

# The globalization of capital and its impact on the world of formal and informal work

## Responses from and challenges for Argentine unions<sup>1</sup>

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### Abstract

The Argentine Workers Federation (CTA) came into being in the midst of the establishment of the neoliberal model in Argentina. It is part of the search for alternatives by workers hit hard by the destruction of the country's productive apparatus, the downsizing of the state and its social responsibilities, the annulment of advanced labour laws defending workers rights and the growing layers of the unemployed and socially unprotected. Its lines of operation include the recognition, affiliation and representation of all workers, employed and unemployed; direct affiliation; coordination with other social sectors for re-establishing workers (social) power, the redefinition of production and work as the basis of a nation that they aspire to build. Thus, they propose the recovery of politics and its reformation according to workers' interests. They are proposing political unionism, capable of organizing the dispersed and dismembered diversity of social actors and actively leading the building of the collective actor, the historical subject of change.

### THE IMPACT OF NEOLIBERAL GLOBALIZATION ON THE WORKING CLASS

From the second half of the 1970s, Argentina experienced a process of structural and super-structural *adaptation* to the neoliberal capitalist model. This process was imposed with great violence through military dictatorships, and in particular, through the one led by Videla in March 1976. The blood of thousands of dead people stained red the 'magic' carpet of the *triumph* of capital in the 1980s in Argentina. After the disappearance of the international socialist system, with the opening of the era of the

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globalization of capital's demands, a new stage of the re-colonization of the world clearly began in the 1990s. For that to happen, capital applied itself to reforming the organization and structural functioning of countries in the North and South, in line with the design that corresponded to each. In the Latin American region, this was especially implemented in Argentina, a country where the neoliberal model, not coincidentally, exploded in December 2001 through an unprecedented popular uprising.

The traits characterizing this process of the structural transformation of capital in Argentina may be summed up as: deindustrialization; stagnation; concentration of production and centralization of capital, and a resizing and redefinition of the industrial profile; reforms in the content and functions of the state and growing restrictions on its social responsibilities. Since the mid-1970s, manufacturing has had an increasingly smaller participation in the overall GDP of the country. In 1975, the industry represented approximately 30% of the total GDP. By the late 90s, that percentage was about 16%. As Basualdo and Lozano affirm:

“The decrease in the relative influence of industry on global production and employment, as well as the accompanying expansion of services, is seen by some authors as an indicator of increased degree of modernization and/or development of an economy. Regarding such affirmations, it is asserted that “developing countries” should be more focused on the creation and fostering of services than on primary and manufacturing activities. However, from an analysis of what happened in Argentina over the last few decades, important questions emerge regarding the validity of such affirmations, insofar as “deindustrialization” – and its correlate: a greater aggregate gravitation of services – has been much more associated with the dismantling of production and the regressive restructuring of the sector that took place, and associated with that, with a bigger gap separating the Argentine economy from that of developed

countries (relative stagnation), than with a greater level of development' (Basualdo and Lozano 2002).

In the business sector, small and medium-sized businesses were very much affected by the direction of economic policies, while a markedly small group of oligopolic businesses significantly intensified their participation in and control over various branches of activity (particularly the more dynamic ones of the industrial spectrum). This situation – the way in which 'deindustrialization' impacted on large as well as small- and medium-sized companies and workers – reflected the **subordination of the state apparatus** to the interests of the most concentrated sections of capital. The notable economic expansion registered by leading industries in the last quarter of the century was closely tied to various mechanisms of surplus transfer, with which, adapting state policy to that, it was sought to benefit the following actors: industrial promotion; nationalization of the foreign debt; state purchasing policies; and the application of clearly asymmetrical schemes to open up the economy.

In addition, and according to information issued from the National Economic Censuses carried out in the country over recent decades, it emerges that, between the mid-1970s – that is, before the interruption of the replacement pattern – and the early 90s, the disappearance of more than 15,000 productive units was recorded, with a contraction in the sector's employment of almost 25%.

In the context of the brusque fall of industrial employment, it should be emphasized that in the early 1970s, the manufacturing sector as a whole operated with an employment/production elasticity of 0.65 (or, in other words, for each percentage point of production growth, employment increased by 0.65%), which constitutes an indicator that during the substitution of imports, manufacturing sector growth not only 'swept along' other economic activities in terms of production, it also generated jobs. In

the 1990s, that coefficient was about -3.7; that is, the industry expelled a significant number of jobs.

*Evolution of the GDP, the main indicators of the labour market<sup>(1)</sup>, the population living below the poverty line and in abject poverty, and average wages, 1991-2000*

(baseline index 1991=100 percent)

	<b>GDP</b>	<b>Rate of activity</b>	<b>Employment rate</b>	<b>Unemployment rate</b>	<b>Under-employment rate</b>	<b>Poor population<sup>(2)</sup></b>	<b>Destitute population<sup>(2)</sup></b>	<b>Real average wages</b>
	<b>1991=100</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>1991=100</b>
1991	100.0	39.5	37.1	6.0	7.9	25.2	4.1	100.0
1992	114.6	40.2	37.4	7.0	8.1	18.6	3.3	104.0
1993	115.9	41.0	37.1	9.3	9.3	17.3	4.0	105.0
1994	122.7	40.8	35.8	12.2	10.4	17.6	3.4	103.5
1995	119.2	41.4	34.5	16.6	12.6	23.5	6.0	98.7
1996	125.8	41.9	34.6	17.3	13.6	27.3	7.2	98.0
1997	135.9	42.3	36.5	13.7	13.1	26.2	6.1	97.2
1998	141.2	42.1	36.9	12.4	13.6	25.1	6.1	95.0
1999	137.0	42.7	36.8	13.8	14.3	26.9	7.2	94.5
2000	139.0	42.7	36.5	14.7	14.6	29.5	7.8	92.7

<sup>(1)</sup> Corresponds to the October wave of each year for the total of urban agglomerates revealed by INDEC's Permanent Census of Homes.

<sup>(2)</sup> Information corresponding to the Greater Buenos Aires agglomerate (October wave of each year). For 2000, provisional.

Source: Institute of the CTA and IDEP based on information from the INDEC and FIDE.

## **THE INFORMALIZATION OF WORK IN THE FORMAL AND INFORMAL SECTORS: GROWING DETERIORATION OF WAGES AND LOSS OF EFFECTIVE WORKING-CLASS POWER**

In the 1990s, the Argentine economy's growth was associated with a profound deterioration of the job market. In a context in which the global GDP expanded by an average annual rate of 4%, significant increases were registered in the unemployment and underemployment rates (about 11% and almost 8% in the cumulative year, respectively). As a result of such performance patterns, by the end of the period under discussion, almost 30% of the economically active population was experiencing serious problems with employment, when at the start of the same period it was less than 14%. As Basualdo and Lozano explain, in this period two clearly differentiated stages may be recognized: Between 1991 and 1994, the domestic economy grew by almost 23%, while the unemployment rate doubled and the underemployment rate grew by a bit more than 30%. Based on the crisis stemming from the so-called 'Tequila effect,' a new stage opened, characterized by the following dynamic: when the economy grows, unemployment falls (although never to rates below 12%) and underemployment rises, while when domestic activity contracts (as was the case with the recession that began in early 1998), the unemployed population grows significantly, and the underemployed sector maintains its rate of expansion.

Between '70 and '96, the economically active population -- that is, the population able to work -- grew by some 56%, but the number of unemployed grew by practically 470% during these 26 years; that is, very much over the average growth of the economically active population. This shows that the **unemployed population grew** among the entire population of workers.

'(...) the subsistence self-employed, those who try to survive individually with a given activity in the economic process and are not connected with direct

dependence, grew by about 80%. That is, also over the average growth of the economically active population. What is also shown is that the number of family members who work without receiving remuneration -- that is, those who work in a subsistence family unit as a means of support and don't even receive a salary -- grew by 143%, also well beyond the average growth of the economically active population. And it may be noted that the number of wage-earners over those 26 years grew by barely 18%, very much below the average, and moreover, not even reaching 1% annually' (in Rauber 1998: 50-51).

In relative terms, there is a constant decline in the number of formally employed workers. It is important to note that the category *wage-earner* refers to two types: the formal wage-earner and the wage-earner in precarious conditions, the one who has neither welfare nor social coverage, is not registered, and receives a large part of his wages off the books (it is not institutionally registered as pay, it is a sort of *pocket money*). And this is not a detail when considering that during this period, the highest growth in the number of wage-earners was among wage-earners in precarious conditions. The number of formal wage-earners grew much less, amounting to less than 18%. Thus, in the current structure of the working class, analyzed through the abovementioned category, formal wage-earners represent only 40% of the total class and 60% of workers are outside of that category. Taking this into account is very important to understand **the difficulties for the traditional union model in providing a structure for a political/organizational experience for workers overall**, given that their organizing strategy is focused exclusively on formal workers (See: Rauber 1998: 50-51).

*Wages:*

These unprecedented levels of unemployment, as well as the growing precariousness that characterizes a considerable number of new jobs, have a negative repercussion on workers' remuneration. The combination of the growing process of labour deterioration and falling wages produced regressive impacts in terms of distribution. According to figures of the CTA's Studies Institute, in 1975 wages amounted to 43% of total income generated, while currently that figure is no more than 20%.

Considering the 1990s as a whole, it may be confirmed that the population with income under the poverty line grew by 7%, an increase that rises to more than 75% when analyzing the evolution of those whose income did not amount to enough even for covering a minimum basket of survival needs. That process is also reflected in the fact that between 1991 and 1999, participation in total income by the poorest 40% of the country's largest urban agglomerate, Greater Buenos Aires, diminished by 10%, and that in the same period, the income gap between the richest 10% of the country's urban population and the poorest 10% grew by almost 50%. The deterioration of the labour market determined a large decrease in workers' real income, a reality that, in its turn, had a significant impact in terms of distribution (an increase in poverty, a fall in the participation of income by the population's poorest strata, etc.).

As a product of **wage reduction** and **growing distributive regression**, an increasingly greater number of individuals had to enter the labour market, which brought with it an increase in the labour supply (that is, in the rate of activity), leading to higher unemployment and a **deterioration of job conditions** for employed workers.

'Argentina before the mid-1970s was oriented in economic terms basically toward the domestic market. It had an economy with an industrial base, in which wages played a large, significant role within the whole of domestic demand. Wages were a central component in maintaining and expanding domestic

demand, and rationality marked the strategy for agreements between union sectors and certain business sectors. (...) This is what was broken in Argentina beginning in the mid-1970s' (Basualdo and Lozano 2000).

By the late 1990s, average wages in the Argentine economy were almost 10% lower than what existed in the mid 1990s. Naturally, this persistent wage deterioration was closely linked to the prevailing situation in the job market, given that a high level of unemployment, together with growing job precariousness, has an undisputable 'disciplining effect' on employed workers' behaviour.

## **RESPONSES BY UNIONS TO THESE CHALLENGES**

### *The end of traditional (corporate) unionism*

Taking into account the above mentioned, it is clear that during the 1990s, the labour relations model, which was forged between 1950 and 1990, went into a crisis. This model was characterized by a heavy set of labour regulations promoted by the state for centralized negotiations; state protection; top-down negotiations; union cooperation with business but nevertheless under pressure; unions absent from the work place taking only action when obtaining the collective contract, and unions that instead of being class-based belong to the state, providing services to their members. 'Today, the labour relations model tends toward more precarious employment; the decentralization of collective bargaining; flexibility; union decertification and privatization of unions' social projects (...)' (Garza Toledo 2001).

As Garza Toledo notes further,

corporatism was correlative to the social state, although not every social state implied corporatism. To this extent, corporatism came out of the attempt to reconcile economic growth with social peace, specifically labour peace, under the leadership of the state. As a result, labour relations were nationalized; state

vigilance, institutionalization and coercion were placed at the service of labour governability, and relations between the state, unions and workers were greased with macro-, medium- and micro exchange systems. In underdeveloped countries, the exchange systems, in many aspects, had hereditary aspects (Garza Toledo 2001).

It is important to consider in this analysis that before neoliberalism Argentina had low levels of unemployment, poverty and marginalization. It had a high level of wage-earning, and industrial workers were particularly important. This was a workers' movement that was homogeneous and had an important structural presence. The level of organization and ability to influence possessed by workers through the structure of their unions and based on Peronism permitted them to fight for income levels substantially higher than those present in other Latin American countries. As a result, that produced the formation of the type of domestic market in which wage demand played a very important role. Today, the consumption profile indicates that of the total consumed, about 23% belongs to wage-earners; the rest is consumption by high-income or middle-to-high income layers. In that sense, there is a change in the pattern of consumption that is also present in industry. That industrial Argentina, oriented toward the domestic market, where wages were the source of demand, and consequently, their increase benefited certain business layers, was associated with businessmen who accumulated primarily at the level of their sector. This gave way to a type of union model that organized workers by their branch of activity and dealt with the business owners in that sector. That is, it had to do with a collective agreement<sup>3</sup> that was bargained according to branch of activity. Just as the axis of economic accumulation in Argentina was

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<sup>3</sup> In this case, reference is not being made to the formal legal question. It refers to the existence of a dynamic objective of economic functioning that facilitates (politically) the worker-employer agreement by sector of activity, independently of the fact that such agreements may obtain legal recognition under the form of such agreement. Such agreements depend on the prevailing institutional situation.

industrial accumulation, bargaining as a union with the bosses in the framework of the industrial sector was important, because stopping the industrial process meant stopping the accumulation process, and consequently, it implied power for the workers. That is, **the concrete power of the workers movement was based on its ability to throw the accumulation process into crisis.** However, this power was associated with the type of accumulation that was occurring at that time in the industrial sector. Moreover, to the extent that the industrial capital cycle presented points of friction with the big agricultural bourgeoisie, the industrial capital/workers movement alliance could find a concrete space for fulfilment, and unionism became an indispensable partner of the industrial bourgeoisie in its conflicts with agricultural capital. This was something that increased the power of the union movement. That unionism also had economic strength, because the unions financed their activity not only with workers' contributions, but also via the important development their social projects<sup>4</sup> had during a large part of this period. So, single union by branch, collective negotiations and social projects as a framework for financing were the tripod of the structural mode of the previous union model (Rauber 1998: 47-50).

Along with these factors, in the Argentine case it is important to emphasize the majority presence among workers of a strong political identity: Peronism. In reference

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<sup>4</sup> The social projects are directed by the union, but with operations and administration separate from the contributions of union members. They include medical centres, holiday camps, training schools and sports clubs. With the exception of state employees and educators, they were constituted with a percentage of contributions from workers' wages (between 3% and 5%) and employer contributions (between 6% and 10%). In collective agreements, clauses were also included regarding contributions to social projects. For example, a percentage of the first wage raise obtained through bargaining – both for union members and non-members – went to social projects. In addition, seven mixed institutes were created, including banking, insurance, and national education, providing income in addition to the contributions mentioned above. However, the funds allocated to these projects were, generally, ill-used and this often by the union leaders themselves.

Currently, shielding themselves behind these and other deficiencies, the social projects have been modified by decree: Employers' contributions have been reduced by more than 25% with the argument that it is necessary to cut labor costs. This ignores the fact that contributions were made on the understanding that they constitute an indirect wage on the basis of workers' solidarity.

to that, Víctor De Gennaro, general secretary of the CTA, explains: ‘Peronism was the political unity that expressed and contained the working class. Union power was not only the structure, but the key identity: “Peron to power.”’<sup>5</sup> Among the substantive changes regarding workers’ loss of power, the crisis of union representation should also be taken into account. This is because the traditional unions were based on the exclusive representation and organization of formal wage workers, a sector that during the 1990s was hit very hard by neoliberalism. Not only did it stop being a majority, but as a consequence, its defensive condition also intensified, and it stopped being at the centre of social struggles. As Lozano says: ‘(...) **for traditional unionism, the centre of organizing has always been formal wage-earners**; therefore, while this today represents 40% of all workers, it means that most of the working class is outside of the traditional union organizing’ (quoted in Rauber 1998: 51).

Today it is absolutely impossible to rearticulate the political/organizational unity of workers if the idea of traditional organizing is maintained, firstly because of the above mentioned reasons, and moreover because only a minimal part of the formal wage-earning working class are currently union members. Thus, it emerges that maintaining the traditional union idea about membership, organization and representation of workers today not only does not represent workers as a whole, it also contributes to deepening their fragmentation and individualism, serving the needs of the current hegemony of capital. In response to this crisis, corporate unions attempted to rebuild their old and obsolete alliance with the State, now under conditions of neoliberalism. They yielded their structures — concretely, their ability to control wages — so that via the state, the economic and labour policies favourable to neoliberalism could be established. The general result was – together with the important loss of labour

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<sup>5</sup> De Gennaro, Víctor. Comments to this study. Buenos Aires, April 2006.

conquests, wage levels and living conditions – the loss of unions’ prestige among workers. In any case, corporate-business unionism

(...) became an obstacle to market flexibility and the work process (...) because the neoliberal states reduced the space for union intervention in the design of economic, social and labour policies, in the party system, and in the institutions of workers’ social reproduction; because collective contracts and labour laws became less protective of jobs, working conditions and wages; and finally, because the common sense recreated by neoliberalism identified the unions as monopolizers of the job market, protectors of the privileges of a minority of wage workers, the unionized. All of this led to isolation of the unions with respect to the political parties, but above all in relation to the non-unionized majority of the population (Garza Toledo 2001).

The conclusion was that the breakout of neoliberalism signified, as Garza Toledo says,

(...) the decline of old union concepts and projects: for class agents, the collapse of the idea of state socialism; for the corporations, that of the authoritarian social state. (...) Nevertheless, neoliberalism, which has prostrated the unions, has not resolved basic contradictions and has developed others. One of the most important is the tension between the world of politics, with its representations of citizens, and that of work (Garza Toledo 2001).

In many Latin American countries, the unions – essential political actors in the fall of dictatorships and in the first stage of the not-yet neoliberal transition – became protagonists that have been dismantled, discredited and immersed in impotence and/or corruption. But that does not mean that they are going to disappear. From the perspective of workers who aspire to building their own alternative to the crisis and brutality imposed by neoliberalism, the challenge is *to build a new type of unionism*. In

this sense, the first question is: *have options emerged in Latin America that are different from traditional unionism?*

### **The CTA: a new strategy for organizing and representing workers**

In 1991, in the town of Burzaco, right at the height of neoliberalism, what would soon become the Congress of Argentine Workers began to take shape. That was where workers' indignation consolidated in response to the country being sold out with the complicity of traditional corporate unionism, which had become business unionism. Confidence sprouted in the idea that *another country is possible*, if workers, men and women, take into their hands the responsibility of building and developing it according to their interests and aspirations. Resisting the most disgraceful handover of the country to the expansionist, imperialist voracity of capital, in open opposition to corporate business unionism -- accomplice of capital -- that was growing in the sphere of the General Labour Confederation (CGT), a group of unions, among whom the Association of State Employees (Asociación de Trabajadores del Estado, ATE) and the Confederation of Argentine Education Employees (Confederación de Trabajadores de la Educación de la República Argentina, CTERA) stand out for their national weight, decided to build a union organization capable of organizing and representing all workers, employed and unemployed. Hence, the Burzaco developments and then the Congress of Argentine Workers laid the foundations for a new type of unionism, which later would be affirmed and would mature into the constitution of the Argentine Workers Federation (Central de Trabajadores Argentinos, CTA). In addition to reorganizing the employed and unemployed, a basic class alliance, the CTA set out to organize and coordinate with other social and political actors, in order to collectively build the political and social project for a different Argentina. By virtue of that, the CTA decided to design and construct a strategy that would enable it, firstly, to unify the

working class as a whole, the central motor force for any possible alternative to neoliberalism. And together with that, secondly, to organize (and be organized by) all social actors, with a view to forming a social and political force for change, the new collective actor capable of constituting itself as a creative historical subject, and a builder of the transformations necessary to put an end to the hegemony of capital in Argentina, and hence also in the region, the continent and the world. Today, out of a total of 13 million workers in Argentina, ca. 1.3 million are organised by the CTA, while the CGT has about 2.5 million members.

### **Foundational lines of the CTA**

The Argentine Workers Federation charted a line clearly different from traditional unionism:

-It strongly advocates political unionism, presaged in some experiences of the mid-20th century – like, for example, that of the CGT de Los Argentinos<sup>6</sup>. This was a trait characteristic of the new unionism advocated by the CTA: without neglecting struggles of protest and/or for certain sectors, these would have meaning if they were conceived of and developed in coordination with the discussion on the design of the country, and the nation, from the workers' standpoint. In other words, political unionism is here understood as going beyond defending sectoral corporate interests of union members and reaching out to other groups such as the unemployed as well as other social groups as, for example, peasants and intellectuals in order to overcome the social fragmentation of society. The goal is the formation of collective agency, based on conscious and responsible citizens, who want to decide their own future, which is ultimately able to transform society.

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<sup>6</sup> Name taken by a combative section of the CGT which, in 1968, separated from the bureaucratic leadership of the CGT, identified as the CGT Azopardo.

-The second characteristic sums up the vital essence of its existence and strategic projection: saying **no to the blackmail** among workers with jobs and the unemployed, and acknowledging both employed and jobless as workers. ‘We understood at that moment, and today we reaffirm, that it wasn’t enough to have unions, however decent they were in their conduct and however brave they showed themselves to be in defence of their comrades, if they didn’t break with the framework of corporatism by activity or by branch of activity, and if they didn’t set themselves to working together with the unemployed who were beginning to organize themselves.’ [Micheli 2004]

Disorganized and feuding amongst themselves, workers would be certain victims and without an escape from the blackmail of the transnational bosses. It should not be forgotten that neoliberalism has produced -- along with a plurality of collective actors -- intense individualism among employed workers, those who, in keeping with their mercantilist logic, are identified as *winner*s. Thus, for the CTA the rebuilding of workers’ own strength, which is the embryo of the new historical subject in Argentina, implies from the start coordination between employed workers and the unemployed, acknowledging their status as workers.<sup>7</sup> The General Labor Federation (CGT), the union federation that advocates business unionism and also containing sectors attached to traditional unionism, did not acknowledge nor does it acknowledge the unemployed as members of the working class; it did not promote their organization, or support roadblocks when these signified the urgent defence of life. It remained, even in its most

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<sup>7</sup> In a relentless struggle for their survival and their rights to work, health, education, housing and land, the unemployed became recognized social actors. Fighting for a place in society, they took to the streets to demand their rights. In their demonstrations with the greatest social impact, they have assumed ‘piquetes’ – groups of people blocking the roads, streets or bridges – as a form of basic struggle. Hence, they are routinely identified as *piqueteros*. Some *piquetero* sectors joined the CTA through their affiliate organizations; for example, the Federation for Land, Housing and Habitat (FTV), or the Territorial Liberation Movement (MTL). Others identify with and organize through the Class and Combative Current (CCC), or the Movement of Unemployed Workers (MTD), the ‘Teresa Rodríguez’ Movement, and the Territorial Liberation Movement, Barrios Risen Up, and others.

progressive aspects such as the Argentine Workers Movement (MTA), within traditional unionism, focusing on employed workers.

**-Direct membership** establishes this unity among workers in the statutes. It opens up the possibility for all workers, employed and unemployed, to be members of the federation, without necessarily having to belong to one of its unions. And this is a central, strategic proposal. It is the organic seal of the first and most basic of all possible organizations, that which confronts at its roots the structural fracturing of the world of work, and reclaims the unemployed as members of it; that is, of Argentine society. The primary objective is to recover their identity as workers, building their own strength and challenge the power of capital.

-Rejecting the concealment and distortion of the reality of marginalization experienced by the unemployed and their families, the CTA is turning its thought and action toward **work**, identifying it as the central axis of the national situation, and consequently, also its solution. This assumes relationships with capital, with technology, with the markets, and, as part of all this, the relationship between people: between the owners of capital and those who, in order to survive, sell them their labour power. The acknowledgement of the structural transformations of the world of work as a starting point for the transformations of the relationship of power between the main classes of Argentine society and the efforts to build and accumulate their own power for negotiating, challenging and ‘creating a different socio-political project’ by the workers, are constituting and constituent elements of the CTA.

**-Rebuilding the historic popular subject** of change: As Garza Toledo says, the challenge consists in:

‘(...) representing the actors in the plurality of their spaces of action: productive, political/electoral, reproductive, environmental, of gender, ethnicity, etc. The plurality of spaces also implies a plurality of friends and enemies, flexible, possible to reorganize in their alliances and conflicts. This leads to a reconsideration of the concepts of representation, legitimacy and democracy of workers’ organizations that prevailed throughout almost the entire 20th century (...)’ (Garza Toledo 2001).

The CTA anticipated that only by [re]building in an organized and collective (plural) manner the historical **subject** capable of leading the changes now demanded by the nation, in the first place, and the continent and the world, and, simultaneously with that, their own **power** -- their own consciousness, organization, and strength -- would the new **project** of social transformation in Argentina also begin to form. And this happens, according to the CTA, in the first place by recovering (which is, in its turn, rebuilding) their identity as workers.

In 1999, referring to the CTA Congress held in Mar del Plata, its general secretary affirmed: ‘It is the first consolidation of the CTA’s identity. [Because] It is the first congress where discussion began on the strategy for power with our own strength starting with the workers.’ This congress marked the opening of a new era in the politics of building the union federation: going out to look for the millions of ordinary men and women who must be won, to conquer the streets, to advance in organizing with other sectors toward the configuration of the collective actor capable of designing the new national and popular project. This characterized actions taken by the organization during the period of 1999-2001. With big national marches, accompanying marches by the unemployed, roadblocks, encampments on roads and in fields, articulating in a multi-sectorial way the confrontation of the drama of unemployment and exclusion, the anti-neoliberal movement is growing simultaneously and in an interwoven manner deep into

and outside of the country's capital, deepening the process of building an alternative from the bottom up.<sup>8</sup>

-Union, political and cultural social action is developed in a **multiplicity of spaces and forms of organization and representation**. Each one of them is particular and at the same time collective, given that the absence of the strict limits from the world of work imply multiple and juxtaposed actions by diverse actors that have not yet found their new collective channels for organization and representation, and announces with increasing emphasis the active presence of a social conglomerate that does not accept the 'virtues' of the neoliberal democracy ruled by the market.

-**Collectively building the alternative project**. The search is, as the federation's builders say, counterpoising the **society of the market** with the **society of humanistic production**, with socio-natural reproduction that sustains social justice, equality of rights, solidarity, respect for differences, and environmental equilibrium. In this sense, however, it remains to remove cultural barriers regarding the meaning and reach of politics and what is political, so that actors and concepts are renewed and are capable of building concrete alternatives adapted to the demands and possibilities of the 21st century. Union-led resistance has grown in Argentina, but that does not yet imply the maturation of an alternative project, removed from a possible offensive by workers and the entire people with regard to capital's hegemony. Defensive resistance continues to be predominant.

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<sup>8</sup>. The concept 'from the bottom up' indicates that the orientation, proposal, construction or transformation is based on the **roots** of the problem or phenomenon under discussion. It indicates, thus, that at the same time, those processes – understood to be radical – emerge from within the very phenomenon or process that they seek to transform.

**-Recovering confidence** that change is possible. Because there still

is great scepticism among our people, among our comrades. Scepticism regarding many politicians, union leaders. (...) My concern is that with the excuse of not believing, they end up not believing in themselves. They end up believing that it is not worth the trouble to show solidarity, to organize themselves, to be leaders, to fight for their freedom, for the rights that are theirs. This is our problem. Our problem is not convincing those who hold power that they have to modify and open the doors so that we can find our paths and figure out how better to survive. (...) Our challenge is to begin to convince our comrades that the only way to be able to change this situation and transform society is to believe again that it is possible, and to believe again that our only strength is in us. And with that perspective, it is the crisis that is worth confronting, because it is the crisis that can really resolve our peoples' problems (De Gennaro 2001).

**-International integration.** The CTA joins its domestic construction with that of the region, mainly with union organization of MERCOSUR, and based on that with workers' organizations and networks of the continent and world.

We need better integration, greater communication for organizing not only unemployed workers, those in precarious conditions, but also for imagining new organizational forms. Today, a company has the ability to decide where it wants to go to exploit, because there are places where politicians offer the best conditions to exploit their peoples. They even compete to see who offers the best conditions, playing with the lives of our compatriots. We need regional and international organizations that are capable of restoring a different project, not just in our countries but also for the world (De Gennaro 2001).

## **Main challenges of the current moment**

After December 2001, and particularly after Kirchner's victory and his assumption of the presidency in May 2004, the process of building the federation, which developed strongly marked by defensive struggles and resistance, confronted the obstacles that come with all social construction in politically favourable situations. 'When spaces are opened, our weaknesses and what we are lacking also show. It is a higher discussion.'<sup>9</sup> Having emerged as the banner of the class opposed to neoliberalism today, when some components of the neoliberal model are called into question by some government sectors, it is no longer enough to be the opposition; the ability to propose what is needed and to build is fundamental. However, the proposals are not ideas, but, as Víctor De Gennaro says, relationships of forces. That is why, he affirms, 'it is no longer enough to be the opposition. Now you must have proposals and assume the responsibility of maintaining what you propose.'<sup>10</sup> And this implies, firstly, having the ability to change favourably for such interests the configuration of social forces, or perhaps, as a necessary previous step, creating that ability. That is, for the CTA as for so many social actors of the continent, an urgent and central unresolved task.

Moreover, confronting limitations and errors, identifying internal obstacles and contradictions, seeking to overcome them positively, empowering the internal strength and determination to fight of each of its members for concentrating on solving the above mentioned tasks, sums up the centre of the CTA's current challenges. That will take shape in the political definitions demanded by its concrete actions as a new type of union federation in the current situation of the country, the region, the continent and the world. *Transforming itself to transform while transforming* would be, perhaps, the characterization that comes closest to the process of growth and constitution/self-

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<sup>9</sup>. De Gennaro, Víctor. Comments to the present study. Buenos Aires, April 2006.

<sup>10</sup>. *Idem*.

constitution of the social actors that characterized the years of resistance, struggles and advances of the CTA. That process became, at the same time, a pedagogical path of progress in the formation of consciousness, organization, proposals, of power and moreover, although still in a fragmented way, of the project. This is also part of the achievements of the federation. Articulating achievements with challenges and applying forces and abilities in the construction of a broad, plural and multi-sector *social liberation force*, together with the constitution of the foundations for an *alternative project* that unites and projects it toward higher rungs of the socially transforming process, sums up the greatest political, social and ethical challenges for the CTA at this time in the 21st century.

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