

Progressive Governments and Trade Unionism in Latin America: The Cases of Chile, Argentina and Uruguay

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Introduction

Trade unions went from being illegal organizations in the mid-nineteenth century to socio-political forces. Together with political parties they helped to build central institutions in modern capitalist societies. They were also, throughout most of the twentieth century, an integral part of the institutional workings of systems of industrial relations, especially since World War II in the capitalist West and some of its peripheries, such as Latin America. Unions subsequently experienced a widespread crisis in the 1980s, followed by a precarious restructuring process (De la Garza, 1993).

Latin America in the latter part of the twentieth and early twenty-first centuries has undergone a process that bears certain similarities with the »double movement« described by Karl Polanyi in his analysis of the wave of late nineteenth-century European liberalism. The author of *The Great Transformation* (1944) viewed this process – which arose in reaction to the liberalization of markets and in which the first workers' movements played a key part – as a form of resistance to the »uprooting« of the economy from society. The trend towards the establishment of flexible markets amid technological change brought on by the Industrial Revolution produced, in the first half of the twentieth century, a counterpart: a multifarious reaction to the ruptures that the rapid expansion of the markets caused in people's lives and the existing social balance. The rupturing of the social fabric was also keenly felt in Latin America from the 1960s onwards and has led to an alternation between neoliberal liberalization, on the one hand, and widespread rejection of the Washington Consensus model and automatic alignment with the United States, on the other (although Colombia and Mexico have maintained conservative governments due to the violent penetration of drug trafficking in political life). The political result has been a shift towards »progressive governments,« which has found expression in the emergence of radical social movements

and, above all, changes in citizens' voting habits. This has led to a process never previously seen in Latin America.

From Neoliberalism to Progressivism

A number of Latin American governments have been dubbed »progressive« since the early twenty-first century. This is a generic name, however, that conceals highly diverse realities in South and Central American countries which have developed more or less moderate or radical left-wing alternatives to the neoliberal orthodoxy that prevailed in Chile from the 1970s and then spread throughout the continent. As an overall appraisal, in the words of the former Salvadorian guerrilla commander Joaquín Villalobos, it can be argued that: »Paraguay, Argentina, Chile, Uruguay, Brazil, Bolivia, Ecuador, Venezuela, Guatemala, El Salvador, Panama, the Dominican Republic, Nicaragua and Honduras are countries where the left is governing or has governed. In Mexico, Costa Rica, Peru and Colombia there are various leftist groups, if we consider the PRI, Liberation, the Liberal Party and the APRA as such. We can conclude that the whole of the continent is or has been governed by the left. Many former guerrillas and social combatants are now mayors, deputies, magistrates, police chiefs, government ministers and presidents in different countries. Democracy has made the left the most organized force, with the greatest backing and most power on the continent.«¹

However, certain distinctions must be drawn, as institutional configurations and orientations in new development strategies in the post-neoliberal period differ considerably from one country to another. It can be argued that there are two main variants in the contemporary Latin American left.² First, there are the *progressive Southern Cone governments* (the Chile of the moderate socialists, Ricardo Lagos and Michelle Bachelet, in coalition with the Christian Democrats since 2000, in continuity with the democratic governments of 1990 onwards; the Brazil of the Lula Da Silva Workers' Party since 2003 and his successor Dilma Rousseff; the Uruguay of Tabaré Vázquez's Broad Front since 2005 and his successor José Mujica, who belong to left or center-left political

1. See Villalobos (2010).

2. The Castro brothers' Cuba has specific historical origins: it cannot be assimilated to recent experiences in Latin America and, for that reason, is not considered in this analysis.

currents more or less comparable to social democracy, in all cases arising from complex Latin American realities and their recent processes of democratic consolidation. A relatively similar orientation, albeit more radical in various respects, has been maintained by the Argentina of the Peronists, Néstor Kirchner and Cristina Fernández, who, after the grave economic and political crisis of 2001, mounted a progressive recovery based on the repudiation of 70 percent of the country's foreign debt and a break with the International Monetary Fund. The government maintains a style that is not always classifiable under the more traditional categories of political analysis. It can also be said that, in Peru, Alan García has a social democratic bent, but his second government, inaugurated in 2006, has shown signs of conservative continuity, after an unsuccessful but reformist-inspired first government in 1990–95. We can also include the Paraguay of former bishop Fernando Lugo among the Southern Cone's progressive governments, although he has been in office only since 2008 and his political situation is precarious.

Second, there are the *«refoundational governments»* that have emerged mostly in the Andean region (Hugo Chávez's Venezuela since 1999, Evo Morales's Bolivia since 2006, and Rafael Correa's Ecuador since 2006). These took power in the aftermath of political crises and the collapse of traditional party political systems. They have built up democracies with a plebiscitary slant, based on strong presidential leadership and periodic reelections. In Central America, notwithstanding major differences in political and socioeconomic structures, the former group would include Álvaro Colom's Guatemala and Mauricio Funes's El Salvador, and the second group Daniel Ortega's Nicaragua and Manuel Zelaya's Honduras (until he was overthrown in 2009).

The progressive governments of the Southern Cone have performed reasonably well and have received votes of confidence in recent democratic elections in Uruguay (November 2009) and Brazil (October 2010), while Cristina Fernández has a good chance of reelection in the elections scheduled for October 2011.³ Chile is the exception: after 20 years in government and four presidential election victories, the center and democratic left coalition known as the Concert of Parties for Democracy

3. This trend towards continuity has also been witnessed in the presidential elections in Bolivia (December 2009) and Colombia (May 2010): a refoundational indigenous government in the former and a conservative-oriented one in the latter – the two therefore differing widely in political outlooks – have also seen a renewal of confidence on the part of their citizens in their administration.

was left with a minority in the January 2010 elections by a center-right candidate from the business community.

The hallmark of the progressive governments of the Southern Cone has been the stabilization of democracy and civil liberties, the recovery and/or extension of levels of fiscal pressure prior to the neoliberal wave, and the strengthening of their social welfare systems and balanced labor relations. They maintained dynamic market economies with varying degrees of public regulation, and implemented their policies in some of the most – relatively speaking – developed countries in Latin America, and with lower prevalence of the informal economy. Their growth in the first decade of the twenty-first century was also significant. Trade union structures in the Southern Cone have a long-standing tradition, which had to be redefined due to the neoliberal wave, and again later with the advent of progressive governments that have revalued social dialogue and the role of syndicalism, albeit under new conditions. It should be taken into account that a regulatory industrial relations model has traditionally prevailed in these countries. Duly regulated legal strikes in the context of collective bargaining processes have been recorded, but there are also many illegal strikes, most international agreements being ratified but rarely observed. Regulatory logic does not necessarily include effective protection of the development of trade union activity. Although neoliberalism favored reforms that fragmented trade union structures at enterprise level and even at plant or departmental level, with low coverage and fragmentation, branch trade unions predominate in Argentina, Brazil, and Uruguay.

In a large part of Latin America in the 1970s and 1980s trade unionism went through a period not very conducive to its development, first with dictatorships (especially in Brazil, Chile, Uruguay, Argentina, Bolivia, Paraguay, and most of Central America), which repressed the movement in draconian fashion and furthermore – in some cases with the return of democracy – with neoliberal reforms inspired by the so-called Washington Consensus. These included deregulation of labor markets, which cast doubt on the traditional structure of trade union development. Many state reforms became necessary in response to hypertrophied public bodies and regulations that created revenue and corporate sectoral advantages. In the long term, however, privatization reforms failed to strengthen the public institutions essential for markets to function properly and for the maintenance of a basic degree of social cohesion, especially with regard to social services, health and education.

Infrastructure was also neglected, which is equally crucial for medium- and long-term development.

Zapata (2001) has outlined the elements whose transformation modified Latin American trade unionism's prospects of maintaining historical practices: greater mobility of capital, trade opening, privatization of state enterprises, labor deregulation, growth of the informal sector, reductions in public employment, smaller enterprises, economic relocation, expansion of subcontracting, and feminization of the workforce, along with a weakening of corporate ties between trade unions and the state. The trade unions reemerged on the Latin American democratic political scene with renewed legitimacy due to their role as important forces of opposition to the authoritarian regimes. Paradoxically, the democratization process frequently encountered setbacks with regard to workers' rights, poverty, and inequality. This was especially true of several countries facing macroeconomic stabilization problems (which in some cases – for example, Argentina – went as far as hyperinflation), generally leading to new »structural reforms« promoted by multilateral credit organizations, including state reforms and various privatizations and deregulations. Social reactions to this type of policy and reactions to social dialogue instigated by the governments gradually diminished the trade union movement's capacity for dialogue, and in many cases undermined its potential for representation.

Chile

Due to its role in mobilizing society against the military government in the 1980s, most notably among copper workers, the trade union movement reemerged with the return of democracy enjoying strong social legitimacy, but with a diminished rate of unionization and a depleted presence in collective bargaining processes (reduced to the enterprise level, with very few exceptions). The arrival in government of a Christian Democrat–Socialist coalition, with close ties to the reformed Centralized Workers' Confederation (CUT), led until 1997 by the Christian Democrat Manuel Bustos and after that by the socialist Arturo Martínez, meant that trade unionism could again take up a role in social dialogue. This materialized especially in periodic talks with the government on the national minimum wage, family allowances, and public sector wage negotiations. Initially, business leaders engaged in

social dialogue, but then gradually diminished their participation. As for the unions, after relatively successful overall wage negotiations in the early years of democracy, the negative impact of the 1999 Asian crisis on the Chilean economy led to the country's first recession since 1983. Trade unions started to adopt a tougher stance and stopped reaching agreements with the progressive governments of Lagos and Bachelet over the minimum wage and public sector salary readjustments, the two most favorable areas for social dialogue. There was increased criticism of the government's administration from public sector unions, including teachers, health workers, and central administration workers, whose unions took a critical stance and led relatively frequent sectoral mobilizations, although the bargaining dynamic tended to remain in the public copper and oil companies, and in the banking sector. Private sector unionism suffered from the structural consequences of weakened collective bargaining inherited from the 1973–89 military regime, with the exception of parts of the service sector and large-scale private mining. The strengthening of private sector unionism was not helped by rising unemployment in the last decade of the twentieth century and the first decade of the twenty-first. The Centralized Workers' Confederation also suffered splits and lost a degree of legitimacy as a result of the minimum and average wage rising more slowly than economic growth in real terms, due to a policy of greater wage restraint over the past decade.

Michelle Bachelet's decision not to repeat proposals for collective bargaining reforms that had been repeatedly rejected by parliamentary conservatives in previous governments considerably increased union discontent with her government. This was in a context in which only 12 percent of the workforce was organized into unions and only 5 percent were covered by collective bargaining, below 1990 levels. However, the trade unions supported the continuity presidential candidacy of former president Eduardo Frei, who was defeated in 2010, and their president was an unsuccessful candidate for parliament. The new conservative government has so far been cautious in its relations with the unions, although it is implementing a reform to flexibilize labor relations for primary school teachers and is preparing a reform of the severance pay system, which is opposed by the trade unions.

Argentina

Peronism's return to power entailed an about-turn under President Menem (1989–99) towards markedly neoliberal policies, but with a degree of agreement with the traditional Peronist trade unions, whose position was less belligerent than it had been towards Raúl Alfonsín's radical government, the first after the return of democracy in 1983. The 1998 reform cancelled out earlier reforms and increased the centralization of collective bargaining to benefit the traditional unions grouped together in the General Labor Confederation (CGT), although outside the CGT there was another significant union confederation, the Argentine Workers' Confederation (CTA), which sought to break the monopoly of trade union representation. The CTA, which mainly organizes public employees and school teachers, has lower participation among industrial workers and workers in private tertiary activities, and has compensated for these weaknesses by convening various representative organizations from small and medium-sized enterprises, associations of professionals and intellectuals, and other politico-social structures.

According to the Argentine historian Julio Godio (as quoted in Núñez 2010) »trade unionism lost its way in the Menem era. It had already been losing it in the Alfonsín era. With Alfonsín it had it easy because it replaced Justicialism and held 13 strikes.« Argentine trade unions, it should be remembered, have control over workers' social security plans, which are financed by contributions from trade union affiliates and by public subsidies and contributions raised from the payments of over six million contributors to the Integrated Retirement Fund and Pensions System. Trade union social security plans have a budget three times that of the Ministry of Health.

Current trade union leader Hugo Moyano has increased his political influence in the Justicialist Party, where trade unionism has been a determining factor since the party's creation under Juan Domingo Perón. Moyano became leader of the lorry drivers' union in 1992, when the union had 70,000 affiliates. The success of his leadership is reflected in membership growth, which had swelled to over 200,000 by 2010. His rise has gone hand in hand with an increase in soy production and a boom in agriculture. With the arrival in power of the radical and center-left FREPASO Alliance in 1999, Hugo Moyano broke ranks with the CGT when the confederation backed President Fernando de la Rúa's union reform. The CGT was split into two parallel leaderships. Although Moyano

backed Adolfo Rodríguez Saá in the 2003 elections, he ultimately forged an alliance with Néstor Kirchner during his presidency from 2003 to 2007 and with the Minister for Federal Planning, Julio De Vida. In 2004, he finally assumed power over the complex union structure of the CGT.

Since 2007, Hugo Moyano and President Cristina Fernández have maintained a political alliance. Fernández's government has extended its policy of generalizing collective bargaining to regulate labor relations, begun under Néstor Kirchner. Over 90 percent of collective agreements are made at branch and sub-branch level, the remainder being made at enterprise level. The most common clauses concern wages, but there has been an increase in the number of clauses regulating labor relations and working conditions, including the creation of health and safety committees and special anti-discrimination clauses. The growth of the trade union presence in the labor relations system has even led to modifications in the study programs of some universities in order to include more information about and analysis of social dialogue systems, rules and techniques of human resource administration in companies.

When Néstor Kirchner took over the leadership of the Justicialist Party in 2008, Hugo Moyano was given the second vice-presidency of this, the ruling party. The CGT leader then became leader of the party in Buenos Aires Province in 2010. As Claudio A. Jacquelin states (again quoted in Núñez 2010): »the lorry-drivers' leader, unlike any of his predecessors, has politico-electoral ambitions, he has union power that nobody dares to dispute, with prospects of success, and he is capable of bringing the country to a standstill without anyone's help. In addition, he has woven a network of deals that give him economic autonomy and his own fire-power, and he is feared by everyone, from business leaders to civil servants at both national and municipal level.«

The death of Néstor Kirchner in October 2010 – one of his last phone-calls was made to Moyano to discuss Peronist affairs in Buenos Aires Province – has translated into a measure of silence and a renewal of loyalty to President Fernández, who must adopt a reelection strategy that will continue to count on the traditional factors of Peronist power, namely provincial governors and union leaders. The Peronist and middle-class electorate has fallen in love with the head of state again, whose popularity took a beating in 2008 during an intense conflict with agricultural businesses (known as the »farmers' strike«) as a result of her proposal to increase taxation in accordance with price levels with the advent of the soy boom, and thus increase social spending. Fernández's chances

are especially good in the face of a splintering of the opposition and the absence of a clear alternative. The economy is performing reasonably positively and measures such as the universal family allowance per child in 2009 and the renationalization of retirement funds and pensions in 2008 to put an end to the AFJP system (a private pension and retirement plan system which had been one of the main measures of the privatization policies implemented by the government of Carlos Menem) have been consistently well-received.

Uruguay

The victory of the Uruguayan left under Tabaré Vázquez in 2005 represented the culmination of a long political journey (begun in 1971 and taken up again with renewed vigor with the return of democracy in 1985) of a coalition with legitimized, stable mechanisms for determining leaders and policies, despite a variety of members, including communists, Christian Democrats, moderates and radicals. An undisputed government leader, a solid, disciplined parliamentary majority and organic ties with representative trade unions has made the experience of the Uruguayan Frente Amplio one of the most coherent of the current Latin American progressive governments. This includes a policy of pursuing the general interest in conflict situations against corporatist demands – such as those manifested during the Frente Amplio's earlier long period of office in the Montevideo city council by the municipal trade union. At the same time it includes the approval of an income tax system, hitherto non-existent, and a »social emergency plan«, followed by an »equality plan,« while strengthening legislation in parliament for branch collective bargaining, and with economic growth averaging 8 percent a year up to 2008.

It was perhaps the positive expectations aroused by Tabaré Vázquez's government, after overcoming a difficult economic situation following the Brazilian and Argentine currency devaluations a decade ago and the banking crisis of 2002, which generated the demands which led to major union conflicts, only months after the inauguration of the new government of President José Mujica, a former Tupamaro guerrilla, and Vice-President Danilo Astori, a moderate leftist, in March 2010. Also significant has been the way Mujica has distanced himself from maximalist stances: »You have to have capital [...] and if you don't have capital, make an alliance with someone who does and it will not weigh

on your conscience or make you ashamed.« Mujica has even humorously criticized Hugo Chávez's nationalizations: »he is very eager, but Venezuela has so many resources, so much oil, so much money [...] the result is a bureaucracy so large that [...] Mamma mia! It's a perfect recipe for an oppressive bureaucracy.« Mujica has also stated: »As we're doing fairly well [from an economic point of view], it looks like [the government] does little. I accept that contradiction.«

One of the star projects of his government has been state reforms to increase efficiency in the administration, which has not been popular with some public sector unions: »I want tenders to be transparent so I don't get sold a pig in a poke [...] That's the main idea and we've put a gun to our heads. We're going to try to do what the English did in 1854. We're a little behind, but we'll give it a try.« In July 2010, the Mujica administration announced a state reform that would include, among other things, the end of jobs for life for state employees, reforms to administration careers, and the creation of a new salary system. The reforms were also intended to simplify hiring and regulation of political appointees.

Mujica considers this reform a priority and has reiterated that public employees must work for the country and must do so more efficiently. This stance has caused tensions in his own coalition, especially among Communist Party elements. It is not a question of selling off state enterprises, but of enabling the involvement of private investors in large-scale public works and areas previously limited to the state. The second left-wing government in Uruguay's political history is preparing an ambitious plan for private companies to partner the state in the construction of public works for roads, schools, prisons, power plants, port terminals, and other infrastructure. This has already been seen in Chile.

On October 7, 2010, in the context of defining his economic policy priorities, Mujica faced his first 24-hour general strike, called by Uruguay's main workers' confederation to demand higher budgets for education, health and housing, as well as improved wages. The Minister of Employment indicated that »at a time when the state budget for the next five years is being analyzed, it is 'fairly natural' for there to be union demands and mobilizations.« The Confederation of State Employee Organizations (COFE) was the main instigator of the one-day strike, which initially met with resistance from other unions in the internal discussions of the PIT-CNT union federation.

Union conflicts have occurred in the state banking sector and among air traffic controllers, Montevideo council employees (the city is home

to half of Uruguay's 3.4 million inhabitants), public employees in the COFE, and public legal system workers. The wave of protests coincided with Parliament's review of the government's budget for 2010–15 and the creation of wage councils where unions and enterprises can negotiate with official mediation. Despite tensions, the basis of parliamentary support and public opinion would allow President Mujica to implement the reforms, in a context in which social dialogue and strong unionism will probably prevail, a particular characteristic of contemporary Uruguay. The decrease in poverty and levels of inequality far lower than those in Brazil, Chile or Colombia (Uruguay has the lowest Gini coefficient in South America) have not come at the expense of economic dynamism, as Uruguay has had a strong growth rate in the past five years, riding out the 2009 crisis better than its neighbors and the rest of Latin America: this performance puts Uruguay, along with Chile, on the shortlist of nations in transition with their sights on attaining per capita income levels on a par with southern Europe over the next decade.

Conclusions

The trade unions' capacity to control labor market operations and production processes, access to political parties and influence over governments and public policy declined in the latter decades of the twentieth century. However, unions maintained sectoral mobilization capacities and backed various expressions of social discontent, while in some cases they gained more autonomy, diversification of organizational modalities, and new alliances with popular urban and, in some cases, rural organizations outside the formal sector, albeit sporadically. Despite the unions' diminished influence, in the first decade of the twenty-first century there remained a higher degree of unionization in the public sector, and the social sector – health and education – even increased its militancy in comparison with other sectors. This can probably be explained by its greater visibility and capacity for political dialogue, and its greater exposure to competition in internal and external markets. In this context, trade unionism has experienced difficulties in attempting to change with the speed demanded by new challenges arising from the representation of broader social classes and new realities, such as territorial social organization in transient protest groups, which tend to seek clientelistic ties to ensure their survival. Nor has union leadership

advanced substantially with regard to the inclusion of women and young people in their organizations as a way of showing their growing relevance in the labor force.

The main challenge now facing Latin American trade unions is the re-definition of political relations and of their involvement in labor relations to influence the decision-making process, in contrast to what occurred historically within the framework of traditional twentieth-century union corporatism, under less favorable conditions as a result of the period of dictatorship, followed by the neoliberal wave. With the new reality of progressive governments, unions have acquired a capacity to cement more stable political ties based on long-term connections with the new governing forces. Paradoxically, however, they have also come under pressure to adjust to the logic of power of their allies in government and their need to form broad coalitions in the parliamentary and socio-economic domain, especially with segments of the business community, which governments are encouraging to participate in investment efforts in the economy in general and in public infrastructure in particular in order to accelerate growth and allow more room for social policy.

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