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Labour Movement in Argentina since 1945: The Limits of Trade Union Reformism

1. Introduction: The Political Context in 1945

Events at the end of World War II were pivotal for the future of the Argentine labour movement. The military government that took power in 1943, headed by Colonel Juan Domingo Perón, was intent on renewing the process of industrialisation initiated in the 1930s and at the same time halting the spread of communism among the working class. Perón was able to build upon his friendly relations with trade union leaders, creating a durable alliance that would shape the contours of the labour movement and labour relations for decades.

Industrialisation in the 1930s had greatly expanded the working class and the trade unions. The 1930s had also created widespread working-class discontent, and with the end of the war approaching, Perón and the military foresaw the coming of a dangerous period of revolutionary turmoil. Through his office of the *Secretaría de Trabajo y Previsión*, Perón shaped policies to stymie communism through both repression and concessions to appease workers' political and economic concerns. This ambiguous and reformist set of policies gradually became a grand political project, in which trade unions were to play an integral, two-faceted role as partners in industrial expansion and the backbone of an emergent national political movement.

After a decade of relative unity and growth, due in part to the efforts of communist activists, the labour movement arrived at this historical juncture in a state of political division and organisational standstill. The initial response of trade unions to the sympathetic attitude of Perón and public authorities oscillated between rejection, mistrust and opportunism. However, within the major confederation,

CGT (*Confederación General del Trabajo*), several unions had already shown during 1930s a growing disposition to ask the State to mediate the relationships between capital and labour. Between 1943 and 1945, those trade unions that escaped repression came to accept the new interventionism, consolidating their positions and obtaining numerous benefits. So too did newly organised unions, which took advantage of State support in their struggle against the bitter anti-unionism of most employers, even if State support meant replacing communist union leadership.

Employers and the landed elite, the core of the dominant class, rejected the military government's labour reforms and social policies. They threw their weight behind a broad democratic front organised by the traditional political parties, including the communists and the socialists, which sought to oust the ruling military authorities. This political front, the *Unión Democrática*, framed its discourse in the rhetoric of antifascism, and despite the government's announcement of democratic elections for 1946, the foreseeable fall of Nazism reinvigorated its attacks. Thus, in 1945 politics in Argentina became deeply polarised, reaching a peak in October when the government decided to remove Perón from office as a sop to the hegemonic forces leading the opposition. However, a general strike and massive demonstrations in the main industrial cities frustrated this attempt on 17 October, a date that later symbolised the 'mythical' birth of *Peronism* in the Argentinean political landscape. In February 1946 Perón was elected President, backed by the newly formed *Partido Laborista*, the CGT and the massive vote of the working-class; he would be re-elected in 1952 only to be removed from office in 1955 by a *coup d'état*. His period in power was crucial to the configuration of the Argentine industrial relations system, the political consciousness of the working class, and the fate of trade unions.

This chapter provides an overview of the history and development of trade unionism in Argentina from 1945 to the present. It is a history, rooted in a highly conflictual political environment, which assesses trade unions both as institutions and as movements, and the contradictions that emerge from this double identity. With this in mind, two overlapping issues are treated throughout the chapter: the features, peculiarities and patterns of change of the Argentine system

of industrial relations, and the role of trade unions as channels for worker mobilisation.

2. Industrial Relations in Argentina

The rise of *Peronism* was a watershed in the development of industrial relations in Argentina; its legacy can still be found in current labour legislation. Under Perón a voluntary system in which the State seldom participated as mediator of conflicts was replaced by a highly regulated system in which the State played a central role, with the law establishing the mechanisms of collective agreements, union recognition and worker representation. This juridification of the industrial relations system began when Perón assumed office in the *Secretaría de Trabajo y Previsión* and continued over his first two democratic Presidencies (1946-55). Yet, it was an uneven process as the workplace remained quite untouched by the spread of legal resolutions; and workers filled this vacuum on their own by setting up vigorous structures for the advancement of their interests on the shop floor.

In 1945 the State enacted labour legislation that regulated trade union representation by recognising only one organisation for each industrial sector or economic activity. Through a legal authorisation, *personería gremial*, obtained exclusively from the Ministry of Labour, only one trade union was recognised as legally able to collectively bargain agreements and represent workers in dealings with employers or the courts. This had the effect of strengthening 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*. Although in principle workers could freely associate and organise themselves independently, a system of one trade union per industrial sector and highly centralised collective bargaining was

created, one in which public authorities have significant power to exert pressure over employers' and workers' organisations.

At times fearful of the union power resulting from this centralisation, some governments awarded *personería gremial* to plant unions, often sponsored by the enterprise, as was the case in the Fiat automobile factories in the Province of Córdoba. By the end of 1960s, however, these plant unions became the symbol of workers' rebellion, anti-bureaucratic and revolutionary, and thus governments quickly lost interest in granting further *personería gremial* to plant unions.

Trade union centralisation and the *personería gremial* have led unions to organise both white-collar with blue-collar workers. On rare occasions supervisors and senior professional or technical grades have had their own organisation; anti-labour legislation in the late 1950s and 1960s sought to reduce union power by prohibiting at times the joint unionisation of blue-collar and managerial and technical staff. Monopoly of representation has also been strengthened by the use of extension mechanisms that allow unions operate even with low membership levels; as will be shown later, union density has been uneven but usually high in key sectors and in the public industries.

In 1946 the central role of the State in industrial relations was enshrined in a national law (based on a 1944 Decree) that mandated the presence and participation of public authorities in every collective agreement. In 1953 a more liberal law formally recognised the autonomy of unions and employers, but two key prerogatives of the Ministry of Labour remained: the final approval of the legal status of any agreement (*homologación*) and the right to suggest modifications, or reject, an agreement. In this sense, all bargaining agreements have been tentative ones, presented by unions and employers to the public authorities for their approval. Hence, employers and unions usually ask for official advice when they face an issue that might cause its rejection. In 1958 a new law empowered the Ministry of Labour with the right to force conflicting parts to accept the mediation of public authorities (*conciliación obligatoria*), during which trade unions cannot take industrial action of any kind. The Ministry of Labour applies mediation with discretion, meaning trade unions have no guarantee of getting a *conciliación obligatoria* to fight dismissals or other unfavourable situations.

After 1955 frequent *coups d'état* often distorted the right to bargain, but national collective agreements continued to shape the field of industrial relations, partly as a consequence of a legal disposition by which agreements remain in place until they are formally replaced or repealed (*ultra-actividad*). During the democratic periods, the labour movement worked energetically to defend and promote the system of national collective agreements and the model of workers' representation and internal unions' structure based on the *personería gremial*, as shown by the labour reforms of 1974 and 1988 promoted by the labour movement.

In the 1990s, however, a State-led neo-liberal offensive (conducted, ironically, by a *Peronist* administration), brought about important changes in individual labour rights and in the centralised nature of the system of industrial relations, though much less in union internal structures and procedures.

During the first term (1989-95) of President Menem's government, unions used the Labour Law Commission to block a legislative attempt to decentralise collective bargaining and make labour contracts flexible, but a 1991 decree linking wage rises to productivity growth undermined their position. The CGT had opposed the decree on the grounds that it limited actors' autonomy in collective bargaining, but in practice the consequences of the 1991 decree have been even deeper. The decree impacted on the whole structure of collective bargaining by forcing unions to bargain over wages at the firm level in order to take into account differentials in productivity between companies. It also inhibited corporatist strategies by precluding demands for governmental wage polices. Thus, trade unions were obliged to bargain with employers about how to increase productivity and to concede changes in the labour process that they had previously resisted. Nevertheless, workers' organisations did succeed in maintaining a centralised bargaining process by articulating sector and local negotiations. In 1993 another decree instituted bargaining at enterprise level; between 1995 and 2000, 90 per cent of collective agreements were of that kind. Consequently, national collective bargaining in the private sector seemed to come to an end by the second half of the decade. Yet, since 2003 trade unions have recovered the traditional practice of signing national and sector

agreements, although in combination with a profusion of decentralised arrangements. Although decentralisation still prevails, collective bargaining at sector and national level has a direct and positive bearing on the scope of coverage. In 2005, for instance, national and sector agreements compromised 36 per cent of all agreements, but they covered 92 per cent of all wage-labourers who benefited from collective negotiations. Moreover, 93 per cent of these agreements resulted in wage increases against 78 per cent of the agreements reached at firm level.

These general reforms of the system went hand in hand in the 1990s with a series of laws and decrees aimed specifically to alter industrial relations in public companies and break trade unions' capacity to obstruct privatisation policies. The collective agreements signed by unions with public companies in sectors like electricity, oil, water or gas, had been the most advanced and protective, and therefore, a model to be followed by other workers' organisations. In the logic of the neo-liberal offensive, public sector agreements were major obstacles to be removed. This challenge to public sector agreements was led by a horde of consultants paid through World Bank loans, and their negotiations with managers, trade union officers, and authorities eventually led to the suspension of 718 clauses from collective agreements in 13 public enterprises. The legal foundations of this assault were two laws passed immediately after the election of Menem, promulgated to deal with the economic emergency signalled by the hyperinflation peak of 1989, and to begin the neo-liberal reform of the State in accordance with the prerogatives of the Washington Consensus for Latin America.

In sum, until the 1990s the bargaining process was centralised and heavily dependent on the State. Decentralisation has been introduced into the system, but trade unions have recently recovered their ability to maintain national and sector level agreements to an important degree. Thus, the basic foundation of the system is still the collective agreement, signed by the organisation with *personería gremial*, even though this arrangement has been targeted by a new national trade union confederation (CTA), which emerged in 1993 in open opposition to the neo-liberal turn of the Peronist administration. Since then, the CTA has sought to sanction a pluralist model of

representation whereas the CGT has defended the historical arrangement.

Beneath the juridification of industrial relations, beyond the reach of labour law, the years of *Peronism* also meant the development of robust shop steward structures, the so-called *comisiones internas*, which overcame the juridical vacuum of industrial relations at the workplace. In fact, they have been an essential aspect of the system; the ability of the unions to make employers respect the collective agreements at the workplace has often depended on their strength.

Legal recognition of this aspect of industrial relations did not develop until 1958, when the shop stewards obtained *fuero sindical*, the same legal protection against dismissals and other anti-union policies that had been accorded to full-time union officers in 1945. But the 1958 law, apart from this formal recognition, did not specify shop stewards' prerogatives; these began to be defined in practice by collective agreements and trade union rule books since the early 1950s. The strength of the *comisión interna* rested on several factors: the level of unionisation of the industrial sector, the size of the factory, the nature of the labour process, and the extent of mobilisation on the shop floor. There have always been workplaces with only one shop steward and others in which robust *comisiones internas* are led by an executive committee elected by the entire workforce in open electoral contests. Since 1974 there have attempts to limit the number of shop stewards in accordance with the size of the workforce but trade unions have usually succeeded, at least until the 1990s, in increasing their number through collective bargaining. In the 1990s this trend was reversed. Shop stewards must be union members but they are elected by all workers at the workplace. This is a crucial feature as this gives them authority with both managers and the trade union. From their very inception, the *comisiones internas* have been the last resort for workers to defend their autonomy and exercise their democratic rights, even against their own organisations.

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. As stated above, they were also the only effective way of guaranteeing the fulfilment of collective agreements at the workplace.

Since the economic crisis of 1952, when industrial productivity started to show signs of stagnation, employers' associations launched an offensive against the prerogatives of the *comisiones internas*. Firstly, during the last three years of *Peronism*, by consensual means; later on, through restructuring and anti-union policies; and during the dictatorship of 1976-1983, through a repressive wave that in the workplace translated into massive dismissals, killings and the disappearance of shop stewards and activists. Workers' opposition manifested itself during these years in strikes and conflicts often led secretly by *comisiones internas*. The system of *comisiones internas* recovered somewhat in the 1980s but weakened again in the 1990s. In 2005, according to the Ministry of Labour (*Ministerio de Trabajo y Seguridad Social* – MTySS), 62.8 per cent of firms have unionised workers, approximately but 85 per cent of them do not face shop-floor structures of representation. The official data also shows that while a small majority (52.5 per cent) of shop stewards operates in the larger companies (with more than 200 employees), their ability to represent workers in medium firms (between 40 and 200) and small enterprises (less than 40 employees) remain very low (27.7 per cent and 7.5 per cent respectively). Thus the system of shop stewards operates in a small percentage of firms (the survey found shop stewards in only 15 per cent of firms), but they represent a sizeable percentage of the workforce (39 per cent of the total workers). Still, all important labour conflicts in contemporary Argentina involve the *comisiones internas*, as shown by the recent strikes in the underground, hospitals, teachers, textiles, the automotive industry, and the like.

As will be discussed later, a contradictory tendency has always characterised 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. On the other hand, grassroots worker mobilisation comes to the fore time and again, often through the revitalisation of the *comisiones internas* in open confrontation with national or regional trade union leaderships.

3. Union Density since 1945

Statistics about union membership and rates of union density have always been among the most favoured means used by labour scholars to measure the health and power of trade unions. While density rates cannot always be determined with a high degree of accuracy, density deserves careful consideration in any history of the labour movement.

It is difficult to follow the historical evolution of density as, in the case of Argentina, data are often unreliable and their use problematic. Trade unions have usually overestimated membership levels, public authorities have not kept accurate records in every period, scholars have used very different sources and methodologies, and thus research outcomes vary widely. Indeed, some authors have argued that determining density rates in Argentina is virtually impossible. Yet available estimates help allow us trace the general development of union membership since the end of the World War II.

The first years of *Peronism* witnessed spectacular union growth. Many scholars regard this as the rise of a trade unionism strengthened from above. However, as Louise Doyon (2006) has shown, this growth in fact represented the hectic pace of union activism that took advantage of a favourable institutional and political context. The intense labour conflicts that characterised the years 1946 to 1948, during the negotiations of collective agreements, support Doyon's argument. Rapid union growth occurred at a time of clashes between the leadership of certain trade unions, although most of them were enrolled in the Peronist movement, and public authorities. The latter resorted to the increasingly subordinated CGT to discipline these conflicts and displace nonconformist leaderships. This would become clear during the years between 1948 and 1951 in the strikes by workers in the meat, textile, print, sugar, and oil industries and the bank and railway sectors, among others. But the attempt to subordinate the labour movement to the developing public policy process did not inhibit the rate of unionisation (Table 1).

Table 1. Total Membership of Argentine Unions, 1936-1986

Year	Membership
1936	370,000
1945	528,000
1946	877,330
1948	1,532,925
1950	1,992,404
1954	2,256,000
1965	1,765,000
1984-6	3,972,000

It was only after the 1955 military coup that union membership fell due to political factors. Between 1955 and 1958, the government took possession of the trade unions by imposing a military administration, outlawed all trade unions' leaders who had run workers' organisation between 1953 and 1955, and suspended collective agreements. Torre (1973) set the rate of union density in 1964 between 30.62 per cent and 35.75 per cent depending on whether managers, professionals and technical staff are taken into account or not, while Lamadrid and Orsatti (1991) argued that union density oscillated around 40 per cent in mid-1960s. Most studies agree, however, that after 1963-4, there was a recovery in the rate of unionisation and even certain stabilisation around 43 to 47 per cent, except during the military government of 1976-1983, which had a negative, although surprisingly slight, effect on union membership.

Today there are debates about the effects of neo-liberalism on trade unions, and in particular, on the rate of unionisation. Again, the lack of a reliable historical data makes firm conclusions impossible. Nevertheless, there is a general agreement that since 1990 union membership and union density did fall. Yet, available estimates suggest that the decline of the latter has not been dramatic in the last two decades, despite the wide-ranging process of state and capital counter-mobilisation (Table 2).

Table 2. Trade Union Density in Argentina according to different sources.

Year	James (1990)
	% union density
1941	20
1948	30.5

1954	42.5	
	Lamadrid and Orsatti (1991)	
1954	48	
1963	40	
1974	43	
1979	42	
1982-83	41	
1989	44	
	Marshall and Perelman (2004)	
1990	47	
1991-94	44-47	
2001	42	
	ETE (2005)	EIL (2005)
2005 ¹	37.6	37

That decline has not been greater is surprising for a country in which incentives for organising are few: union finances do not depend exclusively on members fees; the *personería gremial*, by securing the legal monopoly of collective bargaining representation, reduces the likelihood of inter-union disputes; collective agreements apply to non-union members; demands are often channelled through institutional mechanisms of political exchange; and the mobilising capacity of trade unions goes far beyond their memberships. Even incorporating the lowest estimates, that is those provided by ETE and EIL for 2005, union density remains well above most industrialised economies, where according to Visser (2006) the decline have been much more marked.

However, the index of union density today might be deceitful. While at first sight, union density is still statistically high, it is necessary to take into account the number of unregistered wage-labourers since it is unlikely that these workers are equally able to join trade unions. At the beginning of 2007, 41.6 per cent of the total

¹ Unfortunately, there are no historical series of rates measured by Encuesta a Trabajadores en la Empresa (ETE) and Encuesta de Indicadores Laborales (EIL) and carried out by the Ministerio de Trabajo, Empleo y Seguridad Social (MTySS), both in 2005. These figures correspond to registered wage labourers employed in private firms with 10 or more workers; that is, they incorporate neither registered workers from firms with less than 10 employees, nor public sector workers (8 per cent and 38 per cent respectively of the total registered employees in 2001; figures from MTySS and the National Institute for Statistics, INDEC).

number of wage-labourers corresponded to unregistered labour, whereas from 1992 to 1996 the rate of unregistered employees oscillated between 22 and 25 per cent. Thus, surely, union density among unionisable workers remains relatively high, whereas more and more wage labourers are outside the reach of trade union organisation. Moreover, union density says nothing about why (or how) trade unions have maintained their relative position. Nor does union density provide insight on the actual weaknesses of workplace structures as shown in the previous section. Thus, important as it is, the evolution of union density reveals a partial picture of the health and strength of trade unionism in Argentina since 1945.

4. The Obras Sociales

Trade unions in Argentina have strongly influenced national policy during the second post-war. Among other measures, they helped to shape the system of social security through the *obras sociales*. These institutions are among the most salient features of Argentine trade unionism. Through them, unions provide workers with health care, recreation centres, tourism, professional education, personal loans, housing schemes, and the like; many hospitals, hotels and workers' neighbourhoods have been financed by the *obras sociales*.

They are rooted in the old *sociedades de socorros mutuos* (friendly societies) by which workers developed voluntary associations for mutual assistance since the end of the nineteenth century. The aim of this form of workers' solidarity was to provide elementary or minimal protection to members in cases of emergency or risks associated to work-life: strike support, funeral services, retirement, and health care. They were a result of scarce public mechanisms during industrialisation. Between 1910 and 1930, a group of powerful unions in key sectors of the economy, and therefore capable of exerting pressure over the State, obtained pension funds for their sector in exchange for social peace. This reinforced a system of insurance that, while based on the economic power of workers,

reproduced social iniquity and divisions. To reverse this trend, the CGT in the 1930s campaigned for a public and universal system of social security. Between 1943 and 1946, about 111 measures concerning basic aspects of social security were enacted, including annual bonuses, paid holidays, extension of the severance pay, disability indemnity for all employees (except for domestic servants), payment for all public holidays, regulation of the working days for different trade unions, and regulation of child labour. This system of basic rights was later augmented by the development of the *obras sociales*.

The *obras sociales* were established primarily between 1948 and the early 1960s through collective agreements with employers and backed by the State. Both sides finance the *obras sociales*, but trade unions run the administration. In 1970 employers and unions were compelled by law to create *obras sociales*, not only for union members and their families, but also for workers in the same sector, as far as they contribute to their financial support. Thus, a worker could contribute to the *obra social* without being a trade union member. This somewhat compensated the union for free riders (since 1953 collective bargaining covers both members and non-members). All workers therefore contributed to the financial strength of the trade union, and unions provided expanding social and recreational services for their members: for instance, in 1967 there were 8 union-owned hotels, 62 such hotels by 1973 and 90 by 1983; until the 1990s only trade union members could seek accommodation in these hotels. The essential task of the *obras sociales* has always been the provision of health care. Unions built dozens of hospitals, clinics and others for the exclusive use of their members.

These institutions became one of the pillars of the country's health and social security system and a source of power in political exchanges with public authorities. Indeed, their reinforcement by law in 1970 was an act of political exchange in search of trade unions' temporary acquiescence to the political proscription of *Peronism* by a military dictatorship. Since then, every attempt to undermine trade unions' power has involved an attack on their *obras sociales*. The military coup of 1976 first removed workers' from the administration of most *obras sociales* and replaced them with military functionaries.

A 1980 law formally eliminated trade unions' control by incorporating the *obras sociales* into the *Ministerio de Acción Social*. Although a democratic government assumed office in 1983, trade unions had to wait until 1989 to recover their control. In 1992 a *Peronist* Government attempted to privatise and deregulate the pension system and the *obras sociales*. However, union's leadership was able to negotiate important compensations; in both reforms, the CGT negotiated its participation as service provider. Therefore, the government explicitly included a provision for unions to create pension funds and restricted competition in the social security system to existing *obras sociales*, that is, excluding new private health insurance companies during an undefined transitional period starting in 1993. The following year unions secured from the government the right to offer insurance for work accidents. In addition, unions obtained subsidies for restructuring the *obras sociales*, and a bail out of debts accrued from social security provisions.

Deregulation of the system posed a new threat to unions as workers were free to choose from different *obras sociales*; almost 1.4 million workers did so between 1998 and 2005. This was expected to have a detrimental effect on poorer unions, and more generally, on union density as the identity forged by trade unions between the organisation and the *obra social* would be severed. Some imagined this would lead to more active and innovative trade union recruiting efforts, but this did not occur. While in general industrial unions reinforced the identity between the organisation and *obras sociales*, the strategy of service sector unions has been to adopt a commercial attitude focused on the improvement of the services provided by their *obra social* and appeal to workers in other job categories. In this latter case, the usual losses in union membership were to be compensated financially by the income generated by their *obras sociales*.

Negotiations between the CGT and the government over the *obras sociales* contributed to the development of a new style of unionism since the mid 1990s, one built around the new business opportunities opened to the union leadership in exchange for social peace and ideological support (or at least partial acquiescence) to the neo-liberal project in Argentina. This new union style involves a twofold strategy: the reinforcement of worker solidarity around the

organisation, and an entrepreneurial project to generate new revenues to increase and strengthen unions' social services. Evidence shows that the unions have neglected the former while developing the latter. This new style has gone beyond any previous use of the *obras sociales* as a financial source of power towards a truly entrepreneurial unionism, which assumed directly the function of capital in the running of a diverse portfolio of businesses. However, it is important to stress that this entrepreneurial style of unionism has not become hegemonic within the labour movement, although its influence and ideological impact can not be underestimated.

5. Trade Union Mobilisation after World War II

Trade union development at the institutional and organisational level cannot be understood without an understanding of the broader dynamics of class struggle and the role played by workplace organisations. While trade union mobilisation made *Peronism* possible, the economic crisis of 1951-2 jeopardised the link between the two. At that time, both public authorities and employers arrived at the same conclusion: economic stagnation and the lag in industrial productivity were both due to trade union power at the point of production. In particular, employers found in the spread of the *comisiones internas* the principal challenge to managerial prerogatives and, hence, the main obstacle to firm restructuring. Employers sought to regain full control of the labour process and increase profit rates through productivity increases and labour exploitation. With Perón in power, workers and trade unions successfully resisted such attempts since they were the principle supporters of the government. But from that time onward, the struggle between trade unions, local and foreign capitalists, and the dominant groups within and behind the State has revolved around productivity growth. At the same time the post-war dynamic of class confrontation focused on inflationary pressures, as capitalists sought to claw back wage increases through higher prices.

In 1953 and 1955 the *Peronist* administration issued official calls to increase productivity by consensual means. While the trade union leadership paid lip service to this aim, the *comisiones internas* blocked any restructuring attempt. Thus, after the military coup of September 1955, the ideal of the social pact was abandoned; instead, employers and public authorities deployed a multifaceted counter-offensive.

On the shop-floor, authoritarian managerial policies were pursued against a backdrop of the generally anti-labour orientation of the State between 1955 and 1973. In law the counter-offensive of public authorities meant the suspension (apart from a few partial exceptions) of collective bargaining during military governments (1955-8 and 1966-73), and also in 1974 when the social pact was revived by Perón in his third Presidency. Both military and semi-democratic governments aimed to reform labour law as to undermine union power in 1956 and 1966; in the main, by attempting to establish a multi-union model of organisation, control the activities of *comisiones internas* and prohibit trade union involvement in politics. But these legal strategies failed.

After the fall of Perón the political dimension was crucial. As in 1945, when the political offensive of the ruling classes pushed workers to add their organisational strength to the political project built around this charismatic figure, after 1955, the anti-labour orientation of the State reinforced the bond between trade unions and *Peronism*, which in turn based itself on the support of workers for its social programme. 1957 and 1958 witnessed the so-called *Resistencia Peronista*, which involved workplace struggles through mostly clandestine *comisiones internas* to regain the control of their organisations. Contrary to governmental expectations, the identification of workers with *Peronism* spread. While in 1960, 52.2 per cent of trade unions belonging to the CGT were also members of the political bone of Peronist trade unions, the *62 Organizaciones*, in 1972, this figure climbed up to 86.5 per cent. Despite the political proscription of *Peronism* and the exile of their political leader, or perhaps because of it, since trade unions embodied as a consequence the political representation of *Peronist* workers, Perón won the 1973 election obtaining more than 60 per cent of votes.

Although unable to block the employer offensive over productivity, trade unions maintained a high level of mobilisation and political influence. Their financial power grew together with the recovery of union membership and the development of *obras sociales*; their internal structure, their centralism and their bargaining power also survived employer and State attacks, which became evident when Perón returned to the Presidency as well as in the collective bargaining round of 1975. As a result, real wages reached their historic peak in the mid 1970s. These redistributive gains were, partly, the outcome of workers' autonomous mobilisation. They were also partly the result of union bureaucracy becoming enmeshed in the State apparatus when Perón assumed his third Presidency in 1973. This position allowed the traditional union bureaucracy to face the growing grassroots challenges and labour conflicts that had been alarming the ruling classes since the end of 1960s. Grassroots mobilisations were particularly intense in 1975, when the working-class opposed through their unions and beyond them, the attempt to introduce economic adjustment programmes.

The 1976 civic-military coup aimed to crush workers' power in society, including trade union power. The government and employers repressed workshop representatives through a concerted attack, reduced the role of trade unions as political actors, passed anti-union laws and introduced reforms to curb their financial power. Workers resisted through scattered but persistent strikes and sabotages; *comisiones internas* gradually reappeared and the labour movement was able to launch three general strikes that contributed to the weakening military power. The most radical trends and revolutionary activism had been removed from the workplace by repression, however, while the union bureaucracy had retreated, and a tiny minority even collaborated with military authorities. When democracy returned in 1983, union bureaucracy showed once again its power to prevent challenges to their legal basis of power, this time threatened by the Government of Alfonsín (from the *Partido Radical* historically opposed to the *Peronist, Partido Justicialista*). Overall, trade unions had lost the initiative of the late 1960s and early 1970s; the dominant classes and the State bureaucracy maintained hegemony despite their highly unpopular economic policies.

Nevertheless, between 1983 and 1990, the bulk of the labour movement defended its organisational and financial basis of power, pursued its redistributive goals, sought political influence and confronted openly the neo-liberal agenda through thirteen general strikes. But the hyperinflationary spirals of 1989-90 would change the political and economic arena against trade union traditional practices and aims.

6. The 1990s and Neo-Liberalism

The 1989 election of Menem, a *Peronist*, to the presidency represented, as in mid 1940s, a watershed in many aspects, though this time against the interest of workers and their trade unions. Contrary to the historical conjuncture in which *Peronism* assumed office in mid 1940s, the working class by the late 1980s were in disarray, suffering from hyperinflation and declining real wages.

The hyperinflation spiral of 1989 is often cited as an essential pre-condition of neo-liberalism in Argentina. Scholars from diverse ideological perspectives agree that this crisis helped to overcome resistance within civil society, particularly that of trade unions. Hyperinflation paved the way for a wide programme of reforms, of which privatisation was decisive. Trade union leaders found themselves suddenly trapped; the vast majority of trade unions openly opposed the neo-liberal turn, but most of them declined to take industrial action in the midst of a severe economic and social crisis.

The ideological and political consequences of hyperinflation were immense. Its disciplining effects upon the population have been compared to those of a dictatorship or political repression. Indeed, Thwaites Rey (2003) argues that both the political terror visited on society by the dictatorship (1976-83) and the economic terror of the hyperinflation explained the popular tolerance to the neo-liberal reforms of beginnings of 1990s.

At the same time, hyperinflation meant the final surrender of the main political parties to the influence and the privatisation schemes of

the IMF and the World Bank, which shaped State decision-making on the country's economic and social policies. The implementation of these programmes required a redefinition of Argentine trade unionism in relation with the State and the *Partido Justicialista*. Menem's tenure in office (1989-95; 1995-9) meant for workers a radical departure from the idealised social justice and class harmony promoted by *Peronism*. In particular the Menem years broke the idea of development and redistribution with the State as mediator and protector of workers. The *Peronist* ideology of the majority of Argentine trade unions was put into crisis by a system that while reducing their political and financial power was pushing many unions to reorient their organisational and mobilising strategies. Trade unions lost influence within the *Partido Justicialista* and the Parliament. Yet, neo-liberal policies, and their negative consequences in terms of employment, plus the ongoing internal conflicts of trade unions over their nature and their relations with the political power structure, produced new labour struggles too. These struggles have led to the detachment of some groups of workers from traditional trade unions, the emergence of anti-bureaucratic organisations at local level, and the development of alternative trade union confederations.

The neo-liberal agenda of the New Right was put into practice mainly through the privatisation of public companies, 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. The Convertibility Plan introduced by minister Cavallo in 1991, fixing the peso to the US dollar, stopped hyperinflation, produced stability and market confidence, creating the conditions for a period of economic growth (during 1991-7 GDP increased at an annual average rate of 6.1 per cent) and created consensus among bourgeois parties and State bureaucracies.

Economic stability did not correspond to better conditions for workers. The official unemployment rate rose from 6,9 per cent in 1991 to 18,4 per cent in 1995, while underemployment in the same years rose from 8,6 per cent to 11,3 per cent. And by the end of 1997 the fact that neo-liberal policies were explicitly showing their weaknesses not just in terms of social marginalisation but also in

terms of economic growth was already clear to Argentine business representatives too.

In the beginning the CGT remained, despite internal divisions, politically loyal to Menem. But soon the unions became a target for the government because of their potential mobilising capacity. The government repressed by force every attempt to oppose privatisation, such as the resistance by telephone (1990-1) and railway workers (1991-2). Moreover, unions' financial and organisational power and political centrality were targeted by the attack on their *Obras Sociales* and the decentralisation of collective bargaining. Concomitantly, public authorities invited unions to participate in the privatisation of public companies and in the business of investing the funds collected for pensions and social services.

For the first time in Argentine history a Peronist administration explicitly attacked the organisation and structure of trade unionism and workers' rights. This attack provoked political crisis within the labour movement and a split between the central bureaucracy and shop floor delegates. On the one hand, trade unions were facing a direct attack on their autonomy and political power from a government that they had helped put into power. On the other hand, labour reforms, consistently reducing workers' rights and benefits, were demoralising ordinary workers sapping their willingness to act.

At the institutional level, the contradictory relations between Menemism and traditional unionism generated a split in the CGT between those unions (or union leaders) supporting Menem's reforms and aiming to participate in the business produced by the privatisation of social security, and those promoting opposition both in politics and at the workplace level. In 1992 the CTA (*Congreso de los Trabajadores Argentinos*) was created mainly by public workers' unions. This new confederation was a departure from the traditional model embodied by the CGT. In particular, the CTA aimed to organise both worker and unemployed struggles that were emerging in different parts of the country; it opposed *personería gremial* and promoted a pluralist model of representation; and it advocated independence from the State and from the *Partido Justicialista*. 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. The trade union' leaders loyal to Menem and his reforms remained in the CGT. This group, in July 1994, subscribed with the government and employers associations to a general agreement (*Acuerdo Macro*) that, while recognising CGT financial autonomy and maintaining collective bargaining at central level, allowed for labour flexibility (reduction of labour rights) at workplace level. By the end of Menem's second presidency, however, union opposition grew. The CGT with support from CTA and MTA called four general strikes in an attempt to block government efforts to decentralise collective bargaining. The success of these demonstrations, while it saved union prerogatives, did not change flexibility at workplace level, already recognised by the *Acuerdo Macro*.

Despite a general trade union retreat, the decade of the 1990s witnessed bitter conflicts 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 Có and Plaza Huinul (Neuquén), and Tartagal and General Mosconi (Salta). In all these cases, trade unions played a secondary role.

After four years of recession, massive demonstrations took place in December 2001, bringing down the government and pulling down the edifice of monetary convertibility. Gradually, the end of the recession revitalised trade unions. Since 2003 the country has experienced a steady economic recovery with rates of growth around 8 to 9 per cent annually, which has three important consequences for trade unions. First and foremost, unemployment fell to 8.5 per cent in 2007 after climbing in October 2001 to 21.5. Second, the number of workers employed in the private formal sector has increased 22.4 percentage points since 2001, thus allowing unions to maintain their positions in certain strategic industries (such as automotive, telecommunication, energy, transport) that although affected by the

1990s restructuring, were among the first to take advantage of the post 2003 favourable business climate, thus strengthening trade unions associational power. Third, capitalists have been inclined to concede workers' demands in the face of potential disruptions to the productive process in the midst of growing profits and backward wage levels (wage-labour participation in the gross aggregated value fell from 38.2 per cent to 28.8 due to currency devaluation after the peak of the crisis in December 2001). Thus, this positive economic cycle has been fertile soil for trade union demands for higher salaries, both through collective bargaining and industrial action. Indeed, trade union negotiations and struggles succeeded in raising real wages in the formal private sector above those of 2001, though within an uncertain climate due to increasing inflationary pressures. Today, more than fifty years later, the traditional reformism of trade unions in Argentina seems to stumble over the same stone.

7. Conclusion

In Argentine history, politics and trade unionism have been for many years intertwined. Indeed, a distinctive feature about trade unionism in Argentina is its comparatively higher level of political involvement, which is to a great extent embedded in the origins and characteristics of the system.

The role of the State as trade unions' promoter and guarantor, its direct participation in collective bargaining, and its power to weaken or strengthen trade unions through administrative and legal prerogatives, rendered political influence within the State a resource of vital importance. This institutional design was a component in a wider political project to industrialise the country by applying an import-substitution model. Most sections of the trade union movement enrolled in the *Peronist* political movement in mid 1940s, obtaining labour laws, benefits and organisational power, unthinkable just a few years earlier, but through political rather than industrial mobilisation.

Within this politicised environment, the structure and dynamics of collective bargaining meant that unions, employers and governments, agreed not only on industrial and productive matters but also on macroeconomic policies. Moreover, beyond industrial negotiations, unions aimed to influence national economic policy to meet their demands concerning wages and levels of employment. Thus, trade unions pressured public authorities as much as they pressured capitalists; often mounting political strategies to confront industrial troubles, and frequently, capitalists and trade unions jointly pressured governments for industrial policies in specific economic sectors. And typical of Keynesian macroeconomic management, governments needed unions to concert industrial peace and social pacts. To put it bluntly, trade unions' leadership had pursued from the mid 1940s Keynesian economic policies, which furthered industrialisation and infrastructure development, within a political project in which harmony and cooperation were considered essential for national and common prosperity. Within this context, the State played a role of social mediation, fixing rules and setting agreements for a redistribution of the national wealth. If this was the ideal model, then both the ruling classes and grassroots mobilisations of the part of workers posed threats to the social pact. So did economic crisis.

Additionally, due to the instability of Argentine democracy and the political proscription of *Peronism* between 1955 and 1973, trade unions, usually through the CGT, fulfilled a political role too. Every government, democratic or military, was forced to negotiate with the CGT (or repress it). Within this context, national strikes played an important role as manifestations of political strength.

Because of this multifaceted trade union involvement in national politics, is not surprising that levels of labour unrest in the country have remained comparatively high. The political and institutional framework that favoured strike proneness and unions' orientation towards collective action, produced, however, a deficit in terms of internal democracy and reinforced bureaucratic leaderships. While there is certainly a top-down culture of decision-making in Argentine trade unions, there is also a culture of grassroots mobilisation, usually expressed through *comisiones internas*, which has been able to challenge this dominant model.

Within a comparative international perspective, one can depict the history of trade unionism in Argentina as an example of a particularly conflictive movement. Within a social context whose deep inequalities promote radicalisation of conflict, workers have simultaneously mobilised in the streets, in the workplace, and in the courts.

The history of trade unionism and workers' struggles in Argentina is thus a continuous, alternating movement of mobilisation and counter-mobilisation inscribed within different economic cycles. In this sense, the crisis of 1951-2 and the measures adopted by various governments in the period 1955-1976 to curb trade unions' organisational power, to maintain capitalist control of the labour process and to increase productivity, represented the background to the neo-liberal capitalist restructuring that started in Argentina by the mid 1970s and culminated in the privatisation and labour flexibility policies of the 1990s.

While in recent years Argentina, especially in the wake of the 2001 financial crisis, has been the site of a range of diverse and alternative labour protests, including the road blocks organised by the unemployed, after 2002, in a context of economic growth and political stability, labour struggles have resumed with trade unions and formally employed workers as the main protagonists. While historically the trade unions have not produced more than a trade unions consciousness, their internal struggles and active presence remain expression of workers' opposition to the contradictions that the development of the capitalist system constantly generate.

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