

Labour legislation reform in Mexico and Argentina: the decline and fall of Corporatism?¹

Viviana Patroni
Department of Political Science
Wilfrid Laurier University
Waterloo, ON - N2L 3C5
Tel. (519) 884-0710, ext. 3896
Email: vpatroni@mach1.wlu.ca

Summary:

The article analyses the debate that has taken place in Mexico and Argentina regarding the necessary changes to labour legislation, placing its importance on a historical perspective. The argument is that, insofar as labour legislation has not been an obstacle for the 'de facto' flexibilization of labour relations, the governments of these countries have resisted pressures to transform it. The limits to the changes imposed on labour relations have been set by the effort to prevent the final undermining of official labour movements that are politically associated through corporatism with the parties in power during the 1990s.

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The scope and depth of the changes that have taken hold in Latin America since early in the 1980s have elicited a significant body of literature seeking to explain the forces propelling this transformation. By the early 1990s, the spreading appeal of neoliberal policies had produced a tidal wave that practically did away with most ideas considered common sense in economic practices until then. That the rules of the game at the economic level have changed in the direction of what has been so skillfully encapsulated in the notion of ‘market-friendly policies’ is beyond dispute. But what about the political substance of the regimes that have administered the change? It is in attempting to delineate the nature and workings of the political regimes in charge of putting these new economic policies in motion that a central body of current political theorizing has been directed.

As a consequence, there has been a profusion of studies aimed at identifying the set of political conditions necessary in order to make possible the implementation of policies that have imposed some very high costs on large portions of the population.² Moreover, since this drastic economic reorientation has coincided with the downfall of military authoritarian regimes, the very nature of the new democracies replacing them has occupied not a few minds.³ Equally important in attracting academic attention is the fact that in some cases it has been the same party associated with the consolidation of the previous consensus on development --broadly speaking import substitution industrialization-- that has now undertaken the task of dismantling it with remarkable zeal. This is clearly illustrated by the examples of Argentina and Mexico. In this article I will explore a specific facet of this process, that is, the debate that has surrounded proposed changes to labour legislation in Mexico and Argentina. My objective is to demonstrate an important

instance of continuity with previous forms of political control, concretely the maintenance of corporatism as a key characteristic in the relationship between the parties responsible for the transformation and the organized labour movements in these countries. I will argue that the reluctance to alter some provisos within the existing labour legislation is based on its critical political significance because it is precisely this legislation that has cemented strong and long-standing links between the parties in power in Mexico and Argentina during the 1990s and a hegemonic sector within their working class.

In these countries, as in the rest of the continent, neoliberalism has involved the implementation of policies aimed at liberalizing trade and capital flows, reorienting the participation of the state in the economy, reducing its regulatory role, and, in general, allowing for the emergence of freer markets. Several of these reforms have directly curtailed the state's capability to intervene in defense of wage and employment levels. Moreover, there has been a clear intent on the part of the state to surrender its powers in these areas of economic and social policy-making, and the changes introduced or proposed to labour legislation, along with the dramatic fall in wages and the increase in unemployment, are its clearest manifestations. Nonetheless, the impact of these changes has remained a function of the state's ability to exercise political and social control and thus the cases of Argentina and Mexico continue to reveal important points of distinction.

As has been the case with the other fundamental transformations of the period, demands for labour legislation reform have been forcefully pursued by key employers' organizations and heralded by international financial institutions as one of the preconditions for sustained economic growth. Although policy making in Mexico and Argentina has been very porous to the demands

from these domestic and international actors, the governments of these countries have shown a telling ambivalence regarding the extent of the reform required. In fact, insofar as labour legislation has not been an obstacle for the 'de facto' flexibilization of labour relations, the governments of Mexico and Argentina have resisted pressures to transform it. In particular, the limits to the changes imposed on labour relations have been conditioned by the calculated intention to prevent the final undermining of the official labour movements that are politically associated with the parties in power.

The comparison between Mexico and Argentina is important because these countries share a number of key aspects in their history but also present interesting contrasts. There are two similarities and two differences that bear particular weight in explaining the position of the Mexican PRI (Institutional Revolutionary Party) and the PJ (Justicialista Party, as the Peronist party is officially known) in Argentina with respect to labour legislation. Both countries have followed a similar pattern of economic growth, involving what can be considered classical import substitution industrialization. Although during the 1970s and early 1980s economic policies acquired distinct characteristics in each country, since the end of the last decade policies have tended to converge once again, this time around the reforms that we have described previously as neoliberal. A second important similarity is the role that organized labour has played within the party in power. Not only have the PRI and the PJ claimed to represent the interests of the working class, but they were also the parties responsible for the institutionalization of the same labour rights that they challenge today.

Both countries differ, however, in that the PRI and its predecessors, the PNR (National Revolutionary Party) and PRM (Party of the Mexican Revolution), has remained in power since

the immediate post revolutionary era. On the contrary, Peronism possesses a much more diverse political history: it has been the casualty of military coups (1955, 1976), it has been banned from presidential elections (1955-1973), and it has also suffered major electoral defeats (1983 and 1999). Such political differences define the background against which the relationship between these parties and the labour movements connected to them have developed. More concretely, in the case of Mexico, organized labour never had to face being in the opposition while in Argentina, the labour movement became one of the key players during the years of proscription of the Peronist party. Finally, labour reform had advanced much more swiftly in Argentina than in Mexico, and exploring the reasons why this has been the case can provide an essential key to understand the basis for state-labour relations at the turn of the century.

The paper is organized in four sections. In the first we will discuss the relevance of corporatism as a concept in the analysis of state-labour relations. In the second and third we will consider, respectively, the establishment of corporatism in both countries and the impact of restructuring on it. In the final section we will draw some conclusions regarding the political implications of changes in state labour relations and the emergence of more autonomous labour organizations.

Is corporatism still a useful concept?

As I will argue, key aspects of corporatism have been preserved in the relationship between state and labour in Mexico and Argentina, mostly because they continue to provide an alternative for the control of labour responses. Because labour legislation is central to the articulation of corporatism, I would concentrate on the scope of reforms in this area. As I have mentioned above, though, labour legislation has provided the basis for a particular form of

relation between state and labour movement that we are going to refer to as corporatist. Because this is a term that can certainly raise several problems, I should start the discussion by clarifying the sense in which the term will be used in the paper. The most cited definition of corporatism is that provided by Schmitter:

“Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.”⁴

Schmitter elaborated further on the concept, proposing the existence of two sub-types: societal and state corporatism, into which he located corporatist regimes in Latin America.⁵ Based on this definition, Collier and Collier (1977), proposed to see corporatism as a system of interest representation in which the state possesses the capacity to structure organizations representing sectoral interests, granting them monopoly of representation and extending various legal, material and political privileges aimed at sustaining that position. In doing so, the state also acquires the power to control not only the leadership but also the formulation of demands and their expression in the broader political process.⁶

Later on, Schmitter introduced two qualifications to the original definition that are important for our discussion. First, he noted that corporatist groups in Latin America did not simply represent the interest of the sector that they encompassed but rather that they occupied an

intermediate position between society and state. Thus, Schmitter proposed to understand corporatism as a system of *interest intermediation*.⁷ He also suggested that some clarity would be gained by distinguishing corporatism as this system of interest intermediation (what he termed corporatism₁) from the system for the formulation and implementation of public policy (corporatism₂). The latter would correspond to what has come to be increasingly identified as *concertación* or ‘social pacts’, a trait of corporatism in its ‘societal’ variant and common in several European countries. Schmitter proposed to retain the use of corporatism to define the former.⁸

The concept of corporatism (in its first connotation) seems useful in analyzing the precise implications of the legal structure that regulates the relationship between state and organized labour, particularly in relation to the creation of a structure within the labour movement that acted effectively as a mechanism of control over workers’ demands. It is exclusively in this sense, that is to specify a pattern of relation between state and organized labour, that the term will be used in the present work. A few warnings might be pertinent. First, because of the centrality granted to the state in the articulation of corporatist channels between it and the organizations of labour, it is sometimes impossible to identify the capabilities of the latter.⁹ However, while the price unions paid was the increasing subordination of labour’s demands to the state, the effectiveness of the relationship was based on the maintenance of a not inconsequential degree of labour autonomy.¹⁰

Second, as Schmitter reminded us, corporatism “...is clearly not something a polity has or does not have.”¹¹ Instead, we are more likely to find corporatist features in some areas rather than in others (such would be the case, for instance, in the arena of labour organizations as opposed to employers associations) and in different degrees over a period of time. Thirdly, and

connected to the previous point, corporatism can be a characteristic of highly dissimilar political regimes. Most importantly, corporatism does acquire particular forms depending on the political context in which it exists. Thus, we can identify situations where corporatist policies are directed at mobilizing labour and that are usually referred to as ‘inclusionary’ corporatism to distinguish them from other more repressive and antilabour alternatives characterized by their ‘exclusionary’ impact.¹² Populism provides an example of the former, in the sense that one key characteristic of these regimes was the expansion and support of labour organizations, the legitimization of the working class as political actor but also their growing subordination to the state. However, the degree of state control over the organizations of labour also presented significant degrees of variation in the two countries that we are going to consider.

Finally, to suggest that corporatism is still relevant, is to imply also that it exercises an effective function as a system of political domination, to the extent that it remains important in subordinating labour demands to state policies.¹³ A fundamental condition for the fulfillment of this role was and continues to be the imposition of restrictions on democratic competition within unions. I am going to use the term ‘official labour movement’¹⁴ in the case of Mexico and ‘Peronist labour movement’ in Argentina to refer to the large segment of the organizations of the working class in the two countries that can be described by this pattern of mediation. Two more caveats are in order. While these labour movements might have been instrumental in moderating working class demands in order to make them viable within the development policies followed by these countries, this does not mean that they did not have the capacity or the willingness to oppose policies they consider a threat to their own interests. However, it means that part of the negotiation of alternatives was and continues to be the preservation of corporatist privileges in

exchange for support to public policy.¹⁵ Just as important as recognizing this aspect of corporatism is remembering that there were always voices, louder and more effective in certain junctures, from within the working class itself that contested the legitimacy of these practices.

Corporatism and labour relations in Mexico and Argentina

The moment of condensation of the pattern of state-labour relations that we are defining as corporatist can be quite clearly demarcated in the administration of Lázaro Cárdenas (1934-1940) in Mexico¹⁶ and Juan Perón's rise to power and first two governments (1943-1955). Nonetheless, the factors that contributed to the development of this alliance between state and labour had been a long time in the making. In the case of Mexico, labour's political relevance can be verified in the drafting of the post-revolutionary constitution in 1917 which included a provision, Article 123, establishing significant rights for workers. Nonetheless, the actual codification of the constitutional article only took place in 1931 through a new federal labour code (*Ley Federal del Trabajo*) that triggered key modifications in the nature of state-labour relations. It not only granted the state the right to sanction the legal existence of a union, but it also guaranteed to that union monopoly of representation. Moreover, through 'exclusion clauses', that is the contractual provision that requires workers to be affiliated to the union in order to maintain their jobs, challenges from the union's grassroots were significantly diminished.¹⁷ The power of the state in relationship with labour was further increased by the prerogatives it gained in the interpretation of the applicability of the law.¹⁸

Yet, the real political conditions for the incorporation of labour into an alliance with the state were only to be created by the much more reformist drive of President Cárdenas.¹⁹ Not only

did he deliver on the promise of state support for the implementation of existing legislation and for furthering reforms aimed at increasing workers' standard of living, but he would also offer the possibility of actually accessing the spaces where policy was formulated. After Cárdenas' successful reorganization of some key unions into the CTM (Mexican Confederation of Labour) in 1936 and his support for the creation of a separate National Peasants' Confederation (CNC), a new party was created in 1938 to assimilate these organizations as sectoral members. Labour leaders became active participants in the party and the state, gaining access to the political and material means that secured and legitimized their role as workers' representatives.

From this time on, some key elements of corporatism became much more transparent in the workings of the relationship between labour and the state. Union leaders were the recipients of key benefits in the form of economic subsidies, legal protection and access to the structures of the party and state. The gains were concrete for those unions and their leaders that counted on official support, but the emerging relationship between state and labour unions was to affect in fundamental ways the workings of the latter. Labour representatives' power became a function of their capacity to negotiate concessions with government elites and thus, increasingly, their effectiveness depended on the continual renewal of the alliance with the regime. Although officially sanctioned unions were practically safeguarded against organizational challenges from below, there was no legal impediment against the creation of several labour confederations. In fact, the need to share the space of intermediation between the state and the party and the working class among several labour confederations worked effectively as a mechanism to increase competition among them and therefore reduce their individual power.²⁰

Although in regional terms Argentine workers were not a dismissable force, either in terms

of their numbers or organization, they faced major obstacles in their struggle for economic and political rights. Nonetheless, there were important attempts at incorporating the working class into main stream politics: universal male suffrage was conquered already by 1912, the first Radical Party candidate had been elected in 1916 behind the promise of deep social and political reforms, and there have also been an important promotion of labour laws and institutional development in the area of labour relations. All these changes had not been sufficient to curb the usually violent response that reform elicited from the political and economic elites of the country. Thus until the 1940s exclusion was the most vivid experience of the working class in Argentina. This is the context in which Perón made his extremely effective appeal for the recognition of workers' rights and the legitimacy of their organizations.

In fact, in a period of less than 2 years Perón had been able to achieve the support from the working class that he required in order to alter irrevocably the nature of politics in the country. After his election as President in 1946 and until the military coup that overthrew his government in 1955, Perón set in motion a project of social reform that increased dramatically the living standard of the working class. Equally important, new labour laws improved working conditions for a large sector of the population and supported an unprecedented degree of unionization.²¹ These labour laws gave the state major powers in the political control of unions, particularly the right to grant legal status to a union that was heretofore capable of negotiating collective agreements in the sector it represented. Perón also guaranteed the monopoly of representation at the national level to the CGT (General Confederation of Labour), an organization that preceded his rise to power and that by late in the 1940s had been brought entirely under his control.²²

In both Mexico and Argentina, the response of union leaders to the possibilities opened by the new attitude of the aspiring political elites with respect to the demands of the working class was also conditioned by the penalties that the state could impose on those unions that opted to maintain an oppositional stance. These costs ranged from the danger of losing legal recognition, being undermined by the creation of parallel unions, not counting on official support in the settlement of labour disputes, to direct acts of coercion against uncooperative leaders.

Finally, although a critical aspect of the Cárdenas and Perón administrations was the important change in the material conditions of the working class, the real impact of their legacy must be measured in terms of the new political identities they helped to forge. Thus, as I will argue below, corporatism was and has been sustained not just on the basis of the economic benefits that labour leaders could deliver. This was an important part but much more significant was the fact that these leaderships were identified with the party that legitimized the working class as a political actor.

Corporatism and the politics of inclusion and exclusion

The deep transformation in the relationship between state and labour in Mexico and Argentina was the main legacy and one of the fundamental aspects of their classical period of populism. As we will see, though, corporatism was compatible with a variety of political regimes and to explain why this was the case we need to look not only at the capacity of the state to exercise control over the organizations of the working class, but also at the capabilities developed by the leadership of these organizations to maintain their position vis-a-vis both the state and their rank-and-file. In other words, corporatism introduced key changes in the relationship between

state and labour but it also altered in a fundamental way the dynamics between the union leadership and its grassroots. As intermediaries between state and working class, union leaders' power was based on their ability to extract from the state the political and economic resources required to sustain their position. This involved, at a minimum, obtaining some tangible benefits for their membership and for guaranteeing the institutional strength of unions. In return labour leaders were valuable allies in organizing support for state policies or limiting the scope of conflict. But the relationship between the labour movement in our cases and the party that had transformed their role in politics involved an equally powerful ideological component. The exchange between labour leadership and the party or state was important because through it both actors strengthened their claim to legitimacy. Corporatism thus sanctioned the position of a labour leadership that became not only dependent on the state for its own legitimacy, but one that the state had a major stake in preserving.

The point worth underlining is that the state developed this relationship with the labour bureaucracy not only under the classical periods of populism --in our cases Cárdenas and Perón--, but that actually different kinds of regimes shared this trend. Because of their contrasting political trajectories, though, the interaction between the labour movement and the state acquired particular characteristics in Mexico and Argentina. In the case of the former, the party, renamed PRI (Institutional Revolutionary Party) in 1946, has remained in power uninterruptedly since its inception. This reality, that of being institutionally connected to a party that has never conceded political defeat, has defined the scope and direction of the official labour movement's strategy.

However, for the labour leadership in Mexico the issue of its own power was not resolved exclusively through its relationship with the state. It also involved being able to represent

effectively, within the space allowed in its own understanding of class conciliation, the interests of the sectors it claimed to represent. While corporatism as it developed in Mexico reduced the scope for open conflict with the state, it did not eliminate it. The tension between labour unions' role as representative of labour and as a constituent force in the party in power was more acute in moments when grassroots discontent was higher, particularly when viable organizational options existed to channel this discontent. In these situations, the official labour movement did not oppose repression against alternative leaderships --and in some cases openly supported it-- but it also pushed for concessions from the state in order to address some of the demands raised by workers. The response of the state to labour's demands, though, was far from homogeneous among post-Cárdenas administrations. As the populist discourse of Cárdenas faded in the context of a much more conservative PRI, the official labour movement itself underwent further changes, becoming much more sectarian and autocratic.

Finally, the viability and longevity of corporatism in Mexico cannot be readily explained in terms of the material resources that a state with tight control over the economy had at its disposal to exchange for political support. This, of course, is not to deny that official unions were able to secure important gains in some sectors, particularly after the mid-1950s. In the case of wages, for instance, their uninterrupted decline through the 1940s was partially checked during the following decade but it was not until the early 1960s that they regained the 1940 level. Wages continued to increase during the 1970s although they already started their decline by the end of that decade, a presage of what was to come in the 1980s.²³ When viewed from this perspective, though, significant income improvements for unionized workers might have been a reality only for a relatively short period of time. Government social spending in the areas of housing, health care,

and education also came to contribute to the improvement of living standards of unionized workers. But while these were important achievement for the official labour movement, one must also remember that regardless of their significance, they were insufficient to alter the exclusionary pattern of economic development followed by Mexico. Thus, measures of inequality remained at practically a similar level between 1950 and 1977, that is, during the period of most rapid economic growth.²⁴ In short, the strength of corporatism in Mexico coupled with the very poor record in resolving some of the most pressing problems connected to social inequality, seem to indicate that a narrow focus on the existence of material rewards might distort its essence.

In Argentina, the downfall of Perón in 1955 created drastically different conditions for the labour movement but while the new dictatorship had sought to neutralize unions' powers and capabilities, its offensive produced paradoxical results. In particular, the banning of labour leaders connected to Perón's rule in early 1956, provided the space for the consolidation of a younger leadership capable of high levels of militancy and of autonomy from Perón, although they did not resign to a political identification with his movement.²⁵

Equally important, the proscription of the Peronist party could not do away with the persistent identification of a large number of voters with this political force. Thus, as elections were called for 1958, the direction that these votes could take became an issue of negotiation. Because the union leadership was the sector within Peronism that had remained organizationally most significant, union leaders acquired a very important role as mediators between political parties and Peronist votes. Their position as intermediaries in this relationship implied also a recognition of unions' position and particular interests as corporatist actors.²⁶ The period initiated after 1955 was to prove then that, far from reducing its capacity for mobilization or autonomous

action, corporatism has given labour organizations a political coherence and a degree of organization that allowed them to become very powerful and effective political actors.²⁷

Between 1955 and 1976 the key political feature of the country was the inability of both military and civilian governments to gain the political capital required to overcome on a more permanent basis the repeated political and economic crisis that afflicted the country with increasing violence over this period. Although the direction of industrialization and the scope of the state's involvement in the economy became central issues in the conflict, the core of the development program articulated around import substitution industrialization, as in Mexico, was never questioned.

The call to return labour relations to the position where they were before the advent of Peronism became a very explicit demand on the part of employers. However, even under military regimes with a clear anti-labour discourse this view never translated into a concrete alternative to eradicate the power of unions, or more precisely, the capabilities of unions' bureaucracies. On the contrary, confronted with their power, but also with their capacity to exercise an important degree of control over the rank-and-file, even post-populist regimes supported the expansion of unions' organizational and financial capabilities. Labour's corporatist power was cemented with the endorsement of the legislation that formed its core: compulsory affiliation, the principle of a single union per trade and the monopoly of representation for the CGT. Since 1969, that is during a military regime characterized by its 'exclusionary' labour policies, the position of unions was further consolidated through the institutionalization of their power to control and administer health care services (*obras sociales*) for their members.²⁸

But just as all governments during this period appeared ready to negotiate with the

powerful Peronist labour movement in a way that involved protecting the basis of its corporatist strength, unions were equally open to negotiations with all of them. In fact this predisposition was the cause of repeated fracturing within the CGT, but divisions within the confederation were also a reflection of the increasingly heterogeneous nature of Peronism. The ever more violent nature of social conflict in Argentina was expressed with particular intensity within the Peronist party itself. Moreover, the return of Peronism to power in 1973 opened the door for the use of the state itself as an instrument of repression at the reach of some sections within the party. The more orthodox factions within the CGT, that also had an important weight within the Peronist party, unified against the threat posed by more radical and oppositional sectors within labour and used all the resources at hand in order to eliminate them. Unions' violent response to opposition was the expression of a long process, only interrupted during a few years after the downfall of Perón in 1955, through which undemocratic, bureaucratic, and openly coercive methods became ever more entrenched within unions.²⁹

The consideration of Argentina and Mexico shows then that the corporatist power of unions survived under very different political regimes, including those who professed an openly anti-labour stance. A common denominator of all these regimes, though, was the acceptance of very similar economic policies that stressed industrialization, the centrality of the domestic market, and a prominent role for the state in the regulation of the economy. Hector Schamis (1991), in his study on the specificity of Southern Cone military regimes in the 1970s, points correctly to the preservation of corporatist mechanisms of control in Argentina and other Southern Cone countries throughout the period in which industrialization remained the central axis of the development strategy of the region, up to and including the bureaucratic authoritarian

regimes in Argentina and Brazil in the 1960s.³⁰ This happened, according to the author, irrespective of the kind of political regime in place because ‘corporatist encapsulation’ retained, though with considerable scope of variation in substance and form, its viability as a mechanism of labour control.

While the case of Mexico was characterized by regime stability, there was a considerable degree of variation in the porosity of different administrations to labour. That is, although some labour confederations, particularly the CTM, belonged directly to the party’s structure, they did not always encounter the same kind of responsiveness to their demands. Nonetheless, the institutional links between the party and state and the official labour movement were never severed and even when the distance between the two sometimes reached critical levels, fears of challenges to the regime were usually sufficient to refurbish the relationship.

Although the experience in terms of political stability in Mexico and Argentina could not be more contrasting, both countries shared a very similar pattern of economic growth until the mid-1970s.³¹ It was at this time, more precisely in March 1976, that a new military regime took power in Argentina putting into motion an economic program based on trade liberalization, deregulation, and privatization. The violent social confrontations that have permeated the Peronist administration between 1973-1976 were only the preamble to the most brutal period of repression Argentina had known. Labour figured prominently among the targets of military repression and although the CGT’s hegemonic right wing sectors had proven instrumental in confronting radical organizations within labour, they themselves were excluded from any participation in the regime. Some of the CGT’s most prominent and conservative leaders faced jail, the confederation itself was banned, and unions’ social welfare programmes transferred to the state.³²

The coincidence between the implementation of market-oriented policies and the curtailment of traditional channels of corporatist representation during the military dictatorship can be taken to indicate an unresolvable tension between an approach that involves state withdrawal from its developmental role and the viability of corporatism. Yet, the case of Argentina and Mexico in the 1980s and 1990s, and particularly the debate over labour legislation reform in the two countries, point in the direction of a much more nuanced relationship between the two. I do not mean to suggest that there are no limits to the viability of corporatism or that neoliberal reforms have not created serious tension in the relationship between state and the traditional labour leadership and between them and their rank-and-file. These exist and are critical and probably even insurmountable. But corporatism has survived the transition long enough to merit some careful reconsideration.

The limits to labour reform in Mexico

With the debt crisis in 1982 Mexico was to undergo a process of change that was radical by most accounts. In economic terms, the transformation has been profound, following much more clearly since the mid-1980s the pattern that was to become widespread in the region as a whole: trade liberalization, privatization, and economic deregulation. The cost of the economic reforms fell disproportionately on Mexican workers, due to both the critical decline in real wages and the reduction of state subsidies to basic goods and services.³³ But shrinking real incomes measure only part of the problems faced by the working class. Equally negative was the growth of unemployment and the increasingly precarious conditions faced by those who can find work.

To understand why this was the case we need to consider not only the economic scenario

faced by workers' organizations --certainly not conducive to the presentation of an effective opposition--, but also the much more hostile political environment encountered by even the official labour unions. The tension has been uneven as political necessities have modified the distance that the state was willing to and capable of sustaining with the official labour leadership. Nonetheless, from the anti-populist discourse of de la Madrid, to the questioning of the position of labour within the PRI, the attempt to displace the traditional corporatist allies within the labour movement under Salinas, and the unambiguously more open attitude of Zedillo to the option of labour legislation reform, the main labour organizations have confronted a mounting number of limitations to their powers.

Then when considered from the perspective of its capacity to secure the state's protection of salaries, the resources for patronage, and political recognition, the official labour movement has suffered a major setback. However, after more than 15 years of losses key organizations within the official labour movement, most particularly the CTM, continued to retain their formal position in the country's political hierarchy. There have been difficult moments --for instance Salinas' much more decisive attack on dissenting union leaders--, and important labour conflicts that have escaped the CTM's control, but overall the PRI has maintained its close relationship with organized labour.

The endurance of the bonds that tie together party and official labour movement is a complex phenomenon that involved political, ideological, and institutional aspects difficult in practice to disentangle. Nonetheless, they have all worked to provide the adequate medium for the preservation of union leadership's privileged position to control labour disputes, harsh economic and political changes notwithstanding. A good way to illustrate this key point is to consider the

debate over changes to the existing labour legislation because it demonstrates the strength and depth of the forces that sustain corporatism in Mexico.

As part of the changes that the private sector considered necessary for the modernization of Mexico, reforms to labour legislation figured prominently. The kind of reform sought was clearly aimed at reducing labour costs and, even more importantly, increasing the flexibility of the labour force. As restructuring in Mexico continued to generate only partial and temporary relief to major economic problems, the private sector stepped up its demands for a major overhaul of the system of labour regulation upon which the corporatist power of the official labour movement rests. As we have seen though, besides the demands for a formal abandonment of labour legislation, the economic crisis imposed a new discipline on the working class for which neither the official labour leadership, nor the existing labour legislation was a match.³⁴

In 1989 Coparmex (Mexican Employers' Confederation) formulated a new proposal to formalize and legalize the transition to a new labour order that would more faithfully reflect the labour practices already in place.³⁵ Nonetheless, the proposal put forth by employers reflected also their ambivalence regarding the 'leap in the dark' implied in undermining the role played by the state in the regulation of labour conflicts. Moreover, the PRI's legitimacy crisis so blatantly revealed in the events surrounding the 1988 presidential election gave the private sector a very good reason to delay pushing for reforms that, in weakening the tutelary role of the state and the official union movement in labour matters, could strengthen political and organizational alternatives independent from it.

Although the order of the day for Salinas (1988-1994) was to reconstitute political support for his administration, he did not shy away from some major confrontations with the

official labour movement, including open support for the private sector's call for reforms to labour legislation. His offensive involved proposals for changes that were at the heart of organized labour's sources of power. That was the case, for instance, with the attempt to reorganize the PRI in order to eliminate collective membership, official labour's most direct avenue to political power. Salinas also sought new relationships with unions that resembled more closely what he considered to be a new 'modernizing unionism', most notably FESEBES (*Federación de Sindicatos de Bienes y Servicios*).³⁶

Nevertheless, Salinas encountered weighty reasons to postpone a final conflict with official unions, and particularly with the CTM. One was the negotiation of NAFTA (North American Free Trade Agreement), where the CTM proved to be a valuable ally.³⁷ More significant than the domestic implications of labour's support for NAFTA was the potential impact of such support in the US. But for this to be of political weight, the government needed to show that it was not part of its strategy to further curtail workers' rights in order to increase Mexico competitiveness. Thus, all debate regarding changes to labor legislation was muted during the negotiation of the trade deal and therefore the corporatist position of the CTM was preserved once more. The close relationship between the state and the official labour movement has also been essential in increasing the effectiveness of the several social pacts that since 1987 have restrained the growth of wages. Changes in the labour legislation with the potential of undermining the power of the official leadership by restricting the legal instruments at their disposal to contain opposition from their rank-and-file could in fact jeopardize the existence of these social pacts. The elections in 1994 created at this time yet another incentive to avoid undermining the position of the PRI's traditional allies in the labour movement.³⁸ In this way, the essence of Salinas' labour policy rested

in his ability to transform collective agreements into the vehicles for the introduction of key changes in labour relations.³⁹

Employers' demands for changes to labour legislation and the state's echoing support for such a change have continued to be central elements in the political arena. There was a new proposal presented by key employers' associations in 1994 that included this time demands for the depoliticization of unions and the elimination of exclusion clauses. Early in his administration President Zedillo (1994-2000) gave indications about his commitment to change labour legislation as an attempt to improve employment levels in Mexico.

In August 1996 the CTM negotiated an alternative deal with the private sector that counted, of course, on the PRI's blessings. Under the name 'New Labour Culture', the new agreement consisted of a ratification of labour practices that have been the norm under neoliberalism. The commitment of the CTM to respect the discipline that the private sector considers fundamental to protect competitiveness was rewarded with the agreement not to raise the issue of changes to the federal labour law until both parties could agree on the terms. The time for the development of such a consensus seemed to have arrived by mid-1998. At this time the CTM confronted quite a different scenario. First, the Congressional elections of 1997 marked a break with the PRI's uninterrupted control of the legislative body as the two main opposition parties, the conservative PAN (National Action Party) and the more progressive PRD (Party of the Democratic Revolution), together managed to obtain a majority. These parties repeatedly raised the issue of labour reform and pushed in 1998 for a formal discussion in Congress. Second, the death of Fidel Velázquez --the CTM leader for over 50 years and a formidable adversary to any of the proposed changes to the labour legislation-- in June of that year opened the door for a

new leadership much more amenable to reforms. Finally, the CTM faced increasing challenges from important sectors within the union movement, including the formation of a new national labour confederation, the UNT –National Workers Union– in November of 1997. The UNT brought together dissimilar forces within labour, ranging from organizations close to the PRI but opposed to the corporatist prerogatives of the CTM, to the FAT, an organization with a long history within the independent labour movement in Mexico.

These three variables explain the different attitude of the CTM toward the negotiation of new labour legislation. The terms for its conceivable acceptance are not difficult to understand: it would agree to some of the changes demanded by the organizations of the private sector in return for the protection of its corporatist privileges. What is probably surprising is that notwithstanding a changing political environment that made reform much more viable, once again the rather agitated debate in 1998 led nowhere. Thus, labour legislation continues to stand in Mexico as one of the very few areas untouched by the neoliberal reformist thrust.

This is no small feat considering the weakened position of official labour and the power of the private sector in the determination of public policy in Mexico. Wherein lies the secret of the success? Part of the answer might be that this has been a rather empty victory. Labour legislation that could have undermined the power of the CTM has not been changed simply because the confederation has proven to be essential in increasing the viability of an economic policy course, including the ‘maquiladorization’ of the country’s industrial structure, that has been sustained on the backs of the poor. In short, the existence of laws protecting key labour rights has not been an obstacle for their infringement, and in this the complicity of official unions has been indispensable.⁴⁰

Whereas there have been points of real tension between the state and the official labour movement, corporatism in Mexico has outlasted more than 15 years of economic liberalization. Be it the official union leadership's concurrence with the premise that there is very little choice regarding the direction of reform, or a perception of its own limited potential as an independent political actor, the fact is that it has continued to be instrumental in reducing the danger of social upheaval. Consequently, the ruling party has considered it unnecessary to undermine the formal position of these union leaders and thus labour legislation, the basis of official labour's power over its rank-and-file and dependence on the state, has not been changed.

Democratization, structural reforms and labour in Argentina

The return of democracy in Argentina presented the Peronist labour movement with some critical challenges. The economic crisis was not only serious but it was also combined with a major structural transformation --concretely deindustrialization, and with it unemployment and growing heterogeneity in labour markets--, that altered the context in which the labour movement has traditionally framed its struggles. But much more imperiling for organized labour was the fact that the Justicialista Party (PJ) was unable to win the elections that returned Argentina to democracy in 1983. This was a major historical defeat for the party but it was even more critical for the CGT since Peronist labour leaders had been central figures in the reorganization of the party.

To add to the tribulations of the CGT's leadership, President Alfonsín (1983-1989), moved quickly and boldly in an area particularly sensitive to unions: his first act of government was to send to Congress a draft bill delineating a proposal for the restructuring of unions (*Ley de*

Reordenamiento Sindical). Some of the main objectives of the proposed reform included the promotion of more democratic elections at all levels of unions' structures, guarantees for minority representation in the leadership, and a ban on political activities by unions.⁴¹

The CGT recovered quite quickly from the internal divisions inherited from the period of military dictatorship in order to present a unified opposition to the policies of the new democratic government.⁴² Moreover, with the defeat of the bill in the Senate, where the Radical party did not have a majority, the CGT was again in a strong position to force its terms on the negotiations that the government could not avoid.⁴³ Having regained the upper hand in the situation, the union bureaucracy was also able to re-establish its control over the administration of the health and welfare services (*obras sociales*) that provide one of the central pillars in the financial power of unions in Argentina.

The struggle against the government's attempt to restructure labour unions was eventually successful, but it meant very little in terms of protecting labour's key economic interests, fundamentally the level of real wages and employment. Nonetheless, the final legislation adopted in 1988 reflected the important political influence still in the hands of the labour movement. Moreover, the elections undertaken since 1984 to reconstitute the normal functioning of labour unions showed that Peronism continued to be their hegemonic force.⁴⁴ However, this only partially solved the political dilemma faced by the Peronist labour leadership. Peronism itself was undergoing a critical transformation with particular implications for organized labour.

Discredited by its part in the 1983 electoral defeat, the labour leadership's political clout in the party was further reduced by the growing influence of a more 'political' faction, known as the Renewal current, that was the party's hegemonic force by the mid-1980s. In fact, the successful

bid of the Renewal faction to introduce some fundamental changes in the party --particularly that of democratizing its internal structures-- had as one of its main implications the displacement of the traditional union leadership from the influential positions it had historically occupied.⁴⁵

The impasse between the 'trade unionist' and 'political' currents within Peronism was resolved by yet a new turn in the internal party contest. It was Carlos Menem who would effectively bring the party together behind his candidacy, giving new life to the populist elements that had formed the core of Peronism's political appeal. While this facilitated Menem's ability to attract labour to his side, it did not automatically eliminate all obstacles.

Menem's victory in May 1989 initiated a process of rapid and thorough change in Argentina, that took most observers by surprise. The dramatic collapse of Alfonsín's last stabilization program, the profound economic crisis it unleashed, and also the growing consensus about the supposedly inescapable steps required to reverse the long cycle of economic decline, established the context for Menem's reform program. While the whole package of reform introduced by the new Peronist administration rested on potentially very risky measures, the deregulation of labour markets was without question the most daring.

The reforms proposed by Menem in the area of labour were aimed at achieving the deregulation that according to the private sector was necessary to modernize labour relations in the country. But equally important, a central thrust in the labour laws introduced by Menem from early on in his mandate was to undermine the power of unions, in the understanding that this was an essential first step in order to move swiftly in other areas of economic reform. By 1996 Menem had successfully introduced a number of laws and executive decrees that changed in a radical fashion the universe of social and labour rights that existed in the country. Thus, the right to strike

was curtailed (Decree 2184), salaries in the public sector reduced (Decree 435 and 612), a number of precarious forms of employment legalized (Laws 24,013 and 24,467), salary increases negotiated according to increments in productivity (Decree 470), and the liabilities for work-related accidents restricted (Law 24,028).

Menem's strategy toward the labour movement was successful in the sense that the CGT was incapable of generating an effective response or counter-offensive to his policies. Moreover, the disagreement over the appropriate response to the economic program of the Justicialista party was substantial enough to prompt a split in the CGT, the first time that the confederation actually divided under a Peronist administration. When the confederation reunited in 1992 important sectors remained outside, constituting themselves in an alternative confederation, the CTA (Congress of Argentinean Workers). This organization was officially recognized by the Peronist government in 1997, breaking the monopoly of representation that the CGT had enjoyed until then. In 1994 another important faction emerged within the CGT, the MTA (Movement of Argentinean Workers) that while remaining within the main confederation kept a dissident position.

The splits within the Peronist labour movement were indicative of the deep crisis that the course followed by the PJ produced among the leadership. The inability of the labour movement to propose an alternative to the economic policies pursued by the government without doubt facilitated their political displacement as key actors. But the problem was also related to the rather strong appeal that until at least 1997 Menem was able to generate for himself, including his re-election as president in 1995. Thus, while a number of legislative measures undermined important rights and privileges for workers, Menem's popularity remained quite high, both within the party

and in society at large.

Nonetheless, Menem did not always obtain exactly what he sought. On several occasions the party's majority in the Congress was not sufficient to guarantee the approval of legislation; on others, the government was open to negotiations with the CGT in order to smooth particularly thorny points.⁴⁶ Overall, though, the CGT did not become an obstacle in the implementation of those measures that the government considered fundamental in order to reduce labour costs, although it did call for several general strikes since 1996. For its part, the government did not push for reforms that were not essential in order to achieve its objectives. Regardless of his assault on labour rights and his not always cordial relationship with the CGT, Menem invested considerable political effort in avoiding a final breakdown in the relationship between government and the labour sector within the party. This, certainly, included maintaining some of the corporatist prerogatives so central for the labour leadership. Equally important, the debate over labour reform was tarnished by the more than obvious failure of labour flexibilization to increase the pace of employment creation as the official version had persistently claimed.⁴⁷

Pragmatic political calculations also played an important part. The negative outcome of the Congressional elections in October 1997 and the specter of electoral defeat in the presidential elections in October 1999 raised by it, prompted some discernible attempts to reduce the conflict with the CGT. This seems to have been the principle ruling the approach that the government followed in the negotiation of a new set of labour laws passed by Congress in September 1998. The drafting of the bill was the result of extensive consultations with the CGT and its final approval created no small friction with the powerful UIA (Industrial Union of Argentina), who expected to see further reductions in severance payments, and the promotion of collective

agreements at the plant level. On the contrary, the CGT was able to extract from the government the commitment to safeguard some pillars of union power, particularly the reaffirmation of industry-wide collective agreements and the protection of union's health care programs from private competition.⁴⁸ Support from the CGT was counterposed by the negative reaction of the opposition forces within labour, particularly the CTA and the MTA, who pointed at the new burdens imposed on the working class by the legalization of precarious employment.⁴⁹

Continuing to mend fences with the labour sector was a key task during the last year of Menem's presidency. However, there were several other problems that worked to undermine the prospect of a new Peronist victory in the presidential elections. As it happened in the congressional elections of 1997, the two major opposition parties --the Radical Party and the FREPASO-- run again together under the Alliance ticket. Moreover, the PJ suffered from the negative implications of the very public conflict between the presidential candidate --Eduardo Duhalde-- and Menem. The victory of Fernando De la Rúa for the Alliance in October 1999 was then in many ways an outcome not too difficult to predict, regardless of the economic achievement that Menem claimed for his administration.

The Peronist defeat could have hardly taken the labour leadership by surprise. In fact, during the last years under the Menem administration, the CGT confronted a mounting rebellion from within its own ranks. At the core of the conflict was the re-definition of the role than the CGT should play within the party and, of course, of the possible terms for both negotiation and conflict with a non-Peronist government. This particular issue became in fact the source of a new split within the CGT as President De la Rúa pushed firmly for a new Labour Law. As has been common when in opposition, the CGT divided along the lines of a faction open to negotiation

with the government while other sectors preferred to present a more confrontational position. Once again, also, even when divided the CGT can become a major adversary for the government. Its capacity to mobilize opposition to the proposed new labor legislation and to paralyze the country through a general strike are reminders to the new government that labour continues to be a political actor capable of a much more combative and autonomous stance.

Conclusion

It is clear that the undermining of formal labour rights has reached much higher levels in Argentina, although not even in this case have central tenets of the corporatist power of unions been totally obliterated. The case of the Argentinean labour movement might in fact present a paradox when compared to Mexico because it is possible to explain the most decisive offensive against it by taking into account its history as a confrontational and strong force with a not negligible capability for autonomous action. Thus, the relationship of Menem and the Peronist labour movement was characterized by a two-front approach. On the one hand the government used all its power to fracture the unity of the movement and to increase the structural diversity that might reduce its capacity to generate unified sectoral responses. On the other hand, it was ready to reconsider those changes that --not bearing any direct benefit for the economic programme-- could do away with the corporatist power left in the unions.

In short, as in the case of Mexico, the political and economic uncertainties of the process were too great for Menem to risk the support of labour for his government beyond what was strictly necessary. As the presidential elections approached, there were new incentives for the Peronist administration to repair some of the bridges with its historical labour allies. A similar

pattern has also been manifested in Mexico where in July 2000 the ruling PRI faces a very real danger of losing the presidential elections for the first time. Although the sectors mobilized by organized labour might have become less important electorally during the 1990s,⁵⁰ stiff competition will increase the value of their political support.

In Mexico the government has been more hesitant to formally eliminate basic labour rights since they are more visibly the basis for its control over labour. Moreover, to the extent that labour continues to be a participant in the negotiation of various social pacts, there have been strong incentives to preserve its corporatist structure. Regardless of the rhetoric favouring democratization at all levels of society, including labour, it would be much more difficult to negotiate agreements with labour unions truly responsive to their rank-and-file. In the last instance, in the two countries the power of official unions has also been instrumental in suffocating the emergence of more democratic and representative forms of unionism that could really pose a threat to economic restructuring. Nonetheless, alternative working class organizations have grown in strength during this period and thus both the CGT and the CTM have faced significant challenges. The prospect of an electoral defeat for the PRI in Mexico raises the fundamental question regarding the role that a CTM in the opposition could play and, more fundamentally, the real value of the political capital it has accumulated over the last 60 years.

To conclude, corporatism has continued to present an effective way of controlling and directing working class demands through a critical period of adjustment and restructuring in Argentina and Mexico. However, the new conditions faced by union leaderships during this process have increased the space for conflict with their own rank-and-file. In this sense neoliberalism has made more difficult the functioning of some aspects of corporatism that might

very well result in the collapse of undemocratic organizational practices within the labour movement. In turn, this might allow for the emergence of more responsive and representative forms of unionism. The growth of alternative labour organizations in Mexico and Argentina over the last few years might be a case in point. However, a new democratic labour movement is far from being the only viable alternative. To the extent that social inequality and marginalization continue to be the consequence of neoliberal growth, authoritarianism and coercion might in fact exhibit a greater affinity with it.

Notes

1. The author gratefully acknowledges that financial support for part of this research was received from a grant partly funded by WLU Operating funds, and partly by the SSHRC General Research Grant awarded to WLU.
2. Stephan Haggard and Robert R. Kaufman, *The politics of Economic Adjustment* (Princeton: Princeton University Press, 1992); Mario Navarro, "Democracia y reformas estructurales: explicaciones de la tolerancia popular al ajuste económico," *Desarrollo Económico* 35, No. 139 (Oct-Dec 1995).
3. See for instance Guillermo O'Donnell "Delegative Democracy," *Journal of Democracy* , No. 1 (1994), 55-69.
4. P C Schmitter, "Still the Century of Corporatism?" in F B Pike and T Stritch, eds., *The New Corporatism. Social-Political Structures in the Iberian World* (Notre Dame: University of Notre Dame Press, 1974), 93-94.
5. Ibid., 104.

6. David Collier and Ruth Berins Collier, "Who Does What, to Whom, and How: Toward a Comparative Analysis of Latin America Corporatism", in J Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977), 493.
7. David Collier, "Trajectory of a Concept: 'Corporatism' in the Study of Latin American Politics", in P Smith, ed., *Latin America in Comparative Perspective: New Approaches to Methods and Analysis* (Boulder: Westview Press, 1996), 142.
8. Philippe C. Schmitter, "Reflections on Where the Theory of Neo-Corporatism has Gone and Where the Praxis of neo-Corporatism May Be Going," in Gerhard Lehbruch and Philippe C. Schmitter, eds., *Patterns of Corporatist Policy-Making* (Beverly Hills: Sage Publications, 1982), 262-3.
9. Regarding some of the problems in the use of corporatism as an analytical category see Kevin Middlebrook, *The Paradox of Revolution. Labour, the State and Authoritarianism in Mexico* (Baltimore: Johns Hopkins UP, 1995), 341-42, fn82.
10. Collier, "The trajectory of a concept," 138.
11. Schmitter, "Reflections on Where the Theory of Neo-Corporatism," 265-66.
12. See Alfred Stepan *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton UP, 1978), 73-8; and Guillermo O'Donnell "Corporatism and the Question of the State," in James Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1978), fn 40.
13. On the issue of corporatism as a system of political domination see Enrique de la Garza Toledo, *Reestructuración productiva y respuesta sindical en México* (Mexico: UNAM, 1993), 14.
14. By 'official labour movement' I will refer more precisely to those labour organizations -- confederations, federations and unions-- that formed the workers' sector within the party. They

are organized since 1966 within the Labour Congress (CT).

15. This has reached its most extreme manifestation during the process of neoliberal restructuring, to the point of undermining labour leadership's claims to representation and thus facilitating their own fragmentation (Philip Oxfhorn, "Is the Century of Corporatism Over? Neoliberalism and the Rise of Neopluralism," in Philip D. Oxfhorn and Graciela Ducatzenzeiler, eds., *What Kind of Democracy? What Kind of Market?* (University Park: Pennsylvania State University Press, 1998).

16. It must be noted though that corporatism in Mexico acquired the conservative characteristics associated with it today only by the end of the 1940s.

17. Middlebrook, *The Paradox of Revolution*, 96.

18. Viviana Patroni, "The Politics of Labour Legislation Reform in Mexico." *Capital and Class* 65 (1998), 107-132.

19. Ruth Berins Collier and David Collier, *Shaping the Political Arena. Critical Junctures, the Labour Movement, and Regime Dynamics in Latin America* (Princeton: Princeton University Press, 1991), 232, 242-245.

20. M. Victoria Murillo "Los sindicatos frente a la reforma del Estado en Argentina y Mexico," *Sociedad* 8, (1996), 150.

21. Louise Doyon, "El crecimiento sindical bajo el peronismo." Pp.169-81 in Juan Carlos Torre, ed., *La formación del sindicalismo peronista* (Buenos Aires: Legasa, 1988), 177-78.

22. Juan Carlos Torre, *La vieja guardia sindical y Perón. Sobre los orígenes del peronismo* (Buenos Aires: Editorial Sudamericana, 1990), 250.

23. Measures of the average real legal minimum wage in Mexico City show that if we take 1978 as the base year, wages in 1940-41 were 46.8, fell to 28.2 in 1950-1951, started a slow recovery since then but only surpassed the 1940-41 level in 1962-63 when they reached 52.6. From that

time wages exhibited a clear upward tendency, accelerating their growth during the 1970s (Peter Gregory, *The Myth of Market Failure. Employment and the Labour Market in Mexico* [Baltimore and London: Johns Hopkins University Press, 1986], 220).

24. Nora Lustig, “La desigual distribución del ingreso y de la riqueza” in Rolando Cordera and Carlos Tello, eds., *La desigualdad en Mexico* (Mexico: Siglo Veintiuno, 1984), 282.

25. Héctor G. Cordone, “El sindicalismo bajo la hegemonía peronista: emergencia, consolidación y evolución histórica” in Omar Moreno, ed., *Desafíos para el sindicalismo en la Argentina* (Buenos Aires: Fundación Friedrich Ebert, 1993), 56.

26. Marcelo Cavarozzi, *Sindicatos y política en Argentina* (Buenos Aires: CEDES, 1984), 72-73.

27. Ricardo Gaudio and Andrés Thompson, *Sindicalismo peronista/gobierno radical. Los años de Alfonsín* (Buenos Aires: Fundación Friedrich Ebert, 1990).

28. Omar Moreno, “La última oportunidad del sindicalismo argentino,” in Holm-Detlv Köhler and Manfred Wannöffel, eds., *Modelo Neoliberal y Sindicatos en América Latina* (México: Fundación Friedrich Ebert, 1993), 53-56.

29. For a insightful comment on the nature of union struggles during this critical period see Daniel James, *Resistance and Integration. Peronism and the Argentine Working Class, 1946-1976* (Cambridge: Cambridge University Press, 1988).

30. Hector E. Schamis “Reconceptualizing Latin American Authoritarianism in the 1970s. From Bureaucratic-Authoritarianism to Neoconservatism,” *Comparative Politics* No. 23 (January 1991), 206.

31. Between 1955 and 1983 there were four military regimes in Argentina (1955-1958, 1962-1964, 1966-1973, and 1976-1983), and none of the civilian regimes succeeded in finishing its constitutional term in office (1958-1962, 1964-1966, and 1973-1976).

32. Yet, and regardless of the harsh authoritarian measures taken against labour and society in general, the option of restructuring the organizations of the working class was not abandoned (Paul W. Drake, *Labour Movements and Dictatorships. The Southern Cone in Comparative Perspective*. [Baltimore and London: Johns Hopkins University Press, 1996], 162-64).

33. As I noted before, real wages started to decline since the end of the 1970s. Minimum real wages fell by more than 60% between 1980 and 1992, and they affected wages in all sectors. Although the decline in wages was different in the various economic sectors (for instance industrial wages fell by 30% for the same period), the downward trend in wages affected most of the working population in Mexico (Francisco Zapata, *El sindicalismo mexicano frente a la reestructuración* [Mexico: El Colegio de Mexico, 1995], 80).

34. See Arturo Alcalde, "Contra el corporativismo, por la libertad sindical," in F Mora and V M Reynoso, eds., *Modernización y legislación laboral en el noroeste de México* (Hermosillo, Mexico: Universidad de Sonora, 1990), 39-53.

35. Graciela Bensusán, "Los sindicatos mexicanos y la legalidad laboral," *Revista Mexicana de Sociología* 56(1) (1994), 58-60.

36. Luis Méndez and José Othón Quiroz, "Respuesta obrera: los sindicatos frente a la reestructuración productiva (1983-1992)," *El Cotidiano*, No. 50, (September-October 1992), 167-68.

37. Graciela Bensusán and Carlos García, *Opiniones sindicales sobre la reforma laboral*. (Mexico: Fundación Friedrich Ebert, 1993), 16-17.

38. Luis Méndez and José Othón Quiroz, "Productividad, respuesta obrera y sucesión presidencial," *El Cotidiano* 58 (October-November 1993):75-77.

39. Arturo Alcalde “La propuesta laboral del PND,” *La Jornada* (Mexico, June 25, 1995).
40. Graciela Bensusán, “Entre la tradición y el cambio: el corporativismo sindical en México,” in Maria Silvia Portella de Castro y Achim Wachendorfer, eds., *Sindicalismo Latinoamericano: entre la renovación y la resignación* (Caracas: Nueva Sociedad, 1995), 77.
41. Paul G. Buchanan, *State, labour, capital: democratizing class relations in the Southern Cone* (Pittsburgh, University of Pittsburgh Press, 1995), 136-37 and Andrés Thompson, “De la primavera populista al invierno conservador. El sindicalismo peronista entre 1973 y 1989,” in Omar Moreno, ed., *Desafíos para el sindicalismo en la Argentina* (Buenos Aires: Fundación Friedrich Ebert, 1993), 87.
42. Julio Godio, *El Movimiento Obrero Argentino, (1955-1990) De la resistencia a la encrucijada menemista* (Buenos Aires: Legasa, 1991), 392-93.
43. Thompson, “De la primavera populista,” 87-88.
44. Julio Godio and Héctor Palomino “El movimiento sindical argentino hoy: historia, organización y nuevo desafíos programáticos,” in Julio Godio et al, eds., *El movimiento sindical argentino (1880-1987)* (Buenos Aires: Puntosur, 1988), 94.
45. Vicente Palermo and Marcos Novaro, *Política y poder en el gobierno de Menem* (Buenos Aires: Norma, 1996), 193-94.
46. See Sebastián Etchemendy, “¿Límites al decisionismo?” (Mimeo, Instituto Gino Germani, Facultad de Ciencias Sociales, Universidad de Buenos Aires, 1994).
47. During a short period during which economic activity accelerated between 1991 and mid-1994, unemployment grew from 6.5% to 12%. In 1995, already into a recession, unemployment reached 18.6% (Mario Damill et al., “De México a México: el desempeño de América Latina en los noventa,” *Desarrollo Económico*, 36 [Summer 1996], 51-85). The growth of unemployment

and the slow generation of employment even during periods of economic growth are closely connected to the exchange regime imposed in Argentina since 1992.

48. *Clarín* (Buenos Aires), April 28, 1998.

49. *Página 12* (Buenos Aires), September 3, 1998.

50. Edward L. Gibson, "The Populist Road to Market Reform. Policy and Electoral Coalitions in Mexico and Argentina," *World Politics*, 49 (April 1997), 339-370.