

**UNIONS AND CIVIL SOCIETY IN  
CONTEMPORARY ARGENTINA**

**by**

**Héctor Palomino**

Buenos Aires

Civil Society and Democratic Governance in the Andes and the Southern Cone  
Comparative Regional Project  
Ford Foundation - Department of Social Sciences PUCP

## Abstract

The Argentine union movement today faces unparalleled economic, political, and social changes that affect its structure and strategies for action. The most important of these changes is the transformation of a labor market that historically operated under conditions of full employment but today is characterized by high levels of unemployment and underemployment, eroding the union movement's base of support and ability to generate resources. In addition, for the first time since its consolidation in the mid 20<sup>th</sup> century, the union movement finds itself split between two confederations with opposite ideologies and in competition with each other. This division threatens to reproduce itself inside individual organizations. Despite the fact that unions are weakened as a result of the loss of members and the breakup of organizational unity, they are favored by the legitimacy of their demands for employment and income as well as a tradition that makes the right to work a true paradigm of social rights in Argentina. This legitimacy will undoubtedly be challenged in the new period that begins with the triumph of the Alianza in the October 1999 elections which presents the union movement with a dilemma: to position itself as political opposition or as a social intermediary of the new government.

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## **Introduction**

The Argentine union movement today faces unparalleled economic, political, and social changes that affect its structure and strategies for action. The most important of these changes is the transformation of a labor market that historically operated under conditions of full employment but today is characterized by high levels of unemployment and underemployment as well as salary instability which, in the 1990s, has eroded the unions' base of support and economic and social power. Changes in legislation during the same period as well as new conditions for the functioning of the economy affected regulations regarding labor relations and the role of the national leadership of unions as the exclusive intermediaries with the business sector. The emergence of a new, politically autonomous, labor confederation after a half a century of the CGT as the only confederation and one that was organically linked with the Partido Justicialista (PJ, Peronist) radically transformed the traditions built up for half a century. For the first time, the Peronist union movement faced a situation in which, despite the fact that there was a PJ government, a relationship with the state was not sufficient to sustain the unity of the labor movement.

Despite their current weakness, which is reflected in the loss of membership and economic resources, the unions continue to constitute a paradigm for social organizations in Argentina. This is the result of the early integration of salaried urban workers into the labor market at the same time as this market became a real social institution in the sense that wages led to the articulation of a variety of services that provided protection and guarantees for workers and their families. The contemporary crisis of the labor market implies a disarticulation of the role of wages in generating services and, as a result, the almost explosive emergence of social needs that are difficult to satisfy as well as the lack of mechanisms that provide alternatives to those linked to wages. It should be remembered that in Argentina, the development of the welfare state in its European version was only embryonic and thus there are few mechanisms of external social articulation with the labor market.

The number of civil society organizations multiplied in the last two decades and they play a decisive role, particularly in the realm of protecting human rights. Nevertheless, there are

few that have developed to the level of unions. Even though the mere increase in these organizations provides a firm basis for generating the hypothesis, or the promise, of a dense weave of associations in the future, many of them are still weakly developed. The fact that these social organizations tend to be progressively articulated around one of the labor confederations reflects both their willingness to associate and the capacity of unions to influence their development and structure.

First of all, some unions can contribute to the definition of the goals of social organizations' demands for social rights that are articulated with the specific rights that these new organizations promote. Second, and as a consequence of the traditional role of the union movement, it provides the possibility of political articulation of social demands. Third, unions constitute a source of institutional and economic resources that organizations can apply to their own organizational development. Fourth, unions that maintain autonomy as an organizational principle also transfer this as a value to social organizations. Derived from the latter (and a two-way street) organizations that work with unions which promote autonomy not only find a space there but also the possibility to influence the development of the unions themselves.

In the case of unions that continue emphasize their articulation with the state or the re-establishment of full compliance with the former labor legislation, or even those that systematically carry out their struggles on the terrain of the political opposition, their influence on society continues to be conceptualized in traditional terms; that is, they appeal to the considerable capacity of unions to legitimate themselves socially through demand-centered strategies and have in their favor the fact that, when it comes to employment and salaries, in the view of the majority of Argentines: "all past times were better."

The trends described above are "structural" in the sense that they are articulated in the context of the general economic, political and social trends that appeared in the second half of the 1970s and were strongly consolidated in the 1990s. In other words, these trends partially preceded the era of neoliberal reforms in the 1990s and it is expected that their effects will be prolonged. In regards to the questions that these trends raise regarding

governance, it is expected that given the critical fiscal problems of the state and the likelihood that these will not be solved in the short term, the stimuli for social protests will continue. Nevertheless, unions may face a dilemma: whether to assume the role of political opposition or to be social intermediaries.

## **I. The structure and historical evolution of unions in Argentina**

### **1. Contemporary changes in the structure of unions**

In the introduction to a history of relationships between unions and the state between 1989 and 1995,<sup>1</sup> Juan Carlos Torre<sup>2</sup> asks himself to what extent the present can be questioned from a historical perspective. He concludes, with some reservations, that in relation to the context of union activities, the scale of the transformations underway in Argentine society and economy make it possible to engage in this exercise. He adds that even when nothing can be said about the future development of current trends, the very different era in which unions currently find themselves can be described with relative precision.

The most important aspects of this change in eras lie in transformations in the labor market. For a union movement whose historical development took place when there was a labor market that was effective, except in some exceptional periods, in generating full employment, the growth of open unemployment, the appearance of underemployment, and salary instability implies an abrupt change in its situation. These developments erode the possibility of acquiring new members, generating new resources, mobilizing and continuing to employ traditional strategies.

Another factor that led to changes in the union movement is related to transformations in the role of the state, which, from the middle of the 1970s, directed its income redistribution policies in favor of urban sectors. This orientation was abruptly modified as a result of the growth of a large foreign debt and growing dependence on the flow of foreign capital. This

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<sup>1</sup> Senén González, Santiago and Fabián Bosoer, *El sindicalismo en tiempos de Menem. Los Ministros de Trabajo en la primera presidencia de Menem : sindicalismo y Estado (1989-1995)*, Buenos Aires : Ed. Corregidor, 1999.

new situation weakened the capacity of the state to assign resources to mediate interests between capital and labor. Added to this in the 1990s, was a strategy to limit the state's central role in the regulation of labor relations. This in turn affected traditional union strategies of pursuing links with the state.

The political integration of unions was carried out in a way that permitted them to maintain their corporative identity, in as much as they were integrated into the Peronist movement without disappearing into the Partido Justicialista.<sup>3</sup> During different periods they maintained the right to be included in party lists for elective office or to be represented in different levels of the leadership of both the union movement and the party. In addition, in some periods, the Peronist union movement functioned as a de facto substitute for the Partido Justicialista, whether because it was outlawed for a long period between the coup d'état of 1955 until the return of Peronism to government in 1973<sup>4</sup> or because of the party crisis that followed its electoral defeat in 1983 and lasted for various years in the 1980s.

This exclusive identification of unions with the Partido Justicialista, which developed in the decade of the 1940s, reached its end in the 1990s with the emergence of a new union confederation that has autonomy from parties as one of its goals. This does not mean that the union movement distanced itself from politics or the political system but that Peronism is fully accepted by only one sector within the union movement while the leaders of other sectors either turn to other political options or pursue autonomy from parties.

This organizational split in the unions in the 1990s ended a half-century tradition of one monopolistic union confederation, the CGT. This division into confederations inaugurated a period during which union organization by trade continued to be maintained but coexisted with a division into confederations with different political-ideological orientations, which slowly tended to infiltrate into trade unions.

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<sup>2</sup> Torre, Juan Carlos, "Introducción : las reformas de mercado y el sindicalismo en la encrucijada," *Op.cit.*, pp. 13-19.

<sup>3</sup> Similar to the way that British unions traditionally maintained their ties to the Labor Party.

<sup>4</sup> James, D., *Resistencia e Integración*, Buenos Aires : Ed. Sudamericana, 1991.

A series of cultural changes of various types slowly penetrated the unions. These changes are evident in union strategies that reveal new values and goals. They are manifest in changes in the criteria for membership, in changes in relationships between leaders and rank and file members and in new forms of recruitment, and in the incorporation of diverse demands that differ from those that traditionally predominated in unions.

Despite the changes described above, there were also noteworthy continuities in the structure of the unions. Below, we describe the different factors that have led to both changes and continuities. In as much as possible, we relate these factors to each other since they are intimately related in terms of their historical roots and for this reason sometimes the distinctions between them are purely analytical.

## **2. The structure of unions in Argentina**

The structure of unions in Argentina developed in the mid 20<sup>th</sup> century and many of its basic characteristics are still visible. Unions played a key role in the emergence of the Peronist movement with which they had lasting political ties from the beginning and it was through these ties that a relationship with the state was established that still exists today.

The state dependency of unions was accomplished through a link created by the granting of state licenses to trade unions (*personería gremial*, a type of status that was legally established in 1944). At the same time that this licensing made unions dependent on the state, it gave them a monopoly to represent each trade. Both aspects were sanctioned by *ad hoc* legislation whose basic elements continue in effect. Later legislation on collective bargaining (since 1954) and social services (since 1969) consolidated this form of dependence on the state. Only those unions that had official status as trade unions granted by the state could automatically collect union dues (by withholding from their salaries by employers, who therefore served as collection agents for union income), could represent salaried workers in collective bargaining, and could administer and receive contributions for social services through the same mechanism used for the collection of union dues.



In this model based on trade union licensing by the government (*personería gremial*), the basic level of representation is granted to what are called “grade 1 unions” which are those that can automatically receive union dues and contributions. If we consider this as the primary level of unions, “above” there were “grade 2” organizations (federations) and “grade 3” organizations (confederations). The latter two types of organizations were different since they were not allowed to automatically receive income and their financing depended on “grade 1” unions or other sources. Looking down at the union structure, we also perceive a level of territorial representation made up “sectional units” within “grade 1” unions that depend on resources from the central offices of the organization. Finally, there is another level of representation situated on the level of companies or workplaces in which, starting with a certain size of the firm, workers have the right to elect delegates with the consent of the union.

This complicated organization is based in the final instance on the type of legal license granted to “grade 1” organizations, a scheme that gives decisive weight in the development of policies and strategies and the control of their economic resources to the national leadership of these unions. This is the segment in which union power is located and the relative importance of each organization depends on the number of members and workers in the trade covered by its legal status. The decision-making capacity inside each union rests in its leadership, something which is reinforced in the statutes that govern the organizations and gives their leadership an iron hand over its internal activities and the election mechanisms that regulate competition between rival union factions. In addition, the capacity to control lower levels, territorial representation and representation within companies, as well as the capacity for representation on higher levels, nominations for positions in the federations and confederations, also rests in their hands.

Even though this model of union organization gives decisive weight to “grade 1” unions, the Confederación General del Trabajo (CGT) constituted, until the 1980s, a symbolic axis of union power. Permanently wrought by internal conflicts and differing factions that fought for union leadership, intervened on various occasions by military governments, its organizational trajectory suffered several ruptures. Nevertheless, the CGT was until

recently a real symbol of the unity of the union movement, both as an institutional space and as a privileged political agent for unions.

The existence of conditions for full employment in the labor market, which was primarily made up of salaried workers from the mid 1940s (who in this period already made up 70% of the economically active population) made it possible for unions to become firmly entrenched among workers. These ties were reinforced by the unions' links to the state through which they obtained the resources to provide services to members of each union (social services) and in addition, during certain periods of time such as 1973-1976, unions won legislation that requiring obligatory membership of salaried workers.

During a long period, the unions also garnered their strength from the ties of loyalty of workers to Peronism. These ties were maintained even in the period 1955-1973, during most of which unions substituted the banned party and the exiled leader in the leadership of the movement, in bargaining with the political system, and in negotiation with the state. If they were affected by the defeat of the PJ in 1983, the unions were strengthened in their political role by the leadership crisis in the Peronist movement and played a decisive role in social and political opposition to the Radical government of 1983-1989.

When one considers the trajectory described above and contrasts it with the present situation, it is surprising that in just ten years – the decade of the 1990s -- the panorama of the union movement changed so substantially. This is even more striking when one considers that the legislation that gave the traditional union movement its structure based on licensing by the government (*personería gremial*), the laws that established centralized collective bargaining, union control over resources for social services, and the loyalty of the unions in the CGT to Peronism remained in place. Nevertheless, these resources did not turn out to be sufficient to confront the changes of the 1990s.

## 2.1 The crisis of the labor market

The deterioration in the economic, social, and political conditions of salaried workers constitutes one of the most notorious trends of the 1990s<sup>5</sup> and was already anticipated in changes in economic policies by the military dictatorship of 1973-1976.<sup>6</sup> These policies restricted the capacity of the state to manage the economy in the 1980s. This capacity was strongly conditioned by problems resulting from the large foreign debt that led to high inflation and anticipated the reforms of the 1990s.<sup>7</sup>

The impact of these trends on unions was first evident in a decline in membership and dues. But perhaps a still greater impact can be seen changes in public attitudes produced by the structural changes in the labor market and the difficulties that unions had in readapting their strategies to the new situation. These can be better understood through an examination of the changes in the legal status of salaried workers apparent in the contrast between the scheme established by the Law of Labor Contracts (LLC) and its real effects in the world of work of the 1990s, i.e. in the contrast between the law and reality.

The model of labor insertion promoted by the LLC can be described basically as stable (or indefinite) salaried employment articulated with health services, social security, the right to compensation for dismissal, and others. A recent estimate<sup>8</sup> indicates that only 1 out of 6 workers fell within this prototype of the salaried worker.<sup>9</sup> The coverage of the LLC which was conceived by its authors a quarter century ago as the central piece of legislation

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<sup>5</sup> See official data information processed by the Instituto de Estudio y Formación de la CTA: *Boletín de Coyuntura* (Buenos Aires), October 1998, p. 27.

<sup>6</sup> Galín, P. and M. Novick, *La precarización del empleo en Argentina*, Buenos Aires : CEAL/CIAT-OIT/CLACSO, 1990. In the 1990s, many more studies on this subject were published.

<sup>7</sup> Schwarzer, Jorge, *Implantación de un modelo*, Buenos Aires : A-Z Editora, 1998, pp. 174 ff.

<sup>8</sup> Godio, Julio et al., *La incertidumbre del trabajo*, Buenos Aires : Ed. Corregidor, 1998 (see tables on pp. 74-75).

<sup>9</sup> The authors provide the criteria used which makes their conclusions easier to evaluate. The estimate of 50% of unregistered workers seems excessive while, in the opposite sense, it is necessary to subtract the number assigned to workers in PYMES (little or medium-sized enterprises; companies with less than 50 workers) subject to special regulations. Since the principal source used is the EPH (Periodical Survey of Households) applied to the principal urban labor markets, the labor markets in small cities and most rural markets are not included. Public employees are also underestimated. The number given is 900,000 which is less than half that given in the 1991 national census and text implies that teachers and other employees in state services are excluded. Nevertheless, it is probable that these corrections may make up for each other and thus the final estimate may not be that different. As a reference, the 1991 census estimates EAP at 13.2 million.

regarding the right to work in Argentina is currently limited in fundamental ways though not all the limitations can be attributed to the changes in the 1990s.

In the first place, from the beginning, the LLC excluded certain categories such as government employees, agricultural workers, and domestic workers who were subject to different regulations and also partially excluded construction workers whose employment was governed by special regulations regarding job stability and compensation. The salaried workers in these categories grew in 1991 to about 4 million workers according the population census of that year; that is, half the number of salaried workers. Second, the majority of workers not on salary were also excluded, more than 4 million EAP according to the 1991 census. These included the category of the self-employed and some employers as well as a large number of activities running the gamut from professional services to commercial services, craftsmen, etc. All these categories were entirely or partially outside the ambit of the law before the 1990s. In sum, salaried workers covered by the prototypic model of the LLC in 1991 represented around 4 million people, a number approximately equivalent to only one third of the employed. Thus already at the beginning of the decade, there was an observable asymmetry between the prevailing image of the situation of a "typical" salaried worker and actual number of people in this category.

The contrast between the normative model of salaried workers and "really existing workers" was already considerable in 1991 though it is probable that this contrast had not yet entered public consciousness. Perhaps the key factor in the persistence of the normative model in the minds of the public was the relative importance of public sector employment, which in 1991 equaled approximately 17% of total employment when all government institutions, education and health services, etc., were included. It was precisely in the 1980s when there was significant growth in union organization and activities among this occupational category, which tended to favor the partial assimilation of the structure and behavior of public employees with the rest of the workers.

During the 1990s, this tendency led to key developments in the political-union world. First, there was the consolidation of the ATE (Asociación de Trabajadores del Estado) as the

leader of the new unionism represented by the CTA (Central de Trabajadores Argentinos), and second, the social movement led by the teachers of the CTERA installed a white tent in front of the congress (in December 1999, it still there). If the legal subjection of public sector employees gave them a special juridical status, much different than the "typical" salaried worker, many of their characteristics -- such as job stability, health coverage, social security, etc. -- brought them closer to this model.

Right now the proportion of salaried workers included under the typical legal model has diminished. In 1998, according to the source mentioned above, the number of salaried workers that fell within the LLC model was no more than 2.4 million. That is, the number of salaried workers "fully" covered by the LLC diminished by about 40% in comparison to the beginning of 1991. This recent trend could be related to the appearance of trends that led to a reduction in LLC coverage during the decade: 1) the expansion of "incentive contracts" or "special relations" that exempt employers from contributions for social benefits; 2) the law that regulates labor in the PYMES (enterprises with 50 or less employees and a specified level of sales); 3) growth in the number of workers on the frontiers of salaried work who find themselves in situations or labor relations that are ambiguous, referred to by different terms whose meanings overlap including: "unregistered labor," "clandestine" work, etc.

In relation to the model promoted by the LLC, there has been an erosion of the contractual conditions of salaried workers derived from situations in which salaries lose their automatic articulation with health and other social services and with other laws that guarantee stability, compensation for dismissal, and other mechanisms. Workers are now *legally* in a precarious situation, whether under incentive contracts or, more recently, in special modalities such as tutorships and apprenticeships or under specific regimes such as those of the PYMES.

The diverse mechanisms described above that erode salaried labor operate within the limits of their "internal frontiers." They are contractual forms that demonstrate the "loss" of guarantees, mechanisms of protection and services previously articulated with the

normative model of salaried labor sanctioned by the LLC. This "loss" is legally sanctioned since it is accompanied by the simultaneous emergence of what Alain Supiot calls labor legislation of the "second type,"<sup>10</sup> in allusion to the devaluation of traditional labor rights that is implicit in the new contractual forms. It seems more or less obvious that unemployment, extended to large sectors of the population, leads to the acceptance of these forms of salaried insertion which are devalued in terms of respect for traditional labor law. The use of the metaphor of the "internal frontiers" of salaried labor to describe these new forms alludes to the fact that in addition to being devalued, they imply a dependent situation for workers.

At the same time, in the 1990s, other forms of labor insertion that differ from the labor relations included in the LLC expanded. These modalities operate on the "external frontiers" of salaried labor since they constitute services regulated by juridical mechanisms derived from the sphere of civil law, commercial law, etc. In these new modalities, the transfer to a different juridical sphere involves a notable transformation in the *status* of labor: while labor law recognizes the basic inequality of workers and employers and provides various guarantees to promote equality vis à vis employers, civil or commercial law, on the other hand, conceives the parties to the contract as equals. The way that the juridical *status* of salaried workers has been eroded in its external frontiers is what presents the greatest difficulties for interpretation and one has the impression that what is at issue are social representations of work, what some authors call the social construction of labor markets.<sup>11</sup>

In the period that salaried labor constituted the predominant modality, its frontiers were located, above all, in what are called "fraudulent forms" that attempted to disguise the relation of labor dependence. Inside the physical boundaries of an establishment that provided a very precise and "visible" territorial environment, there comfortably could exist a specific type of organization of work that distributed clearly defined management and

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<sup>10</sup> Supiot, Alain, *¿Por qué un derecho del trabajo?* Documentación Laboral No. 39, Spain : Ed. Universidad de Alcalá de Henares, 1993.

<sup>11</sup> Bryn Jones, "The Social Constitution of Labour Market," Crompton, Rosemary, Duncan Gallie and Kate Purcell (eds), *Changing Forms of Employment*, London : Routledge, 1996.

subordinate roles. Fraudulent forms arose from the lack of record keeping regarding workers or the effort to conceal labor dependence under other forms of contracts.

Currently, the environment described no longer appears quite so clear as a result of processes of restructuring of enterprises that stimulates the derivation (externalization) of parts of productive processes of goods and services to third parties.<sup>12</sup> Inside enterprises, in the same physical space, labor activities carried out by different enterprises coexist, woven in networks of contracts and subcontracts in which it is not easy to trace the vectors of labor dependence. At the same time, the limits of enterprises coincide less and less with the physical environment of the enterprise and extend in different ways to the economic space of markets through particular networks of commercialization and distribution or to domestic space as a result of the current capacity to implement "work at a distance" or other modalities.

Work carried out in this new context is subject to new modalities of contracting and, although the content and nature of the tasks remains, their social organization and symbolic representations have varied considerably. There are radical changes in the sphere of organization that effect the "sense of belonging" now that sharing the same physical space or handing in work to the same enterprise is no longer sufficient to delineate a common sense of belonging *among* workers. On the symbolic level, a new image of an "independent worker" is split off from the traditional image of the "dependent worker" bound by a labor contract to the organization set up by the employer. The labor dependence of the "independent worker" to the company for which or in which he/she carries out tasks is a temporary dependence that derives from a commercial contract.

The impact on unions of these processes of reorganization and changes in labor contracts is enormous since it affects the central nucleus of labor identity that governs unions' capacity

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<sup>12</sup> Novick, M. and M.A Gallart (eds.), *Competitividad, redes productivas y competencias laborales*, Buenos Aires : CINTERFOR-OIT and Red de Educación y Trabajo, 1998; Abreu de Paiva, A., Bila Sorj and J.R. Ramalho, "Terceirizacao y precarizacao. Os impactos sociais da reestructuracao industrial no Rio de Janeiro, paper presented at the Latin American Studies Association Meeting, Washington, 1995; Walter, J. and C. Senén González, "Modernización tecnológica sistémica, políticas de recursos humanos y relaciones laborales

for recruitment and affiliation. There are differing interpretations about the origins or causes of these processes. Some stress the impact of technological change on the reorganization of labor while other emphasize the social character of the processes of organizational restructuring and labor flexibility promoted by the business sector. Since it is obvious that both sets of factors often operate simultaneously and are mutually influenced by each other, it is usual to consider them together, especially in case studies.

### **3. The frontiers of salaried labor**

This aspect of the contemporary debate about labor relations in Argentina is linked to universal concerns<sup>13</sup> about the possibility of defining the borders between labor and commercial contracts. One example of this debate are the discussions generated in the ILO about the possibility of incorporating a subcontract work regime as a new form of labor<sup>14</sup> that permits the clarification and differentiation of pertinent aspects related to labor.

The definition of the subcontract work regime combines two dimensions of dependency and labor subordination that normally are superimposed in the juridical *status* of the salaried worker. One of these dimensions is related to the contractual aspect of work relations: the salaried worker is “dependent” in the sense that the worker sells his labor power, making it available to the employer. In this way, he is different from the “independent” worker who does not sell his labor power but rather the product or the result of its application, assigning a price for the product/service produced. The terms “dependence”/“independence” could be used to describe this contractual dimension.<sup>15</sup>

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en la telefonía argentina tras la privatización,” paper presented at the II Congreso Latinoamericano de Sociología de Trabajo, Sao Paulo, 1996.

<sup>13</sup> As is evident in recent position regarding the articulation of the norms of the World Trade Organization (WTO) and the International Labor Organization (ILO).

<sup>14</sup> Informe V (2B) Addendum, Comisión del Trabajo en Subcontratación, OIT, 86ª reunión, Geneva, June, 1998.

<sup>15</sup> Pawlowski de Pose, A.L., “La ajenidad del riesgo como factor tipificante,” *Revista Derecho del Trabajo* (Buenos Aires), No. 5, May, pp. 1000-1001. The author refers to different doctrines regarding notions of economic dependence and juridical subordination and concludes that it is possible to resolve them (especially the distinction between “autonomous” and “dependent” labor) applying the concepts of “economic risk” and “others assume the risks” (*ajenidad*) usual in Spain, a focus that illustrates the impact of new forms of employment in the social debate.



The second dimension is related to the organization of work. In salaried labor, the worker is “subordinate” to his employer: he accepts to have his work guided, directed, and supervised by the latter or someone in the organization who acts as his representative: the boss, the administrator or the supervisor. In “autonomous” work, on the other hand, it is the worker himself who organizes his production. Those that use his product and service are, in principle, indifferent to the way that it was produced and value it only for the results. The terms “subordination”/”autonomy” can be used to refer to this aspect of the organization of work.

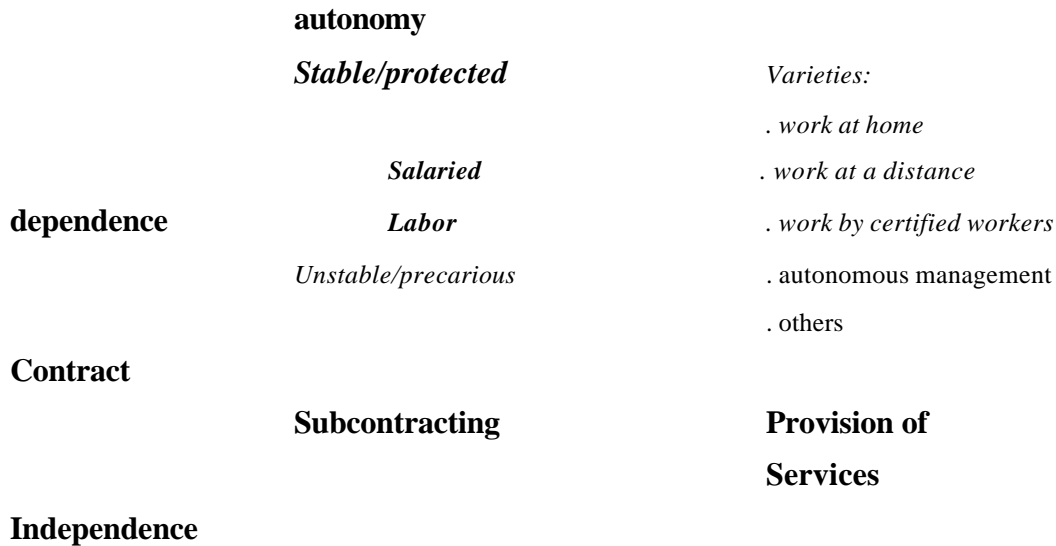
Subcontracting, according to the definition proposed, combines these two dimensions in a singular fashion. The worker in the subcontracting regime is subordinate to the firm that contracts him but is not its employee. To understand this rigmarole it is useful to employ the distinction provided above: those in subcontracting regimes are subject to “subordination” from the point of view of organization but are not in a relation of dependence from the contractual point of view and are considered, conversely, as “independent workers.”<sup>16</sup>

**NOTA DE TRADUCTORA: NO PUDE COPIAR EL CUADRO QUE SIGUE ASÍ QUE PROPORCIONO ÚNICAMENTE LA TRADUCCIÓN DE LOS TÉRMINOS QUE ESTE CONTIENE**

*Classification of the modalities of labor  
according to contractual relations and organization<sup>17</sup>*

**Organization**

<b>subordination</b>		e XII ntina  éctor, t the , and do en entre
<p><sup>16</sup> See presentations on “Actu Jornadas Nacionales de Derec de Derecho del Trabajo y de la</p> <p><sup>17</sup> These modalities were syn "Articulaciones entre formalic "Foro de Informalidad y Ex Palomino, Héctor and Viridiar Argentina. Análisis realizado 1993 y 1997," ms, to be publis</p>		



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This chart permits us to understand the various “frontiers” of salaried labor described above, which vary according to each of the axis considered.<sup>18</sup>

- In the “salaried labor” box, which combines contractual dependence and organizational subordination, we can find the path of increasing precariousness discussed above: salaried labor becomes divided into the “protected and stable” and “unprotected and unstable” categories. This division is what we have called the “internal frontier” of salaried labor and effects unionization considerably: more and more unions restrict their representation to “stable” workers and find it difficult to extend it to workers in precarious situations.
- Diverse modalities can be found subcontracting box -- subcontracting is contractually independent but includes subordination from the point of view of the organization of work. These modalities are typical, for example, in the construction industry, where subordination in the organization of labor is guaranteed through *ad hoc* contractual clauses. In this case, the concept of independence refers to the provision of jobs in a

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<sup>18</sup> The distinction between the two basic concepts related to labor -- contract and organization --, their transformation into variables, and the combination of their respective dimensions, permits us to link contemporary analysis of transformations in the world of work with the classic analyses of sociology, i.e. the emphasis of Marx work-capital relations, Durkheim on the contract, and Weber on organization. This bridge between contemporary analyses and classical thought, only sketched here, offers the possibility to investigate tendencies in social change both in theoretical syntheses and in praxis.

firm by salaried workers from another firm. This involves “trilateral” labor relations that are multiplied according to the length of the subcontracting chain.

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**Contracting firm**

**Service Contract**

**Link of organizational  
Subordination**

**Firm**

**Worker**

**Contracted**

**Link of salary dependence**

In accordance with the terminology provided, the individual worker is subordinated to the organization of labor in the contracting firm and has a contract as a dependent salaried worker with the contracted firm and there is a commercial contract between the enterprises for “provision of services.”

These trilateral links in subcontracting relations generate differences in the orientations of unions. On the one hand, some unions try to bring subcontracting workers under their coverage, attempting to win equal conditions and work guarantees for them in the name of common organizational subordination. This strategy is used by SMATA (mechanics



union) in its efforts to bring together workers in automotive assembly plants with their providers of auto parts. On the other hand, other unions see subcontracted workers as outside their coverage, accepting the primacy of commercial links in the provision of services between enterprises. These unions conceive of the worker in terms his link of salary dependency with the contracted firm only. Unions with this point of view resign themselves to reproducing the segmentation of the collective of workers between those who are “internal” and those who are “external.”

- There are various variables in the box that combines contractual dependence and autonomy in the organization of labor. One corresponds to “work at a distance” in which, while the worker maintains a salary relationship, he carries out his work outside the realm of direct control and supervision by his employer. This is the typical case of drivers of vehicles. Another corresponds to certain modern forms of administration in which “horizontal” relations predominate and workers can organize themselves in an autonomous manner. This type of labor can sometimes become an embryonic form of “autonomous management” that, although infrequent, typically corresponds to certain maintenance tasks in services of distribution across lines (gas, for example). It is possible that in these cases, the firm has more of an interest in cost saving than a cooperative vocation. A third type is work by professionals or other categories of workers who enjoy certain autonomy in the provision of services whose source is the possession of a degree or certificate that qualifies them for a certain type of work.

In relation to the new forms of administration of the labor force, the unions find difficulties not only in maintaining their dialogue with the firms but also in preserving the loyalty of workers. In large enterprises, especially, management becomes a powerful rival of unions all the more so because unions are unable to maintain some of their traditional resources such as the quality of their social services. This has been documented in various case studies in the large companies of privatized public services in which workers agree to quit the union partially in exchange for services proposed by

the companies, but also in part because in the new forms of administration, the role of the union in the work place is no longer clear.<sup>19</sup>

- In the other corner from salaried labor, there is the provision of services as an independent relationship from the contractual point of view and autonomous from the organizational viewpoint. Here we find commercial, not labor, contracts whose forms can be extremely varied. Some of these can incorporate contractor specifications so detailed that the worker's autonomy is basically illusory. Although the provision of services is incorporated into commercial contracts, there is a tendency of large enterprises to specify controls and mechanisms of supervision that considerably diminish contractual independence. This is the case, for example, in the tendency to establish quality control that requires more or less permanent control of the service providers by the contractors. That is, to the degree that contracting is not carried out between *partners* and the rules regarding provision of services are dictated by the firm, it is probable that the autonomy of the worker will only be relative and in fact, there will be a relation of subordination.<sup>20</sup> These relationships are perhaps the worst, because they appear under the guise of a contract between equals, freely accepted by the person contracted who is the one who generally assumes the risks.

What is important to note in relation to these contracts, is their diffusion to multiple types of activities, starting with the public sector itself. This erodes not only unions' capacity of representation and affiliation but also the identity of workers themselves. The fact that they have to provide medical services for themselves and to contribute individually to social security, as was established with the creation of the AFJP (Administradoras de los Fondos de Jubilación y Pensión), frees employers from these responsibilities and constitutes an extreme in the individualization of labor.

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<sup>19</sup> Alaluf, Mateo, "Modernización de las empresas y política de empleo," in *Empleo y globalización. La nueva cuestión social en la Argentina*, Quilmes, Argentina : Universidad Nacional de Quilmes, 1997, pp. 469-491.

<sup>20</sup> Esquivel, Valeria, "La flexibilización laboral en tiempos de reestructuración económica. Un estudio sobre las estrategias de flexibilización laboral en firmas grandes del sector industrial," *Estudios del Trabajo* (Revista de ASET, Buenos Aires), No. 14, 1997.

In synthesis, unions are systematically losing their capacity for recruitment and representation in the world of work whether through the increasing precariousness of salaries, subcontracting, the diffusion of commercial contracts, or by the rupture of loyalties that results from the new forms of labor administration. This is the crucial difference with the period of the consolidation of Peronist unionism, a time when the expansion of urban labor markets based on stable and protected salaried labor favored their organizational development. In contrast, what is currently at issue is the symbolic ground itself from which the notion of the “worker” emerges.

## **II. Strategies of union activism in the era of neoliberal reforms**

Until the end of the 1980s, unions had managed to be relatively united, shared common objectives, continued traditional forms of activities, and reinforced their political role and their relationship with the state. Starting in 1989, with the inauguration of Menem as president of Argentina, the situation changed radically and obliged union leaders to develop differentiated strategies.

### **1. Union strategies in the 1980s**

The common objectives of the unions concentrated on the recuperation of the institutions affected by the military dictatorship of 1976-1983, primarily those related to labor legislation. The military repealed some basic laws related to collective bargaining and to union control of social services at the same time that they took control of many unions, starting with the CGT. The normalization of the latter as well as the promulgation of laws similar to those in effect in the period before the military dictatorship did not take place immediately with the return to constitutionality in 1983; instead, they were subjected to the conflictive relations between the UCR government and the unions. Tensions between the two initially centered around a normalization project that pretended to bring democracy to the internal organization of the unions; later, there was the refusal of the government to fully reestablish collective bargaining based on its need to control inflation, and finally, government resistance to consolidate union control of social services.

In a certain sense, the opposition of the government strengthened unity among the unions even though in these years there were already strong, verifiable tensions between various organizations. The strategy to reinstate labor legislation ended with the triumph of the unions, which, between 1987 and 1989, were able to obtain the promulgation of laws regarding union associations, collective bargaining, and union control over social services - - all of these very similar to the laws that had been repealed by the military.

High inflation through the 1980s until 1991 as well as the successive failures of government stabilization policies made it possible for unions to continually carry out social mobilizations in favor cost of living increases. A union leader from this period summed up the situation: "when inflation rises, the government loses and when there are salary increases, we win." In effect, during these years private enterprises started the practice of automatically raising nominal salaries to the rhythm of the increase in the price index. In the public sector, on the other hand, these nominal readjustments tended to be delayed because of repeated efforts to control inflation that limited spending. This led to increasing demands by workers in the public sector. Even when the world of industrial labor was already strongly eroded by the increase in unemployment in this sector, because of the restrictions in demand resulting from the prolonged stagnation of the economy and the process of de-industrialization resulting from the economic policies of the military dictatorship, the world of public employment with its dynamics of mobilization and permanent conflict seemed to take the initiative and sustain traditional types of actions.

In the political sphere, the crisis of leadership within Peronism after its defeat at the polls in 1983 and, later, the government crisis resulting from military rebellions against the trials of those responsible for state terrorism, made it possible for unions (as indicated above) to play a leading role in the political system in favor of the legitimization of demand-centered mobilization. Union strategy emphasized questioning of government policies and as a result the business sector and other social and political forces appeared more like allies than competitors. This strategy was successful to the extent that it finally made possible the revitalization of the PJ and, at the same time, permitted the re-incorporation of union

leaders into state power during the government of Alfonsín, in order to promote the restoration of the labor legislation from this position.

## **2. The unions in the 1990s: differentiation in strategies**

The strong re-orientation of government policies after Menem took office in 1989 not only put unions on the defensive but also ended up dividing their strategic orientations to the point of leading to their organizational division.

First, unions stopped sharing common objectives because government policies led to neoliberal reforms that were accepted by some unions and rejected by others. This was particularly evident in the case of reforms that had a direct effect on workers such as labor legislation intended to make the labor market more flexible and to make possible the emergence of a “second type” of labor legislation, as discussed above.

Second, the new economic conditions weakened the possibility of success of traditional types of strategies. Macroeconomic stability, obtained as a result of the application of convertibility in 1991 and the opening of the economy to imports, worked as an important break on strategies emphasizing the nominal increase in salaries. If previously unions had managed to adapt their strategies to inflation, obtaining collective readjustments of nominal salaries through negotiation, they were now no longer able to achieve this because readjustments could not be transferred to prices.

Third, the very notion of centralized collective bargaining was eroded because large enterprises, faced with the new external opening of the economy, were more and more frequently forced to reach individual agreements in their enterprises that permitted them to align their prices with international prices instead of transferring their costs to prices as they could in a closed economy. In the privatized public service companies, which were sheltered from international competition because of the favorable conditions of transfer, particular conditions were negotiated at the moment of acquisition and later maintained as a result of the weakening of unions.



Fourth, the political consolidation of the government limited the political possibilities of the unions, which were not even able to sustain their corporative demand to control the Ministry of Labor, something that had been traditional in Peronist governments. Union leaders also gradually lost access to the elective offices of the PJ and today relatively few remain in comparison to the large group of union leaders that were elected to congress in 1983. In the October 1999 elections, there were more union representatives elected to congress from the Alianza than from the PJ.

Fifth, if in certain circumstances (especially elections) unions managed to be represented in government decision-making institutions, their influence on state policies was small. This was partially due to a lack of defined proposals (something that is recognized by various top leaders who supported government reforms because they had no proposals of their own) and in part, to the government's strategy of forming alliances with top businessmen and financial *establishment*.

Sixth, and last but not least, the neoliberal reforms carried out by the government not only led to divisions in union strategies, for or against, but also tended to strengthen the breach between the union management and workers in various unions. The Argentine union movement commonly has been referred to as “bureaucratic” because of the strong centralization of decision-making in the top leadership, the elimination of competitors, and the consequent permanence of top leaders in their positions. The term refers much more to the absence of internal democracy -- there is little rotation of leaders and little opportunity for access for those sectors that compete with the leadership -- than to a style of administrative management. This breach between leaders and the rank and file obliges us to analyze their interests separately and this is probably a much better way to look at the recent period of reforms.

In the case of the Administradoras de los Fondos de Jubilación y Pensión (AFJP) that replaced the previous social security system with a system of private capitalization, the changes in the social security system made possible the intervention of the unions and led to a redefinition of their relationship with their members. Various unions used the

advantages that their representational capacities gave them to sell services to their own members (now also defined as clients) as *Administradoras*. In the case of the privatized public service companies, various unions took part in the bidding to obtain franchises to provide services thus displacing the representation relationship as employers of their own members. The extreme case was that of the union in the electric company, Luz y Fuerza, which became one of the most powerful groups in the provision of electricity when it obtained franchises in various provincial cities.

In terms of strategy, the breach between representatives and those represented which began with the reforms has been described as “business unionism,” in which the mass of union members is treated as a “captive” population (through the link of representation) for the sale of services. In a certain sense, the system of union control of social services based on the obligatory transfer of resources from salaries can be seen in terms similar to those described. For example, the proposals for reform of this system emphasize the stimulation of competition among social services providers in order to attract members so that the best services can be chosen through the “market” and favor the “free choice” of workers thus eliminating their current level of “captivity.”

### **3. Opposition strategies**

Now, what were the choices available to the union leaders who did not agree with the “model”? In 1989, the majority had voted for Menem and was part of the Peronist movement. Opposition to government policies inevitably led them to a rupture, which was all the stronger as the government became consolidated, especially after the macroeconomic stabilization in 1991. The conditions for the rupture of the unity of the union movement developed at the beginning of the Menem government and, for the first time, a Peronist government seemed incapable of guaranteeing this unity. The first path chosen by opponents was to form part of the political opposition and they criticized the “treacherous Peronism” (*Peronismo de la traición*) to which the government had subjected them. This led union leaders to become candidates for congress for opposition parties in the 1991 elections. The strategy failed quickly because of the government's success in these elections, which was no doubt the result of the economic stabilization achieved a few

months earlier. This failure then led opposition unions to increase social mobilization against the policies of the government and, for the first time, to consider the break up of the union movement; this finally took place with the formation of the CTA in 1997.

Social mobilization at this time was originally based on the expectations of the “losers” in the new economic model: government workers affected by the adjustment of salaries, owners of small and medium sized businesses, and workers participating in regional economic activities affected by the opening of the economy. On various occasions, opposition union leaders tried to form broad coalitions uniting the “losers” at the same time as they promoted the development of alternatives to the new economic model that had been established.

The major problem with this strategy was the difficulty in articulating diverse conditions and interests in considerably weakened sectors. On the other hand, the opposition unions were more and more successful in uniting people when they found the appropriate conditions to apply “social movement” tactics in which demands were not restricted to the promotion of particular interests but included demands for citizen and universal rights. This was the case of the teachers' union movement, which, to the extent that it articulated its demands together with the defense of public schools and of education as a right, found strong support among the population. This support, however, tended to disappear when the union movement began to negotiate particular interests and even when it achieved its goals, tended to weaken its strength in making demands and articulating coalitions. Another of the strategies development by the opposition union movement was the defense of labor rights won in other periods that were threatened by proposals to reform labor legislation. Even when this strategy could be partially articulated with the pro-government union movement it lacked the reinsurance of the latter (for example, the strategy of a “business union” which strengthened the interests of union leaders). In general, the radical attainment of this strategy led systematically to the rupture of the unity of the union movement.

### **III. Contemporary trends in the union movement and state-society relations**

The response of unions to neoliberal reforms tended to divide it into competing factions or organizations. The predominate orientation of Argentine unionism, created by the majority faction in the CGT, was a “conservative adaptive” response. The axis of interchange and political negotiation of union leaders was the defense of their corporative prerogatives.

- The monopoly of representation based on union licensing,
- Its role in collective bargaining, preserving the participation of the top union leadership, including their prerogative to delegate responsibilities to lower levels in case of decentralization,
- The control of social service funds even when employer contributions were reduced in some periods as a result of regulation by the executive branch,
- Candidacies in the PJ and representation in PJ membership in congressional committees, especially in the Commission on Labor Legislation of the Chamber of Deputies in which the majority of PJ deputies have a union background.

In some cases such as the privatization of public enterprises, the social security reform, and the reform of workman’s compensation, and in exchange for their support of the reforms, union leaders were granted the possibility to intervene in companies that were created as a result. It is for this reason that in Argentina one speaks of “business unions” in allusion to the creation of union businesses in various sectors including electricity, transportation of fuel products, the administration of social security funds, and workman’s compensation, and other activities.

On what issues did union leaders yield? They basically accepted the reforms that led to labor flexibility via the introduction of new contractual forms and specific laws governing the PYMES, the lowering of the cost of labor for business via the creation of limits for workman's compensation in cases of accidents in the workplace and, fundamentally, by giving legitimacy to a government whose economic policies produced a profound restructuring of the labor market.

What was the cost of this strategy for pro-government labor leaders? the creation of confederations and alternative factions that adopted different strategies. The new union

movements had diversified objectives even when they were in agreement on opposition to government policies.

The Movimiento de Trabajadores Argentinos (MTA) has as its goal the “recuperation” of the CGT and therefore, in addition to its opposition to the current leadership of the confederation, it has not broken with it definitively and instead has sought to redirect it. The MTA was formed in 1994 and is made up of about 30 organizations that left the CGT as a result of an action together with what was then a dissident faction of the CTA. Transportation unions predominate in the MTA and its best known leaders are Juan Palacios of the Unión de Tranviarios Automotor, an organization of drivers of public transportation vehicles, Hugo Moyano of the truck drivers union, Alicia Castro, of the association of stewardesses/stewards and currently national deputy for the Alianza elected in the October 1999 elections. Unions that belong to the MTA include those that represent people who work in mills, the paper industry, the judicial system, pharmacies, pharmaceutical salespeople, etc. At the same time, the MTA articulates various CGT regional actions in the provinces, something that makes it easier for it to develop mobilization strategies whose goal is to express protests against fiscal adjustment programs in the provinces and the critical situation of regional economies. This is what make it easier for them to come closer to the CTA with the purpose of affirming a role that they define as that of a “hinge” whose purpose is to achieve unity in union activities, a role that is possible because the rupture of the CGT has not been proposed.

The strategy of unity led the MTA to promote and participate in activities organized by both the CGT (to pressure the Menem government in order to gain a position in the negotiations on labor reform and to preserve union control over social services) and the CTA, a fierce of government policies. This made it possible for them to participate in the leadership structure of the CGT in some periods (one of their principal leaders, Palacios, was Adjunct Secretary of the confederation in 1997) and, at the same time, to establish a Liaison Roundtable (*Mesa de Enlace*) with the CTA. Currently, faced with a new situation as a result of the electoral victory of the Alianza, the MTA is a key factor in the search for consensus and unity among different factions in the union movement.

The vision of the MTA continues to be anchored in traditional attitudes toward the state, typical of Peronist unionism, however it does not subordinate its actions to the Partido Justicialista since some of its leaders belong to different parties and, in addition, the MTA's positions are similar to those of a unionism that is independent of political parties. Among its leaders, the hope of recuperating these traditions predominates together with the reformulation of the role of the state they imply, that is a state that intervenes in the economy, is capable of mediating in relations between capital and labor, and implements policies that redistribute income, favoring salaried workers. The limitations of this vision may lie in the difficulty of repeating traditional strategies in the face of the changes that have taken place in the occupational and social structure that limit their bases for action.

The Corriente Clasista Combativa (CCC) which brings together leftist union leaders became well-known as a result of the role of a leader from the provinces, Carlos Santillán, around mid-decade, and particularly with the mobilizations of workers in diverse provinces in response to fiscal adjustment measures applied by the government in 1995 in order to alleviate the effects of the "Tequila" crisis. The leaders of those who hold these viewpoints consider themselves the heirs of the classical faction in the new unions at the end of the 1960s and the first half of the 1970s. Even though they control few unions, this faction has an important presence in the provinces and, articulating diverse leftist groups, constitutes a significant minority in various unions in sectors such as teachers, the food industry, sanitation, insurance, banking, construction, etc.

The presence of CCC leaders in social mobilizations, in forums, and entities that articulate inter-union activities and the fame gained by some of its leaders (for example, Santillán) result in its positions having a strong impact, possibly stronger than their actual level of representation. Even though they generally see themselves as autonomous, they have promoted alliances with leftist parties and some of their leaders have set organizational goals that include articulation with groups with similar ideas elsewhere in Latin America, particularly those that emerged accompanying the Zapatistas in Mexico and, previously, with factions of the PT in Brazil. The Marxist ideology of their leaders gives their union

activities a political slant, even when the trends of social exclusion and the marginalization of vast social sectors from the labor market leads them to represent groups outside of the working class in an effort to incorporate those excluded from the system into their activities.

The most important novelty of the CTA probably resides in its strategic orientations. Formally established in 1997 as an alternative workers' confederation to the CGT, its leaders' goal was to develop a new confederation conceived of as a unionism that is "autonomous, independent of the state, of political parties, and of businesses."<sup>21</sup> Looking for ways to increase membership, the CTA reformulated traditional organizational membership, providing the possibility for individual membership and establishing direct voting by members of the confederation in elections of union leaders. This makes the new confederation considerably different from the CGT, which is an organization that brings together organizations and not individual workers and has indirect voting (through delegates) for the election of its board.

Another novelty introduced by the CTA was the incorporation of different types of organizations, not just unions. Its original base was made up of the large union of public sector employees, the Asociación de Trabajadores del Estado, ATE, and by the teachers' confederation, Confederación de Docentes, CTERA, made up basically of state primary school teachers. Other groups that joined the CTA included sections of industrial unions who disagreed with their national leadership, "grade 1" unions belonging to federations (such as some unions in the electrical sector), and the union of journalists of Buenos Aires (UTPBA). But, in addition, the CTA also incorporated social organizations that are not unions, ranging from groups of retired people and the unemployed to representatives of so-called "third sector" organizations or NGOs and human rights organizations, who have representatives on its board.

This form of organization combines typical forms of union representation of workers with forms of representation that developed in social movements. Perhaps the paradigmatic

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<sup>21</sup> Translation ours.

examples are the CTERA and UTPBA, whose public fame comes from having led large mobilizations in the second half of the 1990s that incorporated key themes that were on the public agenda. It is precisely these mobilizations that revealed strategies that were different from those of traditional unions. Not only has the CTA incorporated non-union movements and organizations, but the unions belonging to the confederation promote actions whose roots lie in social movements whose purpose is the formulation of demands and the promotion of rights that transcend the sectoral interests of the unions.

Another novel strategy contributed by the CTA is the inclusion, in various member unions and in the confederation itself, of intellectuals, researchers, and professionals from research centers, groups of teachers who provide technical training and union education, groups dedicated to analyzing contemporary issues in Argentina, and so forth. At the same time, bridges were built through understandings and *ad hoc* agreements with universities and institutions in the academic world in order to establish channels for information and training useful to the unions. This indicates that these unions conceive of ideas as an important strategic resource for their activities even though they may have differing conceptions about the role that intellectuals play in each particular organization.<sup>22</sup> It is possible that these developments stimulated some similar initiatives in the rest of the union movement.<sup>23</sup> This reorientation is new since the anti-intellectual tradition of unions from the mid 20<sup>th</sup> century resulted in estrangement from intellectuals. Now this estrangement has ended and in practically all the unions of the confederation, research and studies on the social situation is incorporated into the internal life of the organizations.

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<sup>22</sup> These differences operate on two plains and have an ideological role and a role in education. The ideological role can range from a one that is more or less subordinate and limited to providing arguments to support the positions of union leaders to a role that is decidedly independent and based on the interchange and cross fertilization of ideas. In the area of education and training, there can be a similarly limited role in training union members in an ideological viewpoint developed by the top leadership of the organization to the most modern training of union "operators" capable of formulating positions and ideas in a more independent manner based on their own experiences. In practice, these different modalities are combined in diverse ways.

<sup>23</sup> In the 1990s, the pro-government CGT also began to ask for the input of intellectuals through its own research center. The difference is that in the CTA this input has a daily influence on its work while in the CGT it is limited to a role of linkage with other organizations, union or non-union, and has little practical influence on the daily life of the organizations. Perhaps the most precise image of the role of intellectuals in the unions that belong to the CGT lies in its legal and economic "advisors," many of whom were recruited in the 1990s from advisors and consultants of the business *establishment*. Even in those unions belonging to the CGT that had established research centers of their own various decades ago, some the intellectuals linked with



Perhaps the clearest example of this tendency is the Villa Constitución section of the metallurgical union, a CTA member since its foundation, which in the mid 1980s started an active interchange of ideas with intellectuals through centers of research and union education in order to analyze transformations in the world of work and labor flexibility trends promoted by enterprises in the industrialized countries. This interchange took place primarily in training courses for leaders of the section and delegates from the principal metallurgical companies in the region. The cross fertilization of workers' ideas and experiences permitted union leaders to develop innovative responses to the serious conflict that took place in the plant of the principal steel company in Villa Constitución between 1990 and 1991 regarding the introduction contractual flexibility and internal mobility inside the plant.<sup>24</sup>

Since 1984, the Asociación de Trabajadores del Estado (public sector employees) set up their own research center which served as a channel for the incorporation of numerous intellectuals and professionals -- first in order to educate union members and later to develop analyses of the situation in Argentina. This research center was similar to that set up by the CTA and some intellectuals who were involved in this experience today actively participate in national politics and make known the ideas and positions of unions to other sectors of society.

In the 1980s, the Unión de Trabajadores de Prensa de Buenos Aires created a center for education and training which was to play a fundamental role in reflection and guidance for the union as an “new style organization.” This work and this union turned out to have strategic importance for a variety of factors. The work of the journalists was one of the first to be affected by two of the processes set in motion by the application of neoliberalism: labor flexibility through new types of contracting, on the one hand, and the globalization of

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the unions ended up abandoning them and going to work for the current government. That is, they followed, in a certain way, the route that earlier Peronist union leaders took to government office.

<sup>24</sup> Perhaps one of the most noteworthy aspects of the conflict was that the owners themselves recognized that the union had more innovative ideas regarding changes in management than the company wanted to implement. The solution to the conflict finally led to one of the most outstanding examples of labor

communications, on the other. The work of journalists was considerably affected by these changes, and not only by their intellectual implications. They had to find solutions early on thereby anticipating the experiences that slowly affected other types of activities. Journalists expanded their membership base beyond the stable dependencies of journalistic enterprises and publishers as a way to stop the decline in membership that resulted from increased contract flexibility and, at an early stage, articulated with similar international organizations in response to globalization.

Second, journalists' experiences and the analyses they carried out led them to take a position against the so-called *pensamiento único*, a term that was coined in international journalism (especially in the French daily *Le Monde*) as a name for neoliberalism as the predominant ideological adversary. This analysis, which was developed within the organization, led it to almost naturally extend bridges to the intellectual world to find new alternatives to the *pensamiento único*. Third, and derived in part from the latter, this is a union, which “produces and demands” ideas since it brings together “intellectual workers.” In practice, this leads to new types of activities such as the agreements that the organization reached with various universities for the purpose of influencing the education of future journalists majoring in Communications.

The diverse experiences of unions described above represent a broad set of activities and practices that, if cross fertilized, could lead to an original contribution to the search for alternative paths to political and social development in Argentina. Like everything that comes from the world of unions, these developments are strongly linked with practices and experiences, some of which represent steps forward and others, steps backwards. In any case, there is no doubt that some unions are adopting new strategies that are based on the new approaches described above.

#### **IV. The dilemma of the union movement in a new context: political opposition or social intermediary?**

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management, in which the union and the internal commission of plant delegates reached an appreciable level of autonomy and intervention into the way that work was organized in the company.

The new situation created by the triumph of the Alianza in the October 1999 elections found a union movement that was divided but also a society with unsatisfied expectations and demands. The questions raised by this situation regarding governance and civil society do not have simple answers, neither in terms of the policies that the newly elected government may adapt nor in the possible future strategies of unions.

In the first place, despite the weakening of unions, analyzed above, it is likely that their demands will find a favorable echo in a society that is suffering the effects of unemployment and underemployment as well as a regressive distribution of income similar to that of the 1990s. Thus, one advantage of unions is that their demands for the expansion of employment and income are perceived as legitimate. This legitimacy is not only based on the fact that social demands have been postponed but also on the character of the demands themselves.

Unemployment at present levels constitutes an unprecedented phenomenon for Argentine society. During the period that its economy was based on agricultural exports (until 1930), Argentina had to import workers for the agricultural sector. Later, the process of industrialization that began in the mid-1930s and lasted until the mid-1970s required new workers from the provinces and from neighboring countries. More recently, from the second half of the 1970s, there was some deterioration in the labor market but it was only after 1994 that this situation resulted in high levels of unemployment. The characteristics of this history strengthened the capacities and the development of the unions on the one hand, and, on the other, stimulated the development of the types of institutions that exist when a civil society is based primarily on salaried labor that is articulated with diverse guarantees and services. In addition, it is important to note that very few institutions developed outside of the labor market.<sup>25</sup> This led to a singular experience for popular sectors in Argentina who, through their insertion in the labor market, were able to satisfy their needs for health, education, housing, and income.<sup>26</sup>

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<sup>25</sup> Lo Vuolo, R.M., *Estabilización, ajuste estructural y política social*, in Bustos, P. (comp.) *Más allá de la estabilidad*, Buenos Aires : Fundación F. Ebert, 1995.

<sup>26</sup> Villarreal, Juan, *La exclusión social*, Buenos Aires : Ed. Norma, 1997.

The decline in salaried labor led to a radical rupture in this framework. As various specialists have pointed out, the traditional services established by labor law today serve much more to protect the salaried sectors with the highest incomes (i.e., those who also have other income) than to assure the social inclusion of the majority of the population. Nevertheless, work continues to be a symbolic goal that makes possible access to full citizenship by popular sectors. Thus the right to work is perceived as a paradigm of social rights and continues to be the object of the demands and expectations of society.

The capacity for social mobilization that unions maintain today is based on these values and despite the decline in the reputation of many of their leaders, particularly those who, because of their links with the previous government, redirected their strategies toward “business unionism.” The replacement of the function of representation of workers by a strategy that conceives of them as clients (or as a captive population) for the sale of services is not total. The long union tradition of administration of social services (despite its lack of transparency and the problems of quality and efficiency inherent in most such services) tended to consolidate links between the organization and workers based on the provision of these services and not only on representation. Thus the change to “business unionism” did not involve a substantial change in orientation on the part of the unions and even the organizations that privilege the function of representation also spend much of their energies on the administration of services they provide to their members.

This real symbolic capital to be found in the combination of both functions certainly permits unions to legitimate their demands even when their traditional practices have led them to privilege their links with the state.

Second, the orientations of the unions in the new context seem to be defined by a central dilemma that, on the one hand, leads them to form part of the political opposition and, on the other, deepens their role as social intermediaries with the state. These options are clearly exemplified in the roles that may be assumed by different factions of the union movement, particularly the unions allied with Peronism (which will undoubtedly continue

to have a party orientation though this is also currently questioned) and the unions that form part of the CTA.

The possibility that the unions allied with the PJ will assume the role of political opposition is based on both their traditions and on some of the measures taken by the outgoing government in its last years, which provided resources to the principal unions (the most significant was a decree that made it possible for CGT unions to manage resources to be redistributed in social services). But beyond such specific measures, the weight of tradition in Peronist unionism will surely lead them to articulate activities with the PJ. Of course the forms this articulation will take will depend on what happens to the party itself, which, after its electoral defeat in the last elections, faces a serious crisis of leadership.

The PJ currently still has a clear majority in the Senate, a significant minority in the Chamber of Deputies, and controls the government in 14 of the 24 federal districts in the country. Despite this enormous political strength, its leadership is disintegrating since none of its principal leaders or factions seems now to have sufficient capacity to unify party activities. The PJ today seems to be a kind of federation of provincial parties, with much more of a capacity to exercise veto power over the proposals of the new Alianza government than to initiate positive actions based on a joint vision. The unions allied with the PJ, following an old tradition, will certainly link their actions with emerging leaderships within the party. If this party's current tendency to exercise its veto power over the new government's proposals is consolidated, the leaders of Peronist unions will certainly support it. Of course, the current divisions in the union movement constitute a serious obstacle to efforts to have unions substitute the role of the party as took place in the period immediately after 1983.

The counterweight to the tendency to align automatically with the PJ is, curiously, another tradition of Peronist unionism: obtaining resources from the state, something that could be happen if its intermediaries gravitate towards the new government. As is well-known, there is a well-known tendency to justify strategies of *real politick* in the name of the governance and, for union leaders who are particularly talented, it will not be hard to find these types of

intermediaries in the corridors of government, no matter what the political affiliation of the government.

The idea that unions should assume the role of social intermediaries of state policies is based on strategies followed until now by the CTA. The development of autonomous unionism, capable to coordinating the activities of diverse social movements as well as maintaining internal democratic and participative practices, constitutes a decisive factor in the strengthening of civil society. The role of an intermediary with the state is almost natural for an organization of this type and can play a decisive role in the orientation of public policies, particularly those destined to resolve the emerging needs of the poor, the lack of employment, and low income. At the time, unions can play this role without giving up their roles in leading social mobilizations and in the search for alternatives solutions to the problems of unemployment and poverty.

Right now the social crisis is being aggravated by the critical situation of numerous provincial administrations whose own employees are bearing the brunt of the weight of the fiscal adjustment programs through cutbacks in personnel, salary cuts and/or delays in payment of salaries. This situation puts unions in the dual role of social and political opponents. In some situations, it has led to opposition to the provincial government, in others, to opposition to the national government since a considerable part of the provincial resources come from the central government through a system of federal co-participation. The extent to which social conflicts will be restricted to the provincial level or have national repercussions is hard to predict. It is certain, on the other hand, that in either of the two situations, unions will play the role of political and social opposition to the provincial governments and/or to the policies of the national government.

The different orientations existing within the contemporary Argentine union movement confront unions with a dilemma to the extent that the unions share common roots: the essentially political character that union leaders assign to their activities. Because they have been permanent intermediaries with the state and the political system, inherited strong, socially implanted tradition, and have permanently articulated alliances and coalitions with

other sectors, politics for them is essentially a shortcut that gives them the possibility to obtain resources or to influence the policies of the state, whether for corporative, sectional or broader ends.

Nevertheless, in contrast to other periods, unions also face an unprecedented situation which is exemplified by the competitive tensions that recently emerged in what was a few decades ago almost the paradigm of a union movement: the Unión Obrera Metalúrgica. The demand for the recognition of a new union inside this confederation constitutes an unequivocal symptom of the displacement of the competition between confederations to inside union organizations.

**Table 1**  
**EVOLUTION OF RATES OF ECONOMICALLY ACTIVE POPULATION,**  
**EMPLOYMENT, UNEMPLOYMENT, AND UNDEREMPLOYMENT**  
**IN URBAN AREAS OF ARGENTINA, 1987-1999**

-Annual average- %

<b>YEAR</b>	<b>Economically Active Population</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Hourly under-employment</b>
<b>1987</b>	39.2	36.9	5.9	<b>7.9</b>
<b>1989</b>	39.8	36.7	7.6	<b>8.3</b>
<b>1991</b>	39.5	37.0	6.4	<b>7.9</b>
<b>1993</b>	41.0	37.1	9.6	<b>9.3</b>
<b>1995</b>	42.0	34.7	17.5	<b>11.9</b>
<b>1997</b>	42.2	35.9	14.9	<b>13.2</b>
<b>1998</b>	42.4	36.9	13.2	<b>13.3</b>
<b>1999</b>	42.8	36.6	14.5	<b>13.7</b>

*Source:* Prepared on the basis of the Encuesta Permanente de Hogares- INDEC- (Instituto Nacional de Estadística y Censos). Includes aggregated information for 25 urban districts around the country. For 1987-1997, average annual rates were prepared by averaging the INDEC'S two annual surveys (May and October). For 1998-1999, the data corresponds to surveys carried out in May of each of these years.

Economically Active Population: Percentage of the total population that is economically active.

Employment rate: Percentage of the total population that is employed.

Unemployment rate: Percentage of the Economically Active Population (EAP) that is unemployed.

Underemployment rate: Percentage of the EAP, which works less than 35 hours weekly.



**Table 2**  
**EVOLUTION OF OCCUPATIONS BY SECTORS**  
**ARGENTINA, 1980-1991**

Sector	% 1980	% 1991	% Of increase	Evolution 1980-1991 %
Agriculture	13.2	11.2	2.5	4.6
Manufacturing, mining and quarries, electricity, gas, and water	21.7	18.7	5.9	6.6
Construction	10.9	6.9	-11.3	-22.2
Transportation, warehousing, and communications	5.1	5.2	5.7	27.3
Commerce, restaurants, and hotels	18.7	20.7	28.9	37.5
Banking, insurance, real estate, and services for enterprises	4.2	5.3	10	57.5
Communal, social and personal services	26.2	32	58.5	51.3
Total	100	100	100	24.2
N (in thousands)	(9884)	(12368)	(2484)	*

*Sources: Censos Nacionales de Población, Familias y Viviendas de 1980 y 1991, INDEC (Instituto Nacional de Estadística y Censos de Argentina).*

**Table 3**  
**EVOLUTION OF EAP BY OCCUPATIONAL CATEGORY**  
**ARGENTINA, 1980/1991**

OCCUPATIONAL CATEGORY	1980		1991		EVOLUTION 1980/1991	
	n	%	n	%	n	%
Salaried workers	7.147	71	7.980	65	833	35
Self-employment	1.940	19	2.825	23	885	38
Family workers	326	3	665	5	339	14
Employers	576	6	873	7	297	13
<b>TOTAL</b>	9.989	100	12.343	100	2.354	100

*Source: Censos de Población, Familia y Vivienda de 1980 y 1991, INDEC.*

\*In 1980 there were 45,000 “new workers,” 14 years or older, who were subtracted from the total EAP of 10,034,000. In 1991, there were 834,000 unemployed and 25,000 “unknown” who were subtracted from the total EAP of 13,202,000. The elimination of these categories facilitates comparison since the table includes only the employed EAP.

**Table 4**  
**EVOLUTION OF SALARIED WORKERS BETWEEN 1980/1991**  
**ARGENTINA**

SECTOR	1980		1991		EVOLUTION 1980/1991	
	N	%	n	%	n	%
<b>Public Sector</b>	2.065	29	2.221	28	156	20
<b>Private Sector</b>	4.448	62	4.875	61	427	51
*less than 5 employees	1.302	18	1.679	21	397	48
*6 or more employees	3.146	44	3.196	40	30	3
<b>Domestic Service</b>	634	9	884	11	250	30
<b>TOTAL</b>	7.147	100	7.980	100	833	100

*Source: Censos de Población, Familia y Vivienda de 1980 y 1991, INDEC.*

**Table 5**  
**EVOLUTION OF REAL WAGES**  
**IN INDUSTRY AND AVERAGE WAGES IN DIVERSE CATEGORIES IN**  
**SELECTED INDUSTRIAL SECTORS**  
**ARGENTINA, 1980-1998**

Year	Real salary in industry (FIEL)	Garment Sector 1985=100	Electric Machinery 1985=100	Manufacture of Transportation Industry Inputs 1985=100
1980	89.7	91.7	93.5	92.6
1981	84.6	86.5	88.2	87.3
1982	77.7	79.4	81.0	80.2
1983	97.4	99.5	101.5	100.5
1984	119.5	121.1	123.3	118.7
<b>1985</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
1986	99.3	91.7	104.4	111.3
1987	93.9	90.3	93.8	105.9
1988	88.7	82.3	92.9	97.0
1989	83.7	75.2	91.7	89.6
1990	80.9	70.4	92.5	74.6
1991	72.1	60.6	85.9	71.5
1992	68.3	55.9	85.6	70.8
1993	67.2	54.0	78.7	71.9
1994	67.7	53.8	77.3	71.4
1995	66.5	53.2	75.4	69.8
1996	66.4	53.1	75.3	69.7
1997	66.1	52.9	75.0	69.4
1998 (July)	65.3	52.2	74.1	68.6

*Source:* Prepared on the basis of the *Revista Indicadores de Coyuntura de FIEL*, 1980-November 1998. The data is from the wage survey of the FIEL (Fundación de Investigaciones Económicas Latinoamericana). Real wages are the average net salary in worker categories in industry. The date for industrial sectors corresponds to average monthly gross wages (including prizes and bonuses except the Christmas bonus).

Argentina. Value in Argentine pesos (1 Argentine peso = 1 US dollar) of the gross average monthly wage for industry and selected sectors.