholars (Murillo 2001), and even compared to those of a dictatorship or a political repression (Bonnet 2007). Indeed, Thwaites Rey (2003) argues that both the political terror implanted in the society by the dictatorship (1976–1983) and the economic terror of the hyperinflation explained the popular tolerance to the neo-liberal reforms of the beginnings of the 1990s. This event brought forward change at political level and paved the way for a wide program of reforms in which privatization was decisive. Indeed, this crisis helped to overcome the resistance of the trade union movement that found itself suddenly trapped. The vast majority of trade unions had been openly against privatisation during the 80's, but they did not want to be blamed in front of the population for being responsible for a new hyperinflation crisis, so most of them declined to take industrial action. Thus, the economic crisis prepared the terrain for making the population accept the need for a radical change in economic policy. It was in this critical context that the new Menem's government passed the State Reforms and the Economic Emergency laws which launched the political process of market reforms and privatisation. This meant, to a large extent, the final surrender of the main political parties to the influence and the privatisation recipes of the IMF and the WB. However, it is necessary to stress that the *Peronist* candidate Carlos Menem had won the presidential election immediately after the hyperinflation peak of beginning of 1989 with a traditional economic programme, advocating industrialisation and distributive policies, and the support of trade unions. Actually, once in office, the real policies would be exactly the opposite.

The massive neo-liberal reforms of the 1990s: privatisations, state reforms and flexibility

The juncture of 1989-1993 is crucial in the history of neo-liberalism in Argentina. During these years, the agenda of the New Right was finally put into practice in full through furthering deregulation and market liberalisation, and a set of specific policies: fiscal bonuses to attract multinational investments, anti-inflationary monetary policies, reduction of public employees, cutting public expenditures, privatisation of social security services and labour flexibility. One of the pillars of the programme was the Convertibility Plan introduced in 1991. By fixing the peso to the US dollar, this policy stopped hyperinflation,

produced stability and market confidence and created consensus among bourgeois parties and State bureaucracies. However, the decisive policy was the privatisation of public companies. Between 1990 and 1993 the *Peronist* government launched a fast and massive privatisation programme, technically and financially assisted by the IMF, the WB, the International Bank for Reconstruction and Development and the Inter-American Development Bank. In four years, the government sold thirty-four companies and let concessions for nineteen services and eighty-six areas for petroleum development. Indeed, the business of privatizations diluted the conflict between external creditors and economics groups operating in the Argentinean market, since both participated in it. It was one of the broadest and most rapid privatization programmes in the Western Hemisphere. Over the implementation, the programme was backed by a WB's Public Enterprise Reform Adjustment Loan to finance lay-offs, early retirements and enterprise restructuring.

Privatisation was accompanied by an ideological campaign against public unions. They were blamed for maximising salaries and benefits for themselves, at the cost of service quality and economic efficiency, and generally as a cost to the consumers. Indeed, the need to curb the power of public trade unions was a topic included on the agenda of public debates of that time. Accordingly, public enterprises underwent significant change prior to privatisation to modify public industrial relations and break trade unions' capacity to obstruct the managerial decisions of the future private owners. To that aim, a horde of consultants paid with the WB loans were personally involved in negotiations with managers, union officers, and authorities from the Ministry of Labour, the Ministry of Economy and the WB. Negotiations gave very soon place to imposition as the government suspended 718 clauses from the collective agreements previously reached by trade unions with thirteen public enterprises. By 1993 there had already been 280,509 jobs losses in the public sector, with a cost to the State of 2,035 million dollars in 'voluntary redundancy' packages (Ghigliani 2010).

This is certainly part of the explanation of the increase of unemployment between 1991-5, despite the considerable growth of the GDP in the same period. The rate of unemployment rose from 6,0 per cent in October 1991 to 16,6 per cent in same month of 1995, while underemployment rose from 7,9 per cent to 12,5 per cent. This was surely the most striking immediate outcome of the deepening of neo-liberalism in Argentina. Yet, every proxy to the living standards of the working-class between 1991 and 2001, the last year of the Convertibility Plan, shows the social costs of capital offensive and the intensification of the exploitation of labour in manufacturing in a context of trade unions retreat (Table 1 and 2).

Table 1 : Labour Market, Poverty and Wages (1991-2001)

	Unemployment %	Underemployment %	Population below Poverty %	Population below Indigence %	Real salary Average 1991=100
1991	6,0	7,9	21,5	3,0	100,0
1992	7,0	8,1	17,8	3,2	104,1
1993	9,3	9,3	16,8	4,4	105,2
1994	12,2	10,4	19,0	3,5	103,7
1995	16,6	12,6	24,8	6,3	98,9
1996	17,3	13,6	27,9	7,5	98,2
1997	13,7	13,1	26,0	6,4	97,4

1998	12,4	13,6	25,9	6,9	95,2
1999	13,8	14,3	26,7	6,7	94,7
2000	14,7	14,6	28,9	7,7	95,2
2001	18,3	16,3	35,4	12,2	93,4

Source: Basualdo, E. (2003)

Table 2 : Manufacturing: Production, Employment, Real Wages and Productivity (1991-2001)

Year	Production	Employment	Average Real Wage	Productivity	Productivity/real wage
1991	85,6	103,9	94,6	82,4	87,1
1992	96,8	103,1	98,6	93,8	95,2
1993	100,0	100,0	100,0	100,0	100,0
1994	104,6	97,1	101,9	107,7	105,6
1995	97,3	91,3	96,8	106,6	110,1
1996	103,5	88,1	97,3	117,5	120,7
1997	113,2	88,9	93,7	127,4	135,9
1998	115,5	87,3	92,6	132,3	142,9
1999	105,9	80,5	92,9	131,6	141,6
2000	104,6	74,9	94,3	139,7	148,1
2001	92,9	70,0	92,0	132,7	144,3

Source: Basualdo, E. (2003)

So, how did trade unions respond to this attack? To begin with, as the *Partido Justicialista* (PJ) was the historical channel by which the Government was accessed and its favour gained by unions, the implementation of these policies required to deep the redefinition of the relation between the State, the party and trade unions. In this sense, trade unions continued to loss influence within the party and, therefore, the Parliament. Nevertheless, direct confrontation of a Peronist Government implied the risk of political isolation and, more importantly, breakage of the historical alliance that had provided unions with political resources and had served their corporatist interests well so far. Once again, strategic differences led to a new division between those union leaders wanting to confront this departure from the classic legacy of Peronism (the CGT- Azopardo) and those who supported the Government (the CGT-San Martín). The government repressed by force every attempt to oppose privatisation, such as the resistance by telephone (1990-1) and railway workers (1991-2) restricting by decree the right to strike in public services and utilities. Moreover, the government decided to cut off wage increases to prevent a new inflationary crisis, and issued in 1991 a decree linking rises in wages to productivity growth. Unions opposed this decision arguing that it limited actors' autonomy in collective bargaining but its consequences were much deeper. The decrees impacted on the whole structure of collective bargaining by forcing unions to negotiate wages at firm level and to take into account differentials in productivity between companies. They also constrained corporative strategies by precluding demands for governmental wage polices. Thus trade unions were obliged to discuss with employers how to increase productivity and concede changes in the labour process that they were previously resisting. In 1993 another decree would formalize bargaining at enterprise level; during 1995–2000, 90 per cent of collective agreements were of that kind facilitating labour flexibility.

In the face of governmental determination to further the neo-liberal turn, hesitant unions declined to form part of the opposition and the CGT unified once more its ranks in 1992, and aligned itself with the Government. The subordination of the CGT to *Menemism*, and hence, to neo-liberalism ended up, however, in a new and more serious division of the

labour movement. In 1992 the CTA (*Congreso de los Trabajadores Argentinos*) was created, mainly, by public workers' unions, and two years later, declared itself as an alternative workers' central. Also, in 1994 another split in the CGT led to the creation of the MTA (*Movimiento de los Trabajadores Argentinos*) with the aim of recovering the tradition of *Peronism* to oppose the neo-liberal agenda. These three workers' organizations corresponded, broadly, to three different responses to neo-liberalism over 1990s.

The CGT gathered those unions (or union leaders) supporting Menem's reforms in return for business concessions. However, during this Peronist Government's first term in office (1989–95), only eight out of twenty legislative projects to reform labour laws were passed in the Parliament. Over this period, Peronist MPs with union backgrounds blocked in a Labour Law Commission any legislative attempt to decentralise the collective bargaining and make labour contracts flexible. Only after 1994, when a corporative pact was agreed (*Acuerdo Marco*), did these MPs stop blocking the projects (Etchemendy and Palermo 1998). All along, in order to introduce change, the government was forced to give exchange protection and financial support to the *obras sociales*, and permit unions to invest in the new business opportunities brought about by the privatisation and deregulation of the health system, pensions, insurance for labour accidents, and the privatisation of public enterprises. This *entrepreneurial unionism* was discursively legitimized as a strategy to maintain union structures and services to members in an economic and political context in which modernisation of union politics was deemed to be inevitable (Murillo 2001). In fact, these unions collaborated in the introduction of neo-liberalism.

In turn, the CTA was a departure from the traditional model embodied by the CGT. The CTA advocated independence from the State and from the PJ. The organization has been demanding *personería gremial* since its conception (and denied by the Ministry of Labour so far), while promoting a pluralist model of representation. Organizationally, the CTA has developed new forms: it has a territorial body for the unemployed; it allows the individual affiliation of workers; it implements direct ballots for all union posts, gathers workers from cooperatives and promotes the organisation of disadvantaged groups. In this way, the CTA became a main actor in the mobilisation against the neo-liberal agenda during the 1990s promoting coalition building with social movements and political organisations. By promoting a kind of social movement unionism, the CTA enriched the traditional repertoire of labour movement action, while demanding distributive policies and social protection (Armellino 2004).

The formation of the MTA was more a tactic following the traditional divisions of the union movement in *nucleamientos sindicales*, than a proper project to build an alternative to the CGT. Its rationale can be found in the internal struggle of the CGT regarding how to react in the face of *Menemism*. The MTA advocated the opposition to governmental policies based on the national and popular traditions of *Peronism* (Fernández 1997). This internal struggle ended in 2000 after the electoral defeat of the PJ, with the effective division, once more, of the CGT into a dialogue-oriented CGT (CGT *Dialoguista*) and a more combative CGT (CGT *Rebelde*), the latter built upon the MTA faction.

In this context of atomisation of the trade union movement, it is worth noting too the emergence of the *Corriente Clasista y Combativa* (CCC), a minor Marxist central with

influence in some regions, mainly in the north of the country and some weight among the unemployed organisations (the so-called *piqueteros*).

Despite a general trade unions retreat, if measured by number of conflicts, the 1990s witnessed bitter and active popular resistance. In the privatised public industries, the processes of rationalisation and the closure of production sites led to job loss and strong workforce opposition. When company restructuring impacted areas of the country dependent on one productive sector (metallurgy, oil extraction, sugar cane plantations, among others), resistance translated into broader mobilisations involving the rebellion of civil society as a whole, as in the case of the communities of Villa Constitución (province of Santa Fe), Cutral C6 and Plaza Huincul (Neuqu6n), and Tartagal and General Mosconi (Salta). In all these cases, trade unions played a secondary role. In these conflicts the leading force were the *piqueteros*, whose organisations gradually occupied the centre stage of the social mobilisation against neo-liberalism. By the end of Menem's second presidency, however, union opposition grew. The CGT, the CTA, the MTA and the CCC, called four general strikes in an attempt to block government efforts to further undermine trade unions position in collective bargaining. Yet, the success of these demonstrations, while it saved union prerogatives, neither changed flexibility at workplace level, already recognised by the *Acuerdo Macro*, nor retreated the heart of neo-liberal reforms.

Revitalization of trade unionism in the post 2001 crisis?

Once evaluating trade unions' response to neo-liberalism in the current period, it is important to re-emphasise how more than thirty years of market reforms have now profoundly changed the structure of the employment in Argentina. Two indicators may illustrate these changes. While big industrial enterprise occupied 46 % of workers and small and medium employed 15,8 % of the labour force in 1974, the former occupied only 18,2 % of workers and the latter employed 31 % of the labour force in 2002 (Chitarroni and Cimillo 2007). Concomitantly, precariousness, outsourcing, flexibility, informality have become structural components of the employment system. In 1974, 81 % of wage earners were recorded in social security, whereas this figure fell to 63,4 % in 2002. This situation has objectively shrunk the numerical and social basis of trade unionism, widening the gap between protected and unprotected workers.

However, the steady economic recovery of the years 2003-2008 that registered average growth rates, which oscillated between 8 - 9 %, and government's policies oriented to re-establish a more traditional, consensual system of industrial relations, functional to social stability, have certainly favoured trade unions' politics and mobilisation. The positive economic trend stopped the process of de-industrialization that characterised the 1990s (manufacturing occupied 19,8 % of the labour force in 2006), and spurred an overall dynamism of productive activity, which manifested in the corresponding growth of employment, particularly in the private industrial sector with a 6% annual increase (Kosacoff 2010).

Table 3: GDP, real wage, unemployment and underemployment

Year	GDP	Real Wage (average)	Real Wage (private sector)	Unemployment	Underemployment
2003	108.3	77,4	84.4	15.6	18.8
2004	118.0	84,3	96.2	14.8	15.2
2005	128.9	86,1	99.9	13.0	12.7
2006	139.8	91,1	108.6	11.4	11.0
2007	151,9	98,5	117.7	9,8	9.3
2008	162,1	108,5	-	8,4	8,2

GDP: 1993 = 100

Real Wage: Rate of January – 4° trimestre 2001= 100

Unemployment/Underemployment: 1° trimestre

Source: Indec / Taller de Estudios Laborales: Informes Estadísticos 2007 and 2010

This has been important for trade unions first to keep control of labour intensive and historically strategic sectors of the economy (automotive, foods, transport, telecommunication, energy) and, secondly to use this renewed strength to obtain concessions and salaries' increases in a moment of capitalist growing profitability. Through collective bargaining and industrial conflict, and taking advantage of the favourable economic situation, workers, particularly those employed in the private sector, have been able to recover somewhat their real salaries. It is worth noting, however, that this recovery followed a historic 34 % drop in real wages between October 2001 and October 2002 due to currency devaluation. It was not before the last trimester of 2006 that real wages reached the level previous to devaluation, which in itself did not correspond for workers to a period of high level of wealth redistribution.

The other aspect that explains the recently renewed political importance of trade unions in influencing the employment relations agenda is represented by the explicit government's support and alliance with the more traditionally *Peronist* sector of the labour movement. This support has been expressed in various ways. Firstly, by encouraging collective bargaining at national and plant level and by summoning after ten years of inactivity the *Consejo del Salario Mínimo, Vital y Móvil*, a tripartite body aimed to spread social dialogue among different actors and to fix the minimum wage. Secondly, by an initial tolerance to social protests, particularly, labour conflicts. This approach has gradually changed since the second half of 2005 with government openly supporting the employers side and police repressing striking workers in many occasions, the most violent being the recent eviction of Kraft Foods workers factory occupation. Thirdly, by favouring the reunification of the CGT in 2004. This was not just symbolical but it concretely represented a way of empowering *Peronist* union leaders against the recrudescence of unemployed led social mobilisation and the mounting rank and file pressure for salaries increases. In parallel with the reunification of the CGT, the government denied the *personería gremial* to the CTA. This decision represented, in turn, a further attempt to control the overall level of social protest and, in fact, favoured a conservative, sectional and functional view of workers' organising.

Whether one considers the combination of these economic and political factors as part of an explicit neo-corporatist project that sees the institutional insertion of trade unions from strategic sectors of the economy a condition for stability (Etchemendy and Collier 2007), or as a part of the government's attempt to gain hegemonic control upon the broader process of social mobilisation (Atzeni and Ghigliani 2007), the concrete result has been a widespread increase of trade unions led mobilisations. However, these have differed in scope, nature and duration, with workers alternatively contesting or accepting, in exchange for salary increases, the neo-liberal changes imposed in the structure and conditions of employment over the last thirty years. Thus, the case of trade unions' resistance to neo-liberalism in today's Argentina should once again be seen in the light of the distinction between unions as institutions and as movement (Cohen 2006).

Many would point to the fact that the Argentinean trade union movement has recently recovered strength, especially if compared with countries like Chile that went through similar processes of market reforms and liberalisation. While this is certainly true for the aforementioned reasons, questions arise about the real nature of this strength and its prospects.

In this sense, it is important to stress that the more radical breaks with neoliberal imposed flexibility and precariousness in the workplace came from the self-organisation of rank and file workers and not from a union top-down corporatist approach. Although scant, these cases have been important for setting a precedent not just in terms of their concrete demands but also for re-opening in Argentina the debate about democracy in workers organising and representativeness, an issue crucial to any union movement future.

The struggles against temporal contracts in the telecommunication companies and railways, outsourcing of services in the Buenos Aires underground, the implementation of the 12 hours shift in Kraft Foods and many other conflicts mainly driven by wage increases and working conditions like those of Fate rubber tyre plant, Maffisa (textile), Stani and Pepsico (food), Parmalat (milk), Paty and Tango Meat (meat), Praxair (chemistry), among others, are just some of the most well-known examples of episodes in which workplace based organisations have been able to led important industrial action built on democratic principles of representation and participation. While there have also been cases of struggles for union recognition in previously union-free sectors, as with SIMECA (an independent union affiliated to the CTA that organise workers in the delivery sector) or UTC (that represents Bolivians in the *maquila* type textile small workshop of Buenos Aires), the main processes of mobilisation were driven by the *comisiones internas*, often in confrontation with central institutional/bureaucratic leaderships.

All these grass-root movements share some basic features. To begin with, most of them took advantage of the rise in collective bargaining to organise their workplaces. The majority of their leaders are young and without previous union involvement, though many have passed through experiences of high turnover. In all these conflicts, Left activists have played a leading role through grass-roots mechanisms of decision-making and intense participation. As conflict turned bitter, workers resorted to direct action and violence. A few of these conflicts ended up changing worker representatives at the workplace and even trade unions local structures (Ghigliani and Schneider 2010). It is important to stress,

however, that many of these experiences failed to maintain the organization in the face of the concerted attack from employers, union bureaucracies and public authorities. Still, they have been the main workers' attempt to reverse some of the most devastating aspects of the neo-liberal reforms. At the same time, they contributed to open a public, though fleeting, debate about trade unions organisational model and representativeness, the weight of union bureaucracy and the lack of union internal democracy.

Notwithstanding the importance of these bottom up movements, due to the vertical system of representation existing in Argentina, traditional leaderships have ended up conducting the majority of conflicts in the recent context of economic growth. This contributed to the partial recovery of real wages but did not threaten neo-liberal established standards in the employment relationship as shown by the contents of collective bargaining, which have not seriously challenged flexibility. Politically, the CGT discursively opposed neo-liberalism as a thing from the past, supporting the Government and advocating the protection of local workers. In turn, the CTA has insisted in his mobilising tactics with little success as shown by the failure to obtain the *personería gremial* and broaden its presence in manufacturing and services. Though, the main challenge to neo-liberalism over the recent years belonged to scarce events of grass-root activism, which are still too weak to anticipate a real alternative to traditional unionism in the near future.

Conclusions

The history of the last thirty five years of trade unions and workers responses to the implementation of neo-liberal reforms in Argentina cannot be univocally interpreted. Firstly, we should consider the different phases, methods and political conditions through which neo-liberalism has been introduced and later consolidated in the country. Secondly, although general patterns of trade unions reactions can be established for each of these periods, differences have emerged between more confrontationists or more dialogue based strategies but without these involving clear visions of society and the economy. In this sense political pragmatism more than ideologies seem to have informed peak organisations actions. Thirdly, following institutional, organisational and political features specific to the history of Argentine trade unionism, we have seen how opposition to neo-liberalism has been the product of both grass-roots and top down workers' mobilisations and of institutional forms of exchange with the State.

All these factors have combined in different ways depending on the more pragmatic, ideological or politically driven motivations leading the strategy of trade unions, producing groupings and temporary alliances more than unity within the labor movement. Unsurprisingly, this is probably not just the most important consequence of the implementation of neo-liberalism but also its own foundation if we think that since its inception neo-liberalism was associated, particularly in Argentina as in many other countries, with forced imposition and destruction of the labour movement power. The *imposed consensus* of the military government was later to be substituted by the financial imposition dominating the structural adjustments of the 1980s and the massive reforms of the 1990s.

Following global trends, the imposition of neo-liberal orthodoxy has produced de-industrialisation, de-centralisation of collective bargaining, reduction of the formal sector and labour market flexibility which have undermined not just the role of trade unions as progressive social forces but also their own institutional survival. Judging from these outcomes, and notwithstanding workers' resistance and oppositions to neo-liberal policies, the conclusion is that thirty years of market reforms have put seriously into question the ability of trade unions as institutions to resist change and channel effectively the bottom-up grievances and collective mobilisations that the model of accumulation associated with global neo-liberalism constantly reproduces. As recent developments seem to suggest, the reconstruction of a political dimension in trade unions activity, which is fundamental to any future resistance of the labour movement to changes associated with globalisation, goes hand by hand with processes of democratic participation, decisions making and accountability of the unions to their members. Whether or not traditional trade unions in Argentina will be able to move in this direction will strongly depend on abandoning a reformist and corporatist approach in the defense of workers' interests.

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