ORGANIZING WORKERS IN ARGENTINA, BRAZIL, CHILE AND MEXICO:
AUTHORITARIAN–CORPORATIST LEGACY AND INSTITUTIONAL DESIGNS IN A NEW CONTEXT.

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Research questions

- How have the underlying authoritarian legacies in Latin America, especially those which still shape collective rights, influenced the unions’ capacities and trajectories?

- What does this imply in terms of opportunities to defend workers’ interests through collective action in a global context?

- How we can explain institutional stability and change?
Arguments

- Variation in enforcement is useful to understanding both stability and change in weak institutional environments (mainly in development countries) (Lewitsky and Murillo, 2013)

- Institutional designs influence associational power as well as opportunities for autonomy, internal democracy and accountability in unions.

- However, due to different designs (often neglected in sociological studies of the labor movement) and contexts the authoritarian legacies may affect unions’ trajectories in different ways.
Arguments

Authoritarian legacy

Collective rights (Institutional design)

Associational power

Origin
Latest regime
Transition
Post-transition

Defensive bunker
Effective straightjacket
Selected countries

- The cases of Argentina (A), Brazil (B), Chile (C) and Mexico (M) will serve to shed light on this question, given that they are countries where the authoritarian legacies still persist in legal designs and where trade unionism has played an important role.

- First, unions have had a primary role as the channel for the expression of worker demands under the State-led model of industrialization.

- Secondly, within globalization, the unions maintained their role in the social control inherent in the State–corporatist arrangements.

- Finally, the unions’ trajectories show stronger differences in the last decade than before: while in A and B there was a recovery of associational and bargaining power (preceded in B by a real renewal in the 80s), this did not occur in either C or M.
Legacies origin

- In A, B and M authoritarian legacies were established from the inception of their labor regimes (30–40s), within the framework of state–corporatist arrangements.

- This happened in an economic and political context in which governments sought the inclusion of workers as the principal motor of growth based on a domestic market.

- In Chile, this legacy was the result of the Pinochet regime (1973–1989). The Labor Plan was adopted in 1979 to give discretionional power to the employers and to dismantle union power.
In contrast with A, B and M, unionism in Chile developed in a more independent manner. Chilean unionism was classist, with greater margins of autonomy from the state.

However, in practice, all four countries’ power was concentrated at the leadership levels of organizations, with a tendency to favor political negotiations with the State.
Latest authoritarian regimes

- The military dictatorships in A (1976–1983) and B (1964–1985) permitted union structures to remain unchanged and even allowed for internal elections.

- In Chile, the consequences of the coup d’Etat (1973–1989) for leaders and activists were even more severe than in the other countries. (End to collective bargaining by sector and severely restricted the right to strike)

- It was the only case of institutional breakdown.
The case of Mexico differs from the others, given that the political regime was stable through an extremely long period of over 70 years (1929–2000).

In this setting, the authoritarian labor model had greater long–term negative consequences than in other countries, consolidating into a “rigid corporatism” backed by employers’ organizations.
Dual transition (different sequences)

- In Argentina and Brazil democratization was first than economic reform.
- The institutional legacies of authoritarian regimes acted as a form of “defensive bunker,” in which unions could shelter themselves, first from the onslaught of anti-union policies during the military governments but also from those adopted within neoliberal economic models (Cardoso, 2014).
- Brazil’s labor model imposed a “soft corporatism” and was an exceptional case of renewal in the transition to democracy.
- The Argentina state– corporatist labor model was more rigid than Brazil’s.
Mexico and Chile: Economic reforms arrived before the democratization

- In both cases (Chile and Mexico), authoritarian institutional legacies were an effective straightjacket, even after the arrival of democracy, tamping down any attempt at union expansion and revitalization. They give more powers to employers than the others two.
Post transition: Argentina and Brazil

- Since 2000, union trajectories have shown even greater divergences than in past decades, revealed different capacities to organize and to win gains for their memberships.

- After the 2001 crisis, the governmental policies of A and B shifted, once leftist parties or coalitions won elections and reoriented development models towards a greater emphasis on strengthening internal markets.
Institutional changes and activation of old rules led to a significant rebound in unions’ associational power (unionization rates, labor conflicts and coverage of collective bargaining).

Labor policy became a priority and therefore unions and collective bargaining gained prominence.

This resulted in improved job quality and wages, as well expanded social programs with corresponding reductions in poverty and inequality.
Chile

- Without changes in legislation nor policies, the opportunities to recover union power did not improve under the Presidencies of Lagos (2000–2006) and Bachelet (2006–2010), both from the Socialist Party.

- As such, the country’s economic success was not accompanied by gains for all workers, but MW improves (social policy, not labor policy).
Mexico

- The case of M is, again, distinct from the others. It is “atypical and excentric”, as you can see soon.

- Firstly, leftist governments have not reached power at the Executive Federal level.

- Secondly, unionism experienced an extreme degradation in the context of a new manner of insertion into the global economy with surprising institutional stability.

- Finally, the new economic model, based on low wages, turned out to be incompatible with authentic union representation empowered with the resources that labor laws ostensibly grant but simultaneously impede, as we will soon see. Last reform (2012) did almost nothing to change this situation.
### Table Latin America Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Wage Employees (%)</th>
<th>Total Employees (%)</th>
<th>Year</th>
<th>Wage Employees (%)</th>
<th>Total Employees (%)</th>
</tr>
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<tbody>
<tr>
<td>2006</td>
<td>37.6</td>
<td>---</td>
<td>2006</td>
<td>60.0</td>
<td>---</td>
</tr>
<tr>
<td>2007</td>
<td>20.9</td>
<td>17.8</td>
<td>2006</td>
<td>60.0</td>
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<tr>
<td>2007</td>
<td>11.5</td>
<td>13.6</td>
<td>2007</td>
<td>9.6</td>
<td>6.5</td>
</tr>
<tr>
<td>2008</td>
<td>17.0</td>
<td>11.2</td>
<td>2007</td>
<td>10.5</td>
<td>6.9</td>
</tr>
</tbody>
</table>

Source: SUSAN HAYTER AND VALENTINA STOEVSKA, SOCIAL DIALOGUE. INDICATORS INTERNATIONAL STATISTICAL INQUIRY 2008-09. TECHNICAL BRIEF (2011)

### Table 2. Earnings participation on GDP

<table>
<thead>
<tr>
<th></th>
<th>Around 1990 (a)</th>
<th>Around 2000 (b)</th>
<th>Around 2009 (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>44.7</td>
<td>40.5</td>
<td>42.9</td>
</tr>
<tr>
<td>Brazil</td>
<td>53.5</td>
<td>47.1</td>
<td>51.4</td>
</tr>
<tr>
<td>Chile</td>
<td>38.7</td>
<td>46.5</td>
<td>45.4</td>
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<tr>
<td>Mexico</td>
<td>32.3</td>
<td>34.5</td>
<td>32.2</td>
</tr>
</tbody>
</table>

Graphic 1. Labor Productivity and Minimum wage in Latin America, 2010

Source: Juan C. Moreno Brid et al., El Salario mínimo en México. REV.ECO 11, 33. 78, 89.
Graphic 2. Evolution of the real minimum wage

(Index, base 2000=100)

Source: Bensusán y Moreno Bríd, supra note 25.
Power distribution and points of friction

One way to compare the distribution of power is by evaluating the implications that collective rights compliance has for the employers in each of the four countries (evaluated on a scale of 1 to 5), taking into account five key aspects of institutional designs.

a) Unions’ power to organize and bargain collectively,
b) Collective autonomy,
c) Internal democracy,
d) The scope of the right to strike and
e) The presence of union representatives at the shop-floor level.
Through this exercise we found that the highest value, and therefore strongest collective rights, belongs to Argentina, followed by Brazil, Chile and Mexico. (Bensusán, 2006)

These results match with what we have seen before in relation to the trajectories and results in these countries.
Power distribution and points of friction

Based on Bensusán (2006)

1°

2°

3°

4°

Higher unionization rates and coverage of the collective bargaining.

However, it is even more useful to observe the values of each element, as it allows us to understand how, within each model, there are interactions which counteract or encourage collective rights. The example of Mexico shows this clearly.
Mexico

- Mexico has formally the highest score, followed by Brazil, in terms of associational power (to organize, collectively bargain and in the scope of the right to strike).

- But it has a low score in terms of collective autonomy, shop-floor level representation (union delegates) and internal democracy (the highest score here goes to Brazil, followed by Chile and Argentina). (Bensusán, 2006).

- The strong associational power, which in theory would threaten employers, is offset in practice by the wide degree of control that the state and employers have in choosing with which union they will engage for collective bargaining.
The institutional interaction shows that the labor model contains mechanisms which largely restricts associational power. However, the state has no power to resolve disputes unless the unions leaders agree.

This is the Achilles heel of the Mexican labor model and forces strong links between union leaders, government and, particularly, with employers.

In a global neoliberal context these links resulted in a marked decline in unionizations rates, collective bargaining and the number of strikes as well as opportunities for simulation, corruption and business for the leadership.
Mexico vs Chile

- In comparisons to Mexico, in Chile there is formally a greater degree of collective autonomy relative to the state and employers, as well as better conditions for internal democracy within unions.

- However in its law Chile grants less associational power than in Mexico. In all, we can observe that in Mexico and Chile, determining working conditions is a markedly unilateral process.

- This unilateralism was achieved in the two countries via very different designs, as evidenced throughout the paper.

- While Mexico’s last reform (2012) left the same basic architecture for collective rights, in Chile the second Bachelet government is proposing a new labor law reform to remove some of the authoritarian legacies.
Lessons from Latin America

- We found different types of institutional change: breakdown (Chile); incremental, with or without transformative effects (four countries); altering *de facto* the level of enforcement (A, B and M) or activation of old rules (B and A).

- Historical choices in the past are important but different designs as well as different economic and political contexts can cause authoritarian legacies to function differently (positively or negatively).

- This results in many differences in union capacities to represent workers interest in the four countries.
If we want to give voice to all waged workers in the new labor markets, it is necessary to move towards more democratic forms of union’s governance in the four countries (“internal solidarity”, Murray y Levesque, 2004).

This means leaving behind some of those authoritarian legacies that concentrate power either in the State, employers or union leadership and discourages new ways of recruitment of members and collective action to promote better public and corporate policies for all workers.

The case of Mexico shows that more institutional power could be less associational power in practice and that the institutional continuity of ambitious rules could be better explained by the weak enforcement than by institutional inertia. It also showed the importance of informal rules.
- Brazil and Argentina show how some old rules and institutions may be activated under pressure from unions in a context of pro-workers government (but not only).

- We can expect a pro-union gradual reform in Chile that removes some authoritarian legacies and the adoption of new rules which could be activated over time by an increasingly organized civil society.

- The four countries show that the role of the agency is important.

- However, the power of the formal and informal veto players, the scope of the changes and the points of friction (inherited from the past or not) which we need to rethink in order to strengthen associational power of workers in each country, are different. So, there are no universal recipes…!
The research agenda aimed at strengthening collective action in Latin America, where the institutional environment is weak, should be able to answer at least the following:

1. What aspects or points of friction must be reformed in each country as a condition to enable the opportunity, legitimacy and effectiveness of collective representation (formal and substantive) and strengthen the associational power?

2. How can the representation be extended in order to include all workers in a context of high heterogeneity?

3. What rules and institutions can be activated by the pressure of society to ensure their effective implementation?

4. In the best case, how to manage the trade off between adopting ambitious rules and the opposition from informal veto players whose interests are threatened?
Many Thanks!