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PRE-AUTHORITARIAN INSTITUTIONS AND POST-AUTHORITARIAN OUTCOMES: LABOR POLITICS IN CHILE AND URUGUAY*

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ABSTRACT

Pre-Authoritarian Institutions and Post-Authoritarian Outcomes: Labor Politics in Chile and Uruguay.

The article argues that pre-authoritarian institutions strongly influence post-authoritarian labor politics in Chile and Uruguay. The history of contemporary union-party ties is important as an explanation for variation in union fortunes in post-authoritarian market democracies in the Southern Cone, as are authoritarian enclaves and legacies. Here the focus is on the nature of pre-authoritarian labor administration—state corporatist in Chile, pluralist in Uruguay—and its impact on post-authoritarian collective outcomes. As the foundation upon which authoritarian and post-authoritarian labor politics was constructed, variation in pre-authoritarian labor politics between Chile and Uruguay made for different union fortunes in the post-authoritarian era. That points to the contemporary influence of pre-authoritarian institutions, with or without authoritarian modifiers.

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“Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past. The tradition of all dead generations weighs like an Alp on the brains of the living.”--Marx¹

Latin American labor politics in the post-authoritarian moment.

One remarkable aspect of the return to democracy in Latin America is the unhappy fortunes of organized labor. At the time of the transition to elected government unionists believed that things would improve politically and materially relative to the military-bureaucratic regimes. Instead things got worse. The cause of this deterioration in organized labor's fortunes may be rooted in the pressures of capitalist globalization, but its agent was surprising: parties in government with long histories of organized labor support. Throughout the region labor-based parties pursued market deepening and working class subordination to pro-business logics of production. However grudgingly, organized labor accepted market-oriented reforms in spite of the materially adverse effects these had on the union rank and file. In doing so center-left governments accomplished in the 1990s what center-right governments could not do throughout the twentieth century: shift macroeconomic policy to a market-driven model in which labor relations and social benefit systems were reconfigured around the competitive requirements of a globalized system of production and exchange.

The success of such governments supports the view that labor-based parties in power are useful as instruments of market globalization because they can control union behavior regardless of macroeconomic policy. The larger question is why. Recent studies suggest that the nature of union linkages with labor-based parties is a decisive factor. Union subordination to political elites and the loose institutionalization of union-party hierarchies, added to the substitution of class-based collective representation with

patronage-based networks, grants policy flexibility to labor-based governments pursuing market oriented reform. Party elite ability to discipline politically wayward unions and the relative independence of party elites from the executive branch factor into the equation.²

These explanations are incomplete because they fail to address the institutional backdrop against which post-authoritarian labor politics unfold. They specifically fail to account for the role of the state in framing collective action. The labor movement's relationship with the state is conceptually and empirically distinct from its relationship with the party system in any given case. In order to fully explain why post-authoritarian governments succeeded in implementing market-driven reforms with union compliance, the historically contextualized state must be brought into the discussion of labor politics.³ Here focus will be on the role of the state in the labor politics systems of Chile and Uruguay, with emphasis on the impact of pre-authoritarian institutions on post-1990 collective outcomes (here defined as the material and political fortunes of organized labor). The purpose is to demonstrate that pre-authoritarian institutions strongly influence labor politics in post-authoritarian market democracies in the Southern Cone regardless of the party in government, and that the specific nature of these institutions has a decisive say in how labor movement fortunes were constructed in the early days of restored democratic rule. The analysis is historical-institutional in nature.

Institutional history and the course of labor politics.

Institutional antecedents serve as the backdrop to the post-authoritarian moment. What existed before the dictators arrived on the scene played a role once they withdrew. The issue is how, in what measure, and with what durability? ⁴ One analytic method that helps unveil the importance of pre-authoritarian institutional legacies is path-contingency analysis.⁵ Derived from path-dependent and other historical-institutional approaches to social inquiry, path-contingency differs from its progenitors in its lack of determinacy and relative circumstantialities. That needs to be explained.

Path dependency analysis highlights the importance of choice and historical juncture on present and future institutional outcomes. Persistence and reproduction of a particular institutional feature are defined by the asset-specific investment in the original choice. Institutional stability is determined by the nature of the assets or resources invested

(power, money, reputation or influence), the amount put forward, and by the returns to scale of any given institutional change. Growing returns on an investment in a specific framework "lock in" the original choice over time as actors begin to spontaneously configure their collective strategies within the institutions involved.⁶ This increases the "depth" of a given institution, with mutually reinforcing effects.

In this view prior strategic choices determine subsequent institutional features and the collective action related to them. Once the organizational format and procedures for engaging collective action are agreed upon, interest groups turn to negotiating substantive concerns. The more groups address substantive rather than procedural issues, the more difficult it is to deviate from a given institutional framework. This "tightens" the range of institutional choice available to social groups when pursuing material and political objectives, reinforcing the original institutional configuration. The more collective actors commit assets to a particular institution, the more likely that "lock-in" effect of returns to scale will prevail.⁷ Periods of rapid institutional change are followed by longer periods of relative institutional stasis. The short periods of intense change are the product of economic and political crises that are largely exogenous to the institutions involved.

Despite its elegance, path-dependency analysis has limitations when attempting to explain the impact of pre-authoritarian institutions on post-authoritarian politics. Significance of the lock in effect is derived from analysis of stable democratic capitalist regimes, specifically mature industrial democracies with liberal or coordinated market economies. Institutional reform occurs under conditions of governmental change but regime continuity. Where path dependent analysis has been used in countries where regime change occurs, it has been to chart the broad course of political history rather than the impact of specific institutional features on collective action over time.⁸

Institutional evolution under conditions of regime change is bound to be significantly different than under conditions of regime continuity. Path dependency and other forms of rational choice institutionalism may therefore be inappropriate for use in contexts of regime change, less the concept be stretched.⁹ What is needed is a framework that recognizes the importance of initial strategic choices and critical junctures, but which also accepts that institutional reform under conditions of regime change may involve the

resurrection or revival in whole or in part of an organizational past with or without intervening modifiers, in a process of “recombination.”¹⁰ The process is “layered” because, as in the case of stable democratic regimes but with more of a tidal effect, incremental change, major reform or complete reversal and restoration are all possible in conditions of regime change, with elements of each coexisting or overlapping.¹¹

Institutional reform under post-authoritarian conditions begins as a contest over the legal and organizational boundaries of collective action given the combination of authoritarian and pre-authoritarian institutional legacies. Variability of preferred choices among collective actors is inevitable because collective memories diverge, each influenced by their specific read of the “historical transcript.”¹² Institutional configuration matters early in regime transitions because it provides the instruments by which contending groups engage in strategic interaction over substantive issues, which in turn delimit the range of possible outcomes.¹³ That makes institutional reform in recent post-authoritarian contexts more path-circumstantial, conditioned and contingent rather than dependent and locked in.

The combination of institutional frameworks, policy issues, collective agent perspectives and strategies constitutes the interest group intermediation regime that, along with other core partial regimes, are the institutional latticework of national-level politics.¹⁴ It is one such partial regime in Chile and Uruguay--the labor politics partial regime--that is of interest here.

A Note on Case Selection.

Chile and Uruguay serve as case studies because they share histories of democratic rule before the military coups in 1973 as well as common features in the articulation of the union movement with the political system (specifically, strong left party political ties). There are similarities between the macroeconomic models governing their national development strategies during most of the 20th century, as well as the general thrust of market-oriented reforms under the military-bureaucratic authoritarians. They differ with regard to the institutional frameworks that governed labor-capital relations before and after authoritarian rule, the tenure of left parties in government after democracy was restored (the *Concertacion* coalition in Chile governing from the onset, the Blanco

administration of Luis Lacalle lasting only one term in Uruguay), the relative success of market-driven reform, and the turn in labor movement fortunes after the return of democracy.¹⁵ The first point of difference had much to do with the making of the other three.

Students of Latin American labor relations might question the claim that Chile and Uruguay were appreciably different in their labor politics regimes prior to the dictatorships. Uruguay is recognized as having a pluralist labor relations system in which class-based unionism with strong party ties dominate the labor movement, with union leaders exercising strong influence over left party elites. It historically has been identified as having an elite bargaining or “dual” political system (in which the rank and file votes for Marxists in union elections but for mainstream parties in national elections). Chile also has historically strong union-left party ties, but is politically organized as a labor-mobilizing party system (in which the working classes are organized primarily by political parties) operating under a state corporatist labor relations regime. The nature of labor movement political representation is believed to be determinate of its responses to market-driven economic reform¹⁶

This study accepts that before 1973 Chile had a labor-mobilizing party system but rejects the notion that Chile had pluralist labor politics prior to 1973, or that the nature of its party affiliations resembled those of Uruguay. It also rejects the characterization of Uruguay as an elite bargaining political system. That may have been the case prior to 1968, but the breakdown of democracy in Uruguay was due precisely to the collapse of elite consensus and the emergence of grassroots, class-based political organizations amongst the working classes. That led to the emergence of the *Frente Amplio* as the coalitional expression of the political left in 1971, in a labor mobilizing system dominated by shop floor unions that remains to this day. In Chile the reverse was true. After the restoration of democracy left parties continued to control union leaderships, but the elite pacts that allowed for the transition to democratic rule required continued demobilization of organized labor rather than renewed mobilization. That was done, which brings up the role of the state.

When administering working class interests, Chile is an anomalous case of state corporatist labor administration historically existing under democratic rule. It combines

compulsory shop level decentralization with extensive powers of state control over union activities and party-subordinate labor movement insertion in national politics. Uruguayan unions are characterized by political independence from party hierarchies, unfettered rights to voluntary association and political organization, shop floor autonomy and grassroots representation in the coordinated political decision-making apparatus of a left party coalition. In terms of party control of union leadership and state control of union activities, Chilean labor politics is closer to the authoritarian corporatist traditions of Argentina, Brazil, Mexico or Peru. That makes it an excellent counterpoint to the Uruguayan case when it comes to pre-authoritarian institutional legacies: two democracies, one with a pluralist and the other with a state corporatist history of labor politics.

Pre-Authoritarian Political Insertion.

With origins in 19th century artesian unions and a national confederation dating to 1909, organized labor in Chile was initially incorporated into the political process in the first two decades of the twentieth century. This process culminated in the establishment of a Labor Code between 1924 and 1927 (including Article 10 of the 1925 Constitution) and its codification in one body of law (the *Código de Trabajo*) in 1931. It was followed by the insertion of the union movement into the *Frente Popular* (Popular Front) coalition that assumed government in 1938. Communists and Socialists spearheaded the drive to organize the working classes, creating alternatives to the economism of extant collective agents. This process also saw the extension of powers of State intervention in the labor relations field (including mandatory powers of electoral and financial oversight, union registration, intervention in collective bargaining and industrial disputes on the part of the *Ministerio de Trabajo y Prevision Social* (Ministry of Labor and Social Benefits, or MTPS), coupled with compulsory unionization, mandatory dues deductions from wages, weighted and bloc voting for leadership positions. Reinforced by shop union subordination to the political dictates of the Communist and Socialist parties, this amounted to a State-dependent and Party-subordinate form of incorporation.

This state corporatist form of labor political insertion led to increased political presence, employment, relatively high wages, public health and welfare benefits for union members and the urban working class at large.¹⁷ The downside was complete reliance

on the political regime of the moment for sustenance, which meant that it was the regime, not the legal framework *per se*, that determined the inclusionary or exclusionary character of labor politics at any given time. When the political climate was favourable to left parties, the state corporatist framework was inclusionary in nature, promoting mobilization and political centralization of organized labor interests. When the political climate was unfavorable (such as during periods of center-right government), the state corporatist legislation was used to exclusionary effect, dividing and de-mobilizing the union movement. Exclusion could be soft or hard depending on the degree of coercion used to enforce legal edicts, whereas inclusion always ran the risk of opening the floodgates to militant rank and file agitation that spilled outside what the political elite and union leaders had in mind. The larger the union membership, the more likely this would happen (given the rising possibility of differences of opinion between some of the rank and file and the union leadership).¹⁸

Over the short-term, things were good for the labor movement. From 1935 to 1940 the number of unions rose from 635 to 1,880 and the number of union affiliates grew from 78,000 to 162,000.¹⁹ The trend of expanding union affiliation continued throughout the heyday of import-substitution industrialization, eventually leveling off at between twenty and thirty percent of the work force in the late 1950s. This average is misleading in that rural labor was prohibited from organizing until the late 1960s, which made the rate of urban unionization--in mining and manufacturing in particular--exceptionally high. That gave bi-frontal character to the labor market (one organized, the other not) and increased the power of the Communists and Socialists who dominated the organized sectors of the economy.

Most of the benefits of labor incorporation into the political process went to union officials and left parties. Union leaders were elected off party lists regardless of work history or presence on the shop floor, and received salaries from the parties for their efforts. State dependence was confirmed by its oversight of union elections and by the practice of subsidizing union leader salaries, travel and incidentals as well as the rent of union headquarters (since membership dues could not cover the maintenance of a permanent labor union hierarchy beyond the shop level, or, in the case of metal workers associated with the copper and wire-making industries, the occupational level). Throughout the 1940s and 1950s the political left gained hold of the majority of union positions, which

resulted, in spite of many ideological disputes and the rise and demise of two earlier labor confederations, in de facto unification in 1953 of the labor movement under the banner of the *Central Unica de Trabajadores de Chile* (CUT, or Sole Chilean Workers Central). From then on leadership of the CUT became a major issue of electoral contestation between the two Left parties, which in turn dominated shop-level logics of collective action and pushed union agendas in a more partisan direction. It was not until 1971, under the Allende government, that the central labor confederation was legally recognized.²⁰

Also originating in 19th century artesian unions, Uruguayan labor initially incorporated as an autonomous pressure group in 1907, when unions were allowed complete freedom of action with respect to the economic and political activities. This gave shop-level unions a fiercely independent streak, and gave them a dominant role in organizing the Communist and Socialist parties. A national labor federation, the *Federación Obrera Regional Uruguaya* (FORU) was established in 1905 under anarchist leadership, but by the late 1920s it had collapsed under the weight of ideological fictionalization among its shop level affiliates. In 1964, despite ongoing ideological disputes between Communist and Socialists, most Uruguayan unions agreed to re-unite under the Communist-led *Convención Nacional de Trabajadores* (CNT--National Workers Convention). The expressed purpose was to offer a unified working class political agenda to the mainstream parties in government. Strategic centralization of political objectives was coupled with tactical decentralization of shop-level economic concerns until the early 1970s, when the creation of the *Frente Amplio* shifted coordination of union political and economic strategies to the national level. Even with Communist Party domination of the *Frente Amplio* and CNT, internal pluralism within the labor movement made for considerable ideological diversity and contested control of important unions by other left party factions.

Unions were self-financed out of voluntary membership contributions that varied from shop to shop, held independent elections that used the civil courts to adjudicate electoral disputes, and union leaders held day jobs rather than becoming full-time labor officials. What facilities unions had were self-procured, although over time the common practice was for unions to use temporary space in the Ministry of Labor to conduct meetings, elections and the like. The pattern of incorporation eventuated into a two-tier or “dual”

form of political insertion in which the rank and file voted for Marxist shop-level union leaders but voted for mainstream political parties in national elections (most often the Colorado Party, but increasingly the Blanco party in the 1960s). That resulted in mainstream party competition for working class votes and left party support in parliament. Competition for working class votes in turn led to a long history of extensive state welfare and public sector employment. This made for what came to be known as a *sociedad amortiguada* (cushioned society) in which class conflict was ameliorated by these practices.²¹ The trouble with this system was that it was paid out of export tax revenues, and these could not be maintained after the 1950s.

Both countries were governed by de-centralized collective bargaining, in Chile by law and in Uruguay by practice. Chilean legislation prohibited collective bargaining above the shop floor, outlawed union federations and confederations until 1971 (although enforcement of the law was lax), and declared illegal non-economic strikes and any work stoppage involving more than one enterprise (although in practice anti-strike laws were haphazardly enforced). In Uruguay there were no such legal restrictions, and the historical pattern of strikes and collective bargaining oscillated between shop floor and occupation- or federation-wide approaches. Although tactical unification around specific goals was possible (as in the campaign to elect Allende), the Chilean political left was a divided front, which reverberated in union politics. In Uruguay, Communist Party domination of the labor movement and the relative militancy of Socialist affiliates led to adoption of a common class-based political line along with decentralized collective bargaining. This ideological unity led to a degree of union strategic coherence not seen in Chile.

Union densities reached fifty percent in both cases by 1973, which was reflected in urban pay scales. Upward pressure on wages was not a problem during the early stages of the import-substitution-industrialization projects undertaken in each country after 1930. The push for higher wages increased internal demand, which drove profit margins in domestic manufacturing to levels that could sustain an increased share for wages. However, by the 1960's market saturation for consumer durables and non-durables resulted in inflationary spirals and increasing current accounts deficits, with hard currency earnings failing to maintain pace with wage and price increases as a result of stagnating external demand for primary good exports. With the era of important

substitution reaching exhaustion, by the early 1970s organized labor was viewed by business and non-left political elites in both countries as a major impediment to economic growth and stability. Its structural weight and political influence made market-oriented reform impossible under democratic conditions.

Concern with the political activities of unionists was not limited to the early 1970s. The Chilean Communist Party (PCCh) was outlawed in 1947 under the infamous “Law in Defence of Democracy,” and there were repeated attempts at creating business unions and federations as competitors to those dominated by the Communists and Socialists. These maneuvers proved unsuccessful (the PCCh was legally re-instated in 1958), but they reaffirmed the pattern of State intervention in union affairs as well as the political subordination of organized labor to the partisan conflicts of the moment. Under such conditions party, union and business elites preferred to negotiate political compromises rather than engage in class conflict. The institutional manifestation of this elite bargaining system was known as the “*Estado de Compromiso*,” a State of Compromise.

In Uruguay there was a move towards State intervention in labor relations in the form of the tripartite occupational wage councils (*Consejos de Salarios*) created in 1943. Wage bargaining was organized by occupational category in order to overcome the problems of strategic coordination inherent in a completely decentralized collective bargaining system. Uruguayan employers were interested in such a system because unions were able to shape their bargaining strategies based upon common political party ties, whereas firms had no such advantage due to their more heterogeneous economic interests and partisan affiliations. For both sides the system looked to be win-win. The wage councils dominated collective bargaining from then on, although in all cases the decisions of the tripartite boards were subject to rank and file ratification--which was never an assured outcome due to competition for shop floor leaderships. As part of the constitutional reform of 1967 (which among other things eliminated the collegial presidency that had been the norm since 1917), a Ministry of Labor and Social Security (MTSS) was created that retained formal authority for administering the wage councils along with a host of social security, occupational health and safety responsibilities, but without powers of union oversight or regulation.

Tripartite representation in a variety of public institutions became the Uruguayan norm in

the 1950s and 1960s, so that by 1968 labor union representation in public bodies concerned with wage bargaining as well as the more general provision of social services was pervasive. This responded to a larger trend in which Uruguayan civil and political societies were increasingly linked via a network of concertative agencies that brought together various social groups in pursuit of general consensus on a host of public policy concerns. As with its pluralist interest intermediation system, in its use of concertative agencies for popular participation in policy-making, Uruguay has few equals in the hemisphere.

Working class collective representation in Chilean policy-making agencies was based upon party rather than union representation. Party members drawn from union ranks were appointed to public bodies following the distribution of power in parliament, rather than as labor representatives *per se*. This reversed the logic of representation in Uruguay, where the union connection was the basis for appointment in agencies involved in labor market regulation, and strategic interaction was driven by the interest of the groups involved. In Chile the state-party nexus dominated sectorial logics of collective action whereas in Uruguay union-party ties framed the parameters of state-labor relations.

These different types of political insertion led to very different courses of action in the run up to the military coups of 1973. In Chile the growing strength of the political Left was translated into parliamentary gains and eventually the successful presidential campaign of Salvador Allende in 1970 (at the head of a minority government). Union entrenchment within national labor administration increased under Allende and tilted the overall thrust of labor policy in a pro-union direction. Even so, although Allende shifted regime emphasis from constraints on union activity to inducements for their cooperation, he changed no labor laws. Instead, he used the existing legal apparatus to shift State focus from containment to cooption of organized labor. The trouble was that the increasingly militant union leadership wanted more than he could deliver given the opposition of business interests and foreign governments to his program of economic nationalization of strategic industries.²² Strikes rose from 1,277 in 1969, involving 362,000 workers, to 2,050 in 1973, with over 711,000 workers involved.²³ As more unions agitated for socialism, more business and conservative political groups supported the idea of military intervention on their behalf. Thus in the early 1970s Chile unions found themselves part

of the governing *Unidad Popular* coalition, with their representatives occupying cabinet and other administrative positions and with their militant wings pushing for a full transition to socialism. Confronted by these demands and an increasingly violent right-wing backlash, the Chilean high command opted to abandon its long held posture of non-involvement in political affairs and staged a violent *coup d' état* on September 11, 1973.

In Uruguay the political left saw parliamentary representation grow in number, but was increasingly forced to operate under tighter security measures enacted to combat the *Tupamaro* insurgency that began in 1966. As early as 1968 wage standards were made mandatory with the creation of the COPRIN, the national wage-price fixing board. Strikes were eventually declared illegal and concertative agencies suspended by the state of "internal war" declared in 1972. Thus, in the early 1970s Uruguayan unions were caught in an incremental slide towards military-bureaucratic rule, something that culminated with the installation of the civilian façade government of President Juan Maria Bordaberry on 27 June 1973. The *Frente Amplio* coalition was banned from political activities. Union leaders and militant elements in the *Frente Amplio* were exiled, imprisoned or proscribed even when they repudiated the guerrilla war. Individual unions were targeted by the security forces as *Tupamaro* sympathizers and shut down. By 1977 even the civilian face of the regime was gone, and the military ruled alone.

Authoritarian Labor Politics.²⁴

The first two years of the Pinochet dictatorship saw outlawing of the CUT and all left parties, blanket prohibition of union activities, and the persecution, imprisonment, murder or exile of hundreds of union activists. To justify this the military authorities used emergency executive decrees and those aspects of existing labor legislation that granted the State powers of recognition and intervention in union affairs. Shifting the criteria for recognition and utilizing the powers awarded the State to seize union property due to "irregularities," the regime was able to close down the labor movement as an economic, social and political actor. The number of union affiliates was reduced by nearly two thirds between 1973 and 1984, dropping from 939,329 to 320,903.²⁵ At the same time the number of unions fell from 6,692 to 4,401, so the average size of unions fell as well.

As of 1975 the regime encouraged formation of pro-government company unions in replacement of Communist or Socialist unions. It relaxed some of the strictures on collective gatherings in the workplace as well as on the scope of issues that could be discussed between groups of workers and management on the shop floor. The attempt to create pro-government unions received very little rank and file support and was repudiated abroad. Most workers continued to identify with the Communist and Socialist union leadership, and the International Labor Organization as well as regional labor organizations refused to recognize the puppet unions. Thus it was not until 1979, with the unveiling of the *Plan Laboral* (Labor Plan) that the regime's labor relations project was crystallized.

The *Plan Laboral* was a program of enforced pluralism that was designed to increase the number of shop-level bargaining units. The new labor legislation restricted strikes to wage issues at the shop level, with a maximum period of 60 days, and allowed lockouts, dismissal of strikers and the hiring of replacement workers. It lowered collective bargaining to a sub-shop level, granted employers a wide range of discretionary powers in the employment field (to include the unqualified right of dismissal without severance pay) severely circumscribed the scope of negotiable issues workers could address, and reduced the number of members required to form a union while allowing the use of non-union bargaining agents and individual contracts. It was abetted by prohibitions on union-party links and union federations and confederations.²⁶ More importantly, although the legislation governing worker rights in production changed, the traditional role of the state in the labor field was maintained, if not strengthened.

By keeping on the books state prerogatives with regard to union control and recognition while suspending union political activity and circumscribing the right to strike, the *Plan Laboral* reaffirmed the oversight control and oversight powers of Chilean labor administration. What was different was that it lowered collective bargaining below the shop level and multiplied and differentiated the number of bargaining agents and agreements that they could negotiate, while at the same time reducing the number of negotiable issues. This was not, as its architects argued, a move towards genuine union pluralism. It was a divide-and-conquer strategy that sought to weaken the labor movement through the combination of pre-authoritarian and authoritarian legislation.

The *Plan Laboral* succeeded in its goals, as a younger generation of unionists took the window of opportunity to form new unions unaffiliated with the outlawed left. The move was reinforced by the extension of easy credit to workers (which created a working class debt culture that required more salaried hours to pay off outstanding credit card purchases) and the adoption of post-Fordist management techniques (such as 'just in time' production).²⁷ This was abetted by the privatization or closure of many state-run enterprises and the opening of the domestic market to foreign competition, which dramatically increased the rate of unemployment and the availability of surplus labor. Added to the physical removal of most union leadership cadres that had existed in August 1973, the dictatorial labor project proved remarkably adept at re-writing the historic memories of working class people, especially those entering the labor force for the first time. The longer the regime held power, the more workers could be socialized in the new labor relations framework under conditions of job insecurity, and the less likely they would revert to militant practices once democracy was restored.

Military assumption of political authority in Uruguay provoked a massive national strike that was forcibly put down. Arrests of union leaders and Left party activists followed--although they were more often exiled rather than killed as in Chile. From 1973 until 1977 the regime ruled by decree and workers worked to rule, without collective representation. In 1974 the dictatorship introduced a labor reform package with state corporatist features. Its first measures were designed to strengthen the state's powers of oversight, registration and intervention in union affairs and the labor market in general.²⁸ In 1978 it established a wage-fixing agency, DINACOPRIN, which was devoid of interest group representation. In 1981 a Law of Professional Associations was enacted in which strikes were outlawed and shop-level unions required governmental authority to operate. Their scope of authority was limited to workplace issues, and all political activities were disallowed. Company unions were encouraged under the scheme and union federations and confederations were banned. The state assumed responsibility for administering the collective bargaining process as well as overseeing the selection of union leaders.²⁹ In this the Uruguayan dictatorship emulated other Southern Cone experiments in working class disarticulation.³⁰

Uruguayan workers responded by ignoring the new legislation and continuing to work to

rule, without formal collective representation and with ongoing support for the jailed or exiled labor leadership. Lacking substitutes for the outlawed unions and facing worker reluctance to form new ones under the new legislation, the military junta was unable to secure any measure of legitimacy in the labor relations field. This provoked tensions within the ruling elite, since many business leaders were uncomfortable with the lack of institutional foundations to their relations with employees, even if they appreciated their relative quiescence when compared to the pre-authoritarian era. Added to this was the shadow of the imprisoned and exiled union leadership, who refused to be silent during their enforced exclusion from public life, and instead spearheaded international resistance to the military regime. Since the Uruguayan military could not bring itself to physically eliminate the political left in full measure, this prevented them from effectuating the whole scale purges of the labor movement seen in Chile.

The Transitional Context.

The terms of the Chilean transition were dictated by the constitutional plebiscite of 1979, which called for a referendum in 1988 on whether general Pinochet should remain as civilian president for eight more years. The 1980 constitution passed handily due to the overt manipulation of the ballot and electoral requirements, but did begin the process of top-down devolution of power to civilian authorities. The process was abetted by the re-emergence of working class resistance in 1979. That year saw the first strikes carried out within the confines of the *Plan Laboral*. These accelerated over the next three years, and when the Chilean economy stagnated as a result of the 1981-82 global recession, with nearly a third of the work force unemployed, protest activity moved out of the workplace and onto the streets as expressions of more general opposition to the regime. The protests were led by elements of the labor movement in conjunction with new social movements grouping the unemployed, students and political activists, although at the time unionists were not posing as such because union political activities were banned.

Following the emergence of several non-Marxist labor confederations in both blue and white-collar occupations, a new (albeit illegal) labor confederation that grouped Marxist and Christian Democrat (CD) labor leaders, the *Comando Nacional de Trabajadores* (Workers National Command or CNT) was created in 1983. In spite of tactical divisions, by the time the 1988 plebiscite was held the basis for a working relationship between

Marxist and CD unionists was established in pursuit of a democratic opening. Thanks to the dictatorial reforms, the CD presence had increased exponentially during the previous fifteen years at the expense of the left parties, to the point that Communists, Socialists and CDs shared equally in representation of the rank and file by the end of the 1980s. In fact, CD unionists held the presidency and a majority of the leadership seats in the CUT from 1988 until 1996, followed in number by Socialists. Given the political proscription of Communists and Socialists until after the 1989 elections, this gave CD unionists significant leverage in the build up to the electoral transition of 1989-90. Above all, the rise of CD-affiliated unions ensured that the labor movement would accept the market-driven model as the quid pro quo of the political transition.

In Uruguay there was also a plebiscite, held in 1980, on the continuation of military rule. Unlike Chile, the referendum was held in relatively honest circumstances, and the dictatorship was repudiated at the polls. Faced with rejection, the military command embarked on a quicker, yet engineered process of disengagement from rule. The process was accelerated by the rapid re-constitution of a civilian opposition led by the labor movement during the 1981-95 recession. Unions were at front and center in the re-democratization campaign, staging mass mobilizations against the dictatorship's economic and social policies and a general strike in 1984. By that year they had re-constituted a central labor confederation on the basis of both new and old union factions under the banner of the *Plenario Intersindical de Trabajadores-Convención Nacional de Trabajo* (PIT-CNT). In addition, a coalition of unions, social movements and political parties formed three broad concertative networks in order to give organizational basis to the re-democratization campaign (known as the *Intersindical*, *Intersocial* and *Interpartidaria*, respectively). As labor representatives and acting as political party activists or social movement members, unionists were key players in all three forums. Moreover, historical continuity was maintained with the exiled and imprisoned leadership, so that traditional Party lines continued to be a unifying thread within the labor movement well before they were legally reinstated.

In 1985 political parties began to displace unionists and other civil society organizations from center stage of the movement against Pinochet's confirmation in office. The "No" campaign against Pinochet's continuation as president became a rallying point for opposition to the dictatorship. Because they remained politically outlawed, Communists

and Socialists worked behind the scenes in favor of mainstream politicians--primarily those of the CD-- who united under the banner of the *Concertación por la Democracia* (hereafter, *Concertación*). This included renouncing class-based perspectives in favor of a pragmatic approach that cottoned to the realities of an electoral transition dominated by an overseer military and a semi-disloyal conservative opposition.

As the political coalition in favor of the "No" vote coalesced, the influence and leadership of unionists waned. By 1988, in spite of the reconstitution of the trade union movement under the banner of the resurrected CUT, union leadership of the pro-democracy opposition had been eclipsed by the resurrected political parties. Where manifest, union demands responded to the dictates of the *Concertación* leadership rather than the rank and file. These counseled moderation and patience rather than immediate redress of material interests, something that was to play a decisive part in the tenor of labor politics in the decade after democracy was restored. Most importantly, the consensus amongst the political party elites grouped in the *Concertación* was that nothing should be done in the post-election period that would jeopardize the stability of the democratic regime. This included alterations in the labor relations framework that would strain the government's relationship with business elites and their military benefactors.

In Uruguay the process of authoritarian regime withdrawal was a comparatively rapid transition via transaction whereby the outgoing elites began a series of negotiations between political leaders drawn from the mainstream parties and representatives of key interest groups on the terms and timing of the foundational election to be held in March 1985. This included discussions on the electoral timetable as well as on the scope of reforms to be undertaken in the first months of the elected regime. Known as the *Club Naval* meetings because of the location in which they were held, these negotiations culminated in the creation of a concertative body in which to discuss and negotiate the substantive terms of the transition. The *Concertación Nacional Programática* (CONAPRO) eventually grouped business and labor as well as the leading political parties in more focused and formal discussions on what was and was not possible in the months leading up to and following the 1985 transitional elections.

At the military's insistence, union and left Party representatives were initially excluded from the Club Naval meetings, but when the CONAPRO was convened in 1984 they

were involved. The CONAPRO had two separate forums: the *Interpartidaria*, which grouped political party representatives to discuss the terms and conditions of the foundational election (including the time frame of a post-election “honeymoon” in which partisan differences would be subordinated to the need for stability); and the *Intersectorial*, which brought together leading interest groups to discuss policy issues that needed to be addressed as a priority. The objective was to negotiate and reach consensus before the elections, then run campaigns on variations of agreed upon themes. The *Intersocial* was excluded from the CONAPRO, demonstrating the importance given by the political elites to securing Party and major interest group cooperation in the transition, particularly with regard to macro-economic policy and labor market dynamics. For the labor movement, the primary goal was, in the words of one observer at the time, “to (re) constitute itself with characteristics basically similar to those extant before 1973, both in its internal organization as well as in its insertion in the political system.”³¹

In Chile there was a concertative approach towards the transitional moment, but it was limited to the political elites united against Pinochet and his supporters. After 1985 the focus of the opposition moved from a social mobilization strategy to an electoral one, with political-institutional change taking precedence over socio-economic redress. Given the political orientation of the union leadership, this was accepted as a necessary compromise in the move towards re-democratization. As a result, although policy statements were issued by the *Concertación* that promised a review and reform of the labor relations system and improvements in the standards of living for low income sectors of the population, and which spoke of an increased use of concertative vehicles for the formulation of social policy, the most important area of agreement was on the absolute necessity of not interfering with the macro-economic model inherited from the military regime. Since business consent was vital to the early stability of the elected government, this represented the bottom line for the transition.³²

The situation was different in Uruguay. At the beginning of the CONAPRO negotiations, business leaders pushed to maintain a legally decentralized labor market and some restrictions on union political activities, strikes and occupation-wide bargaining. Failing that, they wanted a return to the 1968 wage-fixing regime. When the majority of those represented in the CONAPRO opposed these demands (including the center-right

Colorado Party, odds-on favorite to win the foundational election), the pre-1968 labor relations system was restored. That entailed resumption of the *Consejos de Salarios* tripartite wage boards, voluntary union affiliation and a complete freedom of action on the part of collective actors. It included the unfettered right to strike and bargain and a near-complete revocation of authoritarian labor legislation with regard to the scope of state authority as well as regulations governing interest group organization and behavior. On a political front, legal recognition of the Communists, Socialists and the *Frente Amplio*, as well as the restoration of pre-authoritarian union-party links once the exiled and imprisoned leadership returned to their previous positions, was accepted as just due. Thus, with the exception of physical absences of certain key individuals due to death and distance, with the 1985 election the pre-authoritarian labor politics regime was restored virtually intact.

Return of Electoral Rule.

Chilean voters rejected Pinochet's attempts to extend his term in office on October 5, 1988. In December of the following year the *Concertación* ticket headed by Christian Democrat Patricio Aylwin won elections with over forty percent of the popular vote. The government inaugurated on March 11, 1990 operated within the confines of the 1980 authoritarian constitution, which included conservative "Institutional Senators" appointed by Pinochet (which guaranteed a conservative majority in the Senate) and a military-security apparatus that was independent from, and in fact the overseer of, civilian authorities. Even so, the government publicly maintained a commitment to the use of concertative vehicles (*concertación social*) as a foundation of its labor policy. This was exemplified by the 1990 signing of a "Framework Accord" (*Acuerdo Marco*) between the Aylwin government, the CUT and the leading business association, the Confederation of Production and Commerce (*Confederación de Producción y Comercio--CPC*). Along with the claim of better business-business relations and more sectorial autonomy from the state, these were the "three illusions" upon which labor politics operated during the early years of the elected regime.³³

In Uruguay the Colorado Party led by Julio Maria Sanguinetti took control of government in 1985. It found itself sharing parliament with a renewed Blanco and *Frente Amplio* bloc, who essentially replicated their parliamentary seats pre-1971. The country reverted to

the 1967 constitution. With the exception of the DINACOPRIN wage and price boards created in 1977, this included repeal of the powers conferred to the MTSS between 1973 and 1981 and a return to the 1968 labor relations system. Communist and Socialists were restored to leadership positions within the PIT-CNT, something that continues to this day (although Communists lost majority representation in the PIT-CNT executive board to the Socialists in 1999). In both countries there was a resurgence of union affiliation and mobilization in the months leading up to and following the elections, something that was attributable to rising worker expectations about their material prospects under democratic rule.

Labor legislation reform proceeded cautiously in Chile. Between 1990 and 1994 changes were made to laws governing dismissals, union confederations, collective bargaining and individual contracts.³⁴ Following on the Framework Accords, a concertative forum was promoted in which union representatives and leading business associations could discuss matters related to labor market conditions and employment (something which collapsed when the CPC withdrew in 1993). In addition, union federations were allowed to bargain at the industry level, assuming they could demonstrate that they represented a majority of the workforce involved. In practice, however, the reforms had very little effect on business-labor relations. Under provisions of the 1994 Labor Code, employers can still fire employees for non-performance and unspecified “necessities of the firm.” In the event of downsizing, severance pay must be paid to those with more than five year’s experience, although the appeals process is convoluted enough so that it is impractical for workers to file claims. Not surprisingly, dismissals due to “necessities of the firm” tended to increase during periods of strikes, collective bargaining or union recruitment.³⁵

In 1991 Labor confederations were legalized for the first time since 1971, with public sector workers allowed to organize in 1994.³⁶ Since they are seasonal or temporary, most agricultural workers are still prohibited from organizing. Collective bargaining is limited to the shop or industry level, although the reality is that industry-wide agreements are rare given that legislation still provides for numerous forms of union and non-union employee organizations at the enterprise level. The minimum size of shop unions remains as under the *Plan Laboral*, at 25 employees or ten percent of the shop workforce. Dues are only paid at the plant level, which has left federations and the CUT perennially cash-strapped and dependent on state and party subsidies for everything

from leadership salaries to rent on union headquarters. With unemployment rates falling from 20 percent in the early 1990s to 5 percent in 1997, then rising to 8.4 percent in 2000, multiplication of (particularly non-union) bargaining agents structurally atomized collective bargaining, thereby reducing overall wage rates along with union size and influence in the labor process.

Thus, although it had the right to representation in the concertative forum and theoretically could bargain at the industry level, in fact the Chilean union movement was hamstrung in its ability to influence the thrust of labor market policy during the early years of the *Concertacion* governments. This weakness was accentuated by factionalization within the CUT as Communist and Socialist unionists became disillusioned with the CD union leadership's subservience to government edicts. In 1996 labor unity broke down, CD and moderate Socialists withdrew from the CUT, and Communists and militant Socialists assumed control of the labor central. This was reaffirmed amid much acrimony in the 1998 and 2000 CUT elections (in which Communists assumed control of the confederation governing board), which served to continue the marginalization of the CUT from government policy-making even after Socialist Ricardo Lagos was installed as head of the third *Concertacion* government in 2000.

Under provisions of the 1994 Labor Code, sixty-day limits on strikes were repealed and lockouts circumscribed, but political and solidarity strikes remain illegal, as are anything but factory strikes outside the established time period for contract negotiations. Until 1994 public sector employees were barred from striking, and remain subject to Article 19 of the 1980 Constitution. That clause prohibits strikes by employees in areas of "public utility" or which "can endanger health, the national economy, the maintenance of the population, or national security" regardless of the nature, goals or function of the entity in which they work.³⁷ This effectively prohibits most of the public service and important private sector employees from engaging in work stoppages. In any event, replacement workers can be hired during strikes, employees are allowed to resume work during the course of the strike, with strikes declared over if fifty percent of workers return to the job.

Individual worker protections did see improvements after 1990, particularly with regard to family leave, occupational health and safety and guaranteed vacation time. Yet none of

these had anything to do with unions *per se* (because they are considered to be individual labor rights as opposed to collective rights). Although unions were granted more discretion in investing in state and employer funded pension plans after 1990, such plans and most insurance programs were turned over to private agents and restricted to a narrow range of the working population. Private insurance schemes replaced most forms of public assistance, including medical insurance and unemployment benefits. It was not until October 2000 that a public unemployment insurance scheme with state, business and worker contributions was recreated.

Beyond these modifications, the *Concertacion* governments restored the labor relations framework that existed before Pinochet. In terms of the state's role in oversight, mediation and registration functions the situation remained the same as before the coup. What is different, and what was inherited from the dictatorship, is the forced decentralization of and significant restrictions on unions as bargaining agents. Unlike Uruguay, national labor administration retained oversight in the labor relations field, including powers of union recognition, strike regulation, electoral scrutiny and financial review. Moreover, the advent of the elected regime brought back traditional union-party ties, initially with an increased CD presence within the CUT at the expense of the Communists.

Election of CD candidate Eduardo Frei to the Chilean presidency in 1994 continued the trend of reforming around the margins of the labor relations framework while maintaining the historical pattern of state dependence and party subordination. Extension of social benefit and pension programs, ratification of International Labor Organization conventions and regular attempts to negotiate a labor reform package in Congress during the period 1995-98 demonstrated the *Concertación* government's willingness to expand individual and collective labor rights, although in practice little concrete was done to democratize labor relations as a collective enterprise³⁸ Neither were there major labor reforms after Lagos was inaugurated. In spite of his campaign plank of "significant" labor reform as a priority, the central aspects of the labor relations framework--location and coverage of collective bargaining, regulations on labor service withdrawals, and state oversight of the labor relations system--remained largely untouched relative to previous governments. The issue of labor reform remained contentious enough to generate opposition from both business groups and the CUT,³⁹ but it was not until

subsequent public airing of political and sexual scandals within rightist political parties, revelations of General Pinochet's secret bank accounts and his indictment on human rights abuse charges concurrent with the official publication of the evidence of systematic torture during his rule, that the grip of the ideological right on social discourse began to slip.

The collective outcome for Chilean labor over a decade of elected rule was a drop in union membership and union activities, evident in the decrease in collective bargaining and strikes throughout the 1990s. From a high of 247 legal strikes in 1992 (to which were added a small number of illegal strikes), averaging 12 days in duration and involving 26,962 workers (0.6 of the workforce), the number fell to 121 in 1998, involving 12,608 workers (0.2 percent of the workforce) and approximately 10 days duration. Tellingly, at least in terms of the fragility of working class consent, there were 86 illegal strikes that year, involving 344,440 workers (6.3 percent of the workforce). Those figures did not deviate substantially through the turn of the century, with 108 strikes in 1999 and 125 in 2000.

Collective bargaining coverage (a measure of collective consent), including both collective contracts negotiated with unions and *convenios* negotiated with unorganized employee groups, fell from a total of 492, 4000 workers in 1994 (9.6 percent of the employed labor force) to 399,600 workers (7.4 percent of the employed work force) in 1998. Most of those were covered by *convenios* rather than contracts, and the average yearly real wage adjustment fell steadily from 4.06 percent in 1989 to 0.96 percent in 1998. Of that, most of the wage gains were made by those covered by *convenios* rather than contracts, further weakening the bargaining position of unions.⁴⁰

The number of unions increased at a time where overall rates of unionization gradually decreased relative to both the early days of the democratic regime as well as the authoritarian period. From a total number of 396,000 union members distributed among 3,977 unions in 1981 (which made for an average size of 100), the numbers rose to a high of 724,000 affiliates in 1992, distributed among 10,756 unions for an average size of 67. By 1998 union membership had dropped back to 611,000 while the number of unions continued to rise, to 14,276, making for an average size of 43 members. From a post-authoritarian high unionization rate of 15.3 percent in 1991, the rate fell to 11.1

percent by 1998, with private sector unionization rates falling below eight percent.⁴¹

As before 1973, business is authorized to collectively bargain at the industry or sectorial level, which gives it a distinct advantage when coordinating wage bargaining with an increasing number of decentralized shop unions and non-union groups. The “excessive decentralization” of collective bargaining has led to an asymmetric pattern of collective representation that in turn has contributed to “irrationality” in union strategic postures that impedes wage bargaining coordination at all levels.⁴² Thus, although employment increased incrementally along with the median wage in the 1990s, virtually all of the gains were made in unorganized sectors of the economy.⁴³

In Uruguay resurrection of the tripartite wage boards saw modifications in the occupational categories covered due to changes in the economy (e.g. telecommunications and computer workers), and the imposition of so-called wage and price “bands” that limited wage and price increases to the average of the past quarter’s cost of living increases added to the increases predicted for the next quarter (known as the *semi-suma*). Enforced by the DINACOPRIN authority for wage and price fixing inherited from the dictatorship and administered by a superior council on salaries that had tripartite representation distributed amongst business, union and state representatives (the *Consejo Superior de Salarios* or COCUSAL), the anti-inflationary measure was initially resisted by business representatives and unions. Arguing that the wage and price ceilings imposed by the state were an infringement on their freedoms of association, a number of unions and employers initially refused to submit proposals to the tripartite forums. However, when the state began ruling by default in favor of those who did, eventually all employer groups and unions returned to the table to negotiate terms within the parameters established by the *semi-suma*. After three years the majority of wage board contracts had extended their length of coverage from six months to two years, and virtually all of them contained no-strike clauses.⁴⁴

This was an important development. The number of strikes soared in the months after the 1985 elections, with 949 strikes in the first eighteen months of the democratic regime. Thereafter strike activity gradually began to drop off as the wage accords began to take effect, reaching a low of 120 (with an equally low number of man hours lost) in 1999.⁴⁵ General strikes continued to be a regular feature of the political landscape,

reaching their highest points in the lead up to the signing of the MERCOSUR accords in 1991 and in the months before national elections in 1989, 1994 and 1998. This “tidal” flow of general strikes was due to their being held as general protests against the direction of government policy in conjunction with other social mobilizations and popular protests, not as forms of economic redress. Renewed tripartite bargaining proved successful in maintaining real wages in the face of diminishing inflation, something that was complemented by a renewal of state spending on health, vocational (re) training and welfare services (all of which saw a restoration of interest group representation in concertative policy-making and oversight agencies). This made for relative labor peace in spite of the market opening and the subsequent decimation of domestic manufacturing by competition from Argentine and Brazilian firms.

In Uruguay rotation in office to Blanco Party candidate Luis Lacalle in 1990 brought with it the most significant attempts to reform the labor relations system. Emulating the approach taken by Carlos Menem in Argentina, Lacalle embarked on a market opening policy connected with the regional free trade agreement, MERCOSUR, inaugurated in 1992 (a move that was supported by most of the political left over the objections of the PIT-CNT). As part of this project he attempted to introduce legislation that limited the right to strike and increased the state’s powers of union oversight. That was a mistake. A wave of strikes and protests followed, to include several general strikes that virtually paralyzed the country, and the Colorado Party parliamentary bloc united with the *Frente Amplio* to defeat the bill on the grounds that it was a gross violation of basic freedoms of association. It also marked the end to government attempts at promoting asymmetry in collective action.

Changes were nevertheless made to labor market policy. Lacalle disbanded the DINACOPRIN and COCUSAL wage and price-fixing agencies and halted use of the *semi-suma* criteria for salary adjustments in 1990, then removed the State from the tripartite wage boards after the defeat of his labor reform bill in parliament. This returned collective bargaining to the 1943 labor relations system dominated by autonomous bi-partite negotiations in which market conditions and the organizational capacity of employers and unions determined working conditions and incomes. The purpose of “freeing” the collective bargaining system was to eliminate labor market rigidities and other perceived obstacles to free trade and economic efficiency. Outside of bread and

butter issues, labor market conditions continued to be negotiated via concertative mechanisms with multiple social group representation.

Entry into MERCOSUR was devastating on Uruguayan manufacturing and employment. Flanked by two larger trading partners in Argentina and Brazil, domestic industry was swamped by foreign competition and was halved in little more than five years. Employment in manufacturing dropped accordingly, and with it union jobs, falling from over twenty to under ten percent in five years. An overall unionization rate of nearly forty percent in 1990 fell to fewer than twenty percent in by the end of the decade.⁴⁶ In 1988 “the single national central union reported a total of 188,000 members, and five years later, in 1993, 177,000 members belong to 17 federations and 359 unions. In 1996 there were 164,000 in the national central, but some unions were not members of it. By 1993 54 percent of the membership belonged to the public sector, which had the smallest drop in the number of affiliates.”⁴⁷ Thus, as in Chile, total membership numbers and overall density rates were halved once the market-oriented project was implemented.

Confronted by MERCOSUR, manufacturers and their corresponding unions adopted defensive mentalities where, using the same occupational categories as under the wage boards but without the state presence, they negotiated collective bargains that traded wage restraint and more flexible working conditions for continued employment and productivity increases. Recognizing the severity of the dislocations and devoid of its mediation role, the bulk of national labor administration shifted to vocational training and unemployment relief. Another recourse was emigration, although those who moved across the River Plate soon realized the folly of that decision. The political-economic meltdown in Argentina in 2001-02 precipitated major structural changes in that country, with a repercussive effect on its smaller neighbor due to heavy Argentine investment in Uruguayan financial markets. That rippled into the larger national market, to include traditional exporters with Argentine money or organization involved in the enterprise. The net result was an accentuation of trends evident at the onset of the MERCOSUR project, which increased Uruguayan exposure to the vagaries of larger political economies beyond its control.

Beyond the labor market, the response to this scenario has been increased labor-based political power, most recently evident in *Frente Amplio* control of parliament and the

presidency in 2004. Unlike Menem in Argentina, who had a compliant Peronist majority in Congress that ratified his use of executive decrees to impose economic policy, the *Blancos* were punished for the negative impact of his policies on the once-“cushioned” society. After a narrow electoral victory that reversed traditional class voting lines, in 1995 Colorado Julio Sanguinetti succeeded Lacalle. At the same time the *Frente Amplio* made dramatic gains at the expense of the *Blancos*, to the point that in the national elections of 1998 (with the presidency narrow won by another Colorado, Jorge Battle, over the *Frente Amplio* candidate Tabare Vazquez) it became the second largest parliamentary bloc and held control of the mayoralty of Montevideo. The *Blanco* Party saw their electoral support fall to 17 percent in 1998, the lowest in its history. These political trends continued with the 2004 elections. The *Blancos* continued to be relegated to a fringe position behind the *Colorados*, themselves beaten decisively with less than 40 percent of the national vote.

Although it could not reverse the decision to join MERCOSUR, the strength and close union ties of the *Frente Amplio* thwarted attempts to further open the Uruguayan market, particularly with regards to the privatization of public enterprises and the health and pension systems. Of particular success was the union movement’s strategy of forcing plebiscites on the government’s attempts to privatize public utilities. In 1992 such a plebiscite forced the repeal of the privatization of the national telecommunications company ANTEL, and in 2003 a similar measure defeated the attempt to sell-off the national oil company ANCAP. These measures had the effect of slowing the process of state reform, which in turn contributed to the continued presence of public sector unions as key economic actors. In 2002 the PIT-CNT position against the sale of strategic economic assets to foreign-based syndicates was reaffirmed by national plebiscite.

In the meantime, using autonomous bi-partite collective bargaining, Uruguayan unions slowed the loss of employment in organized sectors while maintaining real wages at rates slightly above inflation.⁴⁸ Most of the costs of market opening were shifted to unorganized sectors of the work force, particularly those in private manufacturing and construction, a trend that accelerated after the Argentine crisis. Where union presence was strongest (in the centralized State administration bureaucracy, where union density remained above fifty percent throughout), the ability to defend employment was strongest as well. However union density in private manufacturing fell below ten percent

with the closure of many previously organized shops, with the national density rate and number of members stabilizing at fifteen percent and 120,000 (out of a population of 3.5 million) after the turn of the century. In effect, within a general condition of retreat and defense of employment started by the entrance into MERCOSUR and aggravated by the repercussive impact of the crisis across the River Plate (as well as throughout the regional trading bloc), Uruguayan unions maintained an organizational presence in setting work conditions and the material standards of the rank and file while increasing their influence in national politics through their representatives in the *Frente Amplio*.

Conclusion.

Comparative analysis of Chile and Uruguay during the first fifteen years after the fall of authoritarian rule suggests that pre-authoritarian labor politics conditioned post-authoritarian labor market outcomes. The mode of initial labor incorporation as a collective actor (in both cases done conterminously with the first attempts to institutionalize the labor relations system), the subsequent pattern of labor insertion in politics (defined by the nature of union-party ties), and the state regulatory frameworks governing labor-capital relations prior to 1973 cast a heavy shadow over post-authoritarian labor politics whether or not authoritarian labor reforms were maintained after the restoration of democracy, and regardless of the party in government. The most important aspects of the pre-authoritarian labor politics system—particularly the role of the state in administering collective action—remained unchanged.

The circumstances surrounding the process of post-authoritarian reform differed between the two countries, leading to differences in the specific path taken in each instance. The authoritarian labor relations system was far more legitimate in post-authoritarian Chile than in Uruguay (at least among the bourgeoisie), and there was greater military capability to enforce market-oriented edicts before and after the foundational election. It has a political left that was willing to accept market economics as the price for the return of elected rule. Privatization of public services and loosening of labor market regulations during the dictatorship, which continued under its elected successor, induced declines in membership numbers that further weakened the political impact of organized labor. Yet it was the pre-authoritarian institutional legacy of state corporatist labor administration that subordinated unions to both left parties and the state

in a context of national integration into the global system of trade and exchange. There was, in essence, a sedimentary residue from both the pre-authoritarian and authoritarian eras that markedly influenced the nature of labor politics in the initial post-authoritarian period

Post-authoritarian labor politics in Uruguay saw a complete U-turn. The authoritarian regime was thoroughly discredited, and virtually none of its legal or political reforms were retained after its exit. Instead, the restoration of political democracy saw a return to shop union independence and labor movement autonomy in a pluralist interest intermediation system in which unions strongly influenced the political strategies of left parties. That included a return to the *Frente Amplio* as the political voice of the union movement and the use of societal corporatist, concertative vehicles for resolution of interest group conflicts in key policy areas. Freedom of association and unified political voice “from below” allowed organized labor to resist attempts to alter the legal charter governing labor relations in the face of exogenous pressures to bow to market imperatives. Popular backing for pluralism on principle gave broader support to union efforts to maintain their autonomy and ability to engage in collective action. Attempts in the early 1990s by the center left Blanco Party to interfere with labor’s autonomy by placing legal constraints on what unions could do (in order to facilitate integration with larger regional market partners) were resisted by the political right almost as much as it galvanized union and left party opposition. This gave Uruguayan unions a line of defense against the negative consequences entry to MERCOSUR entailed for workers in a “boutique” economy surrounded by larger neighbors with economies of scale (although it did not prevent significant losses of jobs in the private sector).⁴⁹

This study substantiates the view that where organized labor is excluded from policy-making or repressed (whatever the nature of union-party ties), the easier it is to deregulate labor laws in pursuit of market objectives. Where organized labor is included in policy debates, there is less likely to be significant labor market reform.⁵⁰ Where organized labor is excluded from policy decision-making, pro-market labor reforms simultaneously reinforce political democracy while subverting social democratization.⁵¹

Discussion of union-party ties is useful because it shows that where union leaders behave relatively autonomously, retain class-based perspectives, have independent

power bases or significant influence within labor-based political parties in government, moves to market-driven reform either are stymied from within the governing coalition or lead to left party defeat in national elections. Where labor-based parties control union leadership selection or are able to by-pass union hierarchies by substituting them with territorially aggregated clientelist networks or the political patronage-based recruitment of unorganized workers, the informal sector and domestic bourgeoisie, subordination of organized labor under conditions of market-oriented reform is possible. Political pragmatism, external support, machine politics and loose institutional hierarchies are critical to the success of these projects. Yet there is an institutional backdrop to all of this.

That backdrop is the legal and organizational framework in which collective action occurs. Depending on the combination of legal apparatus and organizational features, national labor administration can serve to facilitate or impede political and union leader coordination with or without rank and file oversight or ratification. In state corporatist systems decisions are reached via elite bargaining, given as directives to collective agents without legitimate membership ratification, insured by institutionalized reward systems, and enforced by legal and coercive means. It is a top-down system of representation that can be exclusionary or inclusionary depending on the orientation of the regime. In pluralist systems collective decisions are initiated by principals rather than agents, are subject to independent rank and file ratification, the State merely recognizes the results, and the outcomes are self-enforcing. It is a bottom-up form of representation in which principals have the last word on policy.

In Uruguay the tidal flow of pluralist interest intermediation around the dictatorship made for symmetrical bargaining between autonomous collective agents with equal freedom of action, either with the mediating oversight of the state in concertative agencies or in decentralized bi-partite fashion. Collective agents organize free from legal or political interference in order to negotiate according to their relative strengths. Outcomes are self-enforcing within the general constraints of civil law. The state role is neutral, and merely ratifies the results of sectorial interaction. With the exception of the mandatory role and wage-setting powers of occupational wage setting boards established in 1968, no authoritarian modifications to the 1943 labor politics partial regime were retained after 1985. The only significant post-authoritarian labor reform was the repeal of the 1968

provisions mandating state mediation in wage setting.

In Chile the sedimentary combination of pre-authoritarian and authoritarian legacies made for asymmetrical interest intermediation in the post-authoritarian era. The marriage of the pre-authoritarian Labor Code and 1979 *Plan Laboral* reinforced the state's control and enforcement capacity over unions while atomizing representation on the shop floor. Chilean labor market regulations restrict union's strategic options while allowing for entrepreneurial discretion in setting the conditions of production. It is a system of carrots for business and sticks for labor.⁵²

The bottom line is one of path-contingent and circumstantial institutional morphology—specifically, the extent of state enforcement and regulatory capability inherited from the pre-authoritarian and authoritarian eras under conditions of global market integration—within which Chilean and Uruguayan union-party linkages evolved in the initial post-authoritarian period. Market-oriented reform is more likely to succeed in countries where state corporatist labor administration serves as a check on union freedom of action regardless of the party in government. Where labor pluralism obtains, the chances of pushing through market reforms diminishes. Inherited from the pre-authoritarian era, state corporatist labor politics were decisive in subjugating Chilean unions to the market-oriented policies of the post-authoritarian elite. In Uruguay the pre-authoritarian pluralist institutional legacy partially insulated unions from the worst effects of market deregulation and opening. Thus, even where dictatorial legislation acted as an intervening variable, institutional inheritance of the pre-authoritarian past strongly influenced post-authoritarian labor politics in these two countries. The conclusion may be obvious, but the path to reaching it was not.

APPENDIX

*Table 1
Strike regulations in Chile and Uruguay*

	Chile			Uruguay		
	1932-1973	1979-90	1990-2000	1943-1968	1968-85	1985-2000
Right to strike?	Yes (qualified)	1973-79 no; 1979-90 limited	Yes (qualified)	Yes	No	Yes
Replacement workers allowed during strike?	No	Yes	yes (qualified)/ no (after 1996)	No	Yes	No
Right to lock-out?	No	Yes (qualified)	Yes (qualified)	No	Yes	No
Limits on strike duration?	No	Yes	Yes	No	Yes	No
Mandatory dues deductions?	Yes	No	No	No	No	No
Dismissal without severance?	No	Yes (qualified)	Yes (qualified)	No	Yes	No
Non-economic strikes allowed?	No	No	No	Yes	No	Yes
Job security (unemployment rates +ease of replacement)	High	Low	Low	High	Low	Medium

Table 2
Collective bargaining regulations in Chile and Uruguay

	Chile			Uruguay		
	1932-1973	1979-90	1990-2000	pre-1968	1968-85	1985-2000
Mandatory collective bargaining?	Yes	No	No	No	No	No
Compulsory arbitration or conciliation?	Yes	Yes	Yes	No	Yes	Yes until 1992/no thereafter
Cooling Off Period?	No	Yes	Yes	No	Yes	Yes
Limited scope of negotiable issues?	Yes	Yes	Yes	No	Yes	No
Limits to duration of agreements ?	Yes	Yes	No	No	Yes	No

Table 3

Number of unions and union density in Chile and Uruguay

	Chile		Uruguay			
	<i>Number of unions</i>	<i>Union density</i>	<i>Number of unions</i>	<i>Union density</i>		
				Cassoni et al	Superviella/Quinones	Rodriguez et al
1977	-	23.6	-			
1978	-	-	-			
1979	-	-	-			
1980	-	-	-			
1981	3977	12.1	-			
1982	4048	11.8	-			
1983	4401	10.1	-			
1984	4714	10.3	-			
1985	4994	8.7	-	30	-	37.5
1986	5391	9.9	-	-	-	-
1987	5883	10.5	-	29	23	34.0
1988	6446	10.4	-	-	-	-
1989	7118	11.4	-	-	-	-
1990	8861	13.6	-	21	-	30.2
1991	9858	15.3	-	-	-	-
1992	10756	15.0	-	-	-	-
1993	11389	13.7	359	21.4	16	17.2
1994	12109	13.3	-	-	-	-
1995	12715	12.7	-	-	-	-
1996	13258	12.4	-	18	13	16.9
1997	13795	11.5	-	-	-	-
1998	14276	11.3	-	16	11	-
1999	-	-	-	-	-	-
2000	-	-	-	-	-	15.9

Sources: Ministerio de Trabajo y Previsión Social, Dirección de Trabajo, Anuario Estadístico; Departamento de Relaciones Laborales, Estadística Laboral. Santiago: for the years cited. Patricio Frias, “La Afiliación Sindical en Chile: 1932-1992”, Economía & Trabajo, V.1 N.2 (1993): 263-288.

A. Cassoni, S. Allen and G. Labadie, “Unions and Employment in Uruguay”, Grupo de Estudios en Economía, Organización y Políticas Sociales, Inter-American Development Bank, (May 2000): 10-11. (Union density), and “Afiliados-Cotizantes y Delegados a los Congresos del PIT-CNT (Entre los años 1985-2001). Montevideo: Universidad Católica, Internal document, Programa Modernización de las Relaciones Laborales, UCDAL-FOMIN (2001). * Second set of figures from M. Supervielle and M. Quiñones, “La Reforma Laboral y las nuevas funciones del Sindicalismo en Uruguay,” Departamento de Sociología, Facultad de Ciencias Sociales, Universidad de la República Oriental del Uruguay (2001): 17-20. Third set of figures from J.M. Rodríguez, B. Cazzano and G. Mazzuchi, La transformación de las relaciones laborales, Uruguay 1985-2000. Montevideo: Universidad Católica, 2002 (Statistical Appendix Chart C.1).

Table 4

*Number of strikes and number of days lost due to strike action in Chile and Uruguay**

	Chile		Uruguay	
	<i>Number of strikes</i>	<i>Number of days lost</i>	<i>Number of strikes</i>	<i>Number of days lost</i>
1975	0*	-	0**	-
1976	0	-	0	-
1977	0	-	0	-
1978	0	-	0	-
1979	0	-	0	-
1980	89	428 300	0	-
1981	-	676 295	5***	-
1982	-	51 544	15	-
1983	41	58 492	30	-
1984	38	41 980	75	-
1985	42	131 630	632****	-
1986	41	60 700	650+****	-
1987	81	104 200	650	-
1988	72	87 400	500	-
1989	101	298 600	-	-
1990	176	245 192	300	-
1991	224	733 794	-	-
1992	247	344 708		-
1993	224	59 741	176	-
1994	196	34 819	-	-
1995	187	350 124	-	2 076 758
1996	183	234 566	-	1 278 738
1997	179	214 485	138	1 435 498
1998	121	123 507	137	707 425
1999	108	103 232	120	860 000
2000	125	114 306	118	500,000

Chile: * International Labour Organization data for Chile covers the number of days lost due to strike action only (i.e. lockouts are not accounted for). Before 1980, strikes were illegal. International Labour Organization, LABORSTA database tables 9A and 9C.

Uruguay: ** Strikes were illegal from 1968-85. *** No official figures were kept but illegal strikes increased after the 1980 referendum and accelerated after the May Day general strike of 1983. **** Estimates for 1985-86 are from ILO, Relaciones de Trabajo en el Uruguay. Geneva: 1987: 127. These numbers are estimates based upon data available, to include anecdotal and journalist accounts as well as what union statistics are available. No official statistics exist, and ILO figures are based upon secondary sources. Data after 1995 provided by the data Bank of the Programa de Modernización de las Relaciones de Trabajo. Montevideo: Universidad Católica de Uruguay, UCUDAL-FOMIN, for the years cited.

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NOTES

¹ *The Eighteenth Brumaire of Louis Bonaparte*, 2nd Edition. Hamburg: 1869. Translated by Saul K. Padover. eserver.org/marx/1852-eighteenthbrumaire/part1.text:1

² On the market turn of labor based parties in Latin America, see Maria V. Murillo, *Labor Unions, Partisan Coalitions and Market Reforms in Latin America*. Cambridge: Cambridge University Press, 2001; Steven Levitsky, *Transforming Labor-Based Parties in Latin America: Argentine Peronism in Comparative Perspective*. Cambridge: Cambridge University Press, 2003; and Katrina Burgess, *Parties and Unions in the New Global Economy*. Pittsburgh: University of Pittsburgh Press, 2004.

³ Peter B. Evans, Dietrich Reuschmeyer and Theda Skocpol eds., *Bringing the State Back In*. Cambridge: Cambridge University Press, 1985.

⁴ A good prelude to this line of thought is found in Robert Barros, "A Democratic Past, Strong Political Parties, but no Transition to Democracy: The Paradox of Chile Explored," paper presented at the Latin American Studies Association fourteenth International Congress, New Orleans, March 1988. Another study that obliquely addresses the issue is Claus Offe, "Societal Preconditions of Corporatism and Some Current Dilemmas of Democratic Theory." Kellogg Institute *Working Paper* N.14 (March, 1984).

⁵ On path contingency see Juliet Johnson, "Path Contingency in Postcommunist Transformations," *Comparative Politics*, V.33, N.2 (2001): 253-74; and ibidem, "Path Dependence or Path Contingency? Institutional Design in Post-Communist Financial Systems," in Grzegorz Ekiert and Stephen Hanson, eds., *Capitalism and Democracy in Central and Eastern Europe: Assessing the Legacy of Communist Rule*. Cambridge: Cambridge University Press 2003.

⁶ 'Over the past decade, a number of scholars have challenged pluralist and functionalist theories of the long-term political development...they have proposed a branching-tree, path-dependent model of long-term political change which stresses the way in which institutional choices made at "critical junctures" lay down a given state's course of development for decades and even centuries to come by limiting the range of viable policy options open to future leaders'. Thomas Ertman, *Birth of the Leviathan: Building States and Regimes in Medieval and Early Modern Europe* Cambridge: Cambridge University Press, 1997: 320. Although limited to labor politics institutions, the approach cited here is akin to that described by Jonathan Hartlyn: path dependency is 'an interim form of analysis between structural determinism (the past determines the future) and replacement (the present eliminates the past and determines the future). (It)... seeks to study how structural, institutional and cultural approaches impose broad limits or shape the general nature of outcomes that are the determinant of contingent choice, and how these, once made, have an independent impact on subsequent political, economic and social trajectories'. "Political Continuities, Missed Opportunities and Institutional Rigidities: Another

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⁷ On the historical institutionalist school and discussion of investment returns to scale and asset-specificity in the context of path-dependency, see Kathleen Thelen, Sven Steinmo and Frank Longstreth, *Structuring Politics: Historical Institutionalism in Comparative Analysis*. Cambridge: Cambridge University Press, 1992; Kathleen Thelen, “Varieties of labor politics in the developed democracies,” in Peter Hall and David Soskice (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, 2001; Douglas C North, *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press, 1990; and Paul Pierson, “Path Dependence, Increasing Returns and the Study of Politics,” *American Political Science Review*, V.94, N.2 (June 2000): 251-67.

⁸ James Mahoney, “Path-dependent explanations of regime change: Central America in comparative perspective,” *Studies in Comparative International Development*, V.36, N. 1 (Spring 2001): 111-142.

⁹ Kurt Weyland. “Limitations of rational choice institutionalism for the study of Latin American politics,” *Studies in Comparative International Development*, V.37. N. 1 (Spring 2002): 57-86.

¹⁰ Colin Crouch, *Capitalist Diversity and Change: Recombinant Governance and Institutional Entrepreneurs*. Oxford: Oxford University Press, 2005: 3.

¹¹ Kathleen Thelen, *How Institutions Evolve: The Political Economy of Skills in Germany, Britain, the United States and Japan*. Cambridge: Cambridge University Press, 2004.

¹² The notion of historical transcript is derived from J. C. Scott, *Domination and the Art of Resistance: Hidden Transcripts*. New Haven: Yale University Press, 1990. It should be noted that this derivation conflates his notions of “hidden” and “public” transcripts because it incorporates both the official discourse of dominant groups as well as the submerged discourse of subordinate groups in a larger historical record.

¹³ To be sure, the longer the authoritarian interlude (which is a matter of institutional as well as individual reproduction), the more likely that historic memories will fade with each passing generation. For a discussion, see Robert E. Blum, “The Weight of the Past,” *Journal of Democracy*, V. 8, N. 4 (October, 1997): 28-42. On the influence of pre-Stalinist traditions in Eastern Europe, see Richard Rose, et al. *Democracy and its Alternatives: Understanding Post-Communist Societies* Baltimore: Johns Hopkins University Press, 1998.

¹⁴ This includes the subjective assessments informing actor’s strategic choices. That issue is examined by Kristin R. Monroe, “Paradigm Shift: From Rational Choice to Perspective,” *International Political Science Review*, V. 22, N. 2 (2001): 151-172. The notion of partial regimes comes from Philippe C. Schmitter, “The Consolidation of Democracy and the Representation of

Social Groups,” *American Behavioral Scientist*, V.35, N.4-5 (March, 1992): 422-50.

¹⁵ The literature on Latin American labor movements during regime transition is extensive. For examples of recent scholarship see Maria Lorena Cook, “Labor Reform and Dual Transitions in Brazil and the Southern Cone,” *Latin American Politics and Society* V.44, N. 1 (Spring 2002): 1-34; Kenneth Roberts, “Social Inequalities without Class Cleavages: Party Systems and Labor Movements in Latin America’s Neoliberal Era,” *Studies in Comparative International Development* V.36 N.4 (Winter 2002): 3-33; and Maria V. Murillo and Andrew Schrank, “With a Little Help from My Friends: External and Domestic Allies and Labor Rights in Latin America,” *Comparative Political Studies*, V. 38. N.8 (October 2005), forthcoming.

¹⁶ Kenneth Roberts, “Social inequalities without class cleavages in Latin America’s Neoliberal Era,” *Studies in Comparative International Development*, V.36, N.1 (Winter 2002): 3-33.

¹⁷ The early history of the Chilean labor movement, including the legal framework in which it operated, is analyzed in R. Alexander, *Labor Relations in Argentina, Brazil and Chile* NY: McGraw-Hill, 1962: 236-355.

¹⁸ State corporatism has been a much-discussed subject in comparative politics. For a small sample of the writing that refers to the Southern Cone, see Philippe C. Schmitter, “Still the Century of Corporatism?” *Review of Politics*, V. 36 N.1 (1974): 85-121; Howard Wiarda, *The Corporative Origins of the Iberian and Latin American Labor Relations System*. Amherst: University of Massachusetts Labor Relations and Research Center, 1976; James Malloy, ed. *Authoritarianism and Corporatism in Latin America*. Pittsburgh: University of Pittsburgh Press, 1977; David Collier and Ruth Berins Collier, “Inducements versus Constraints: Disaggregating ‘Corporatism,’” *American Political Science Review*, V.73, N.4 (October 1979): 967-986; and Paul G. Buchanan, “State Corporatism in Argentina: Labor Administration under Peron and Onganía,” *Latin American Research Review*, V. 20, N.1 (Spring 1985): 61-95.

¹⁹ C. Bergquist, *Labor in Latin America: Comparative Essays on Chile, Argentina, Colombia and Venezuela* Stanford: Stanford University Press, 1986: 73.

²⁰ The CUT followed on the heels of the *Gran Federación de Obreros de Chile* (Foch, founded in 1909) and the *Confederación de Trabajadores Chilenos* (CTCh, founded in 1938), neither of which were fully encompassing of the organized labor movement or the political tendencies within it. On the early history of Chilean labor see Bergquist, *Labor in Latin America*: 20-80.

²¹ By the 1960s twenty percent of the workforce was employed in the public sector, and over ninety percent of these were organized in unions. (Buchanan, *State, Labor, Capital*: 216). On the “cushioned society,” see Carlos Real de Azúa, “Política, poder y partidos en el Uruguay de hoy,” in Carlos Benvenuto, et.al. *Uruguay de Hoy* Mexico, D.F.: Siglo XXI, 1971:181-182.

²² This illustrates the “tail wags the dog” syndrome in state corporatist labor administration where union bosses use their party influence and privileged access to the state to pursue their own political projects or thwart those of others. Murillo (2001) makes the point about different state

corporatist control capacity when comparing Argentine and Mexican labor relations.

²³ International Labor Organization, *Strikes and Lockouts, by Economic Activity*, Table 9A; and *Workers Involved, by economic activity*, Table 9B. 2002. Geneva: Laborsta, 2002 (web version used: <http://laborsta.ilo.org>).

²⁴ It is impossible to do justice to the full scope of authoritarian labor politics in the context of a short essay. The best comparative work is Paul Drake, *Labor Movements and Dictatorships: The Southern Cone in Comparative Perspective* NY: Johns Hopkins University Press, 1996.

²⁵ Horacio Henríquez, "La Reconstitución del Sindicalismo Durante el Régimen Militar: Análisis de Algunos Sectores Urbanos," in CLACSO, *El Sindicalismo Latinoamericano en los Ochenta*. Santiago: Comisión de Movimientos Laborales, 1986: 248, 260.

²⁶ Decree-Law 2,200-July 1978 (on individual contracts); Decree Law 2.756-June 1979 (on collective bargaining) and Decree-Law 2,758-June, 1979 (on union organization) were the three main instruments of the *Plan Laboral*. Along with their subsequent modifications, they were incorporated into a new Labor Code (*Código de Trabajo*) in 1986.

²⁷ See Joel Stillerman, "Disciplined Workers and Avid Consumers: Neoliberal Policy and the Transformation of Work and Identity among Chilean Metalworkers," in Peter Winn, (ed.), *Victims of the Chilean Miracle? Chilean Workers and the Neoliberal Model 1973-1986*. Durham: Duke University Press, 2005.

²⁸ Decree 622/1973, Decree 574/1974 Law 14,218/1974 and Law 14,489/1975 were the main vehicles for reorganizing and expanding MTSS control over the labor movement. Centro Interamericano de Administración de Trabajo, *Reunión técnica regional sobre el convenio 150 y la recomendación 158 de la OIT relativos a la administración de trabajo*. Lima: OIT/PNUD, 1982: 532-33. These duties were reinforced by Law 14, 791/1978, Decree 371/1978 and Resolution 991/1978. The last measure created the National Directorate of Wages, Costs and Prices—DINACOPRIN-- as a successor to the COPRIN, placing it under the jurisdiction of the Ministry of Labor and Social Security. *Diario Oficial*, June 21, 1978. On the thrust of national labor administration at the time, see E. Heguey Terra, *Estudios sobre la administración del trabajo en Uruguay*, 2 vols. Montevideo: MTSS and Universidad de la Republica, 1979.

²⁹ Decree 622-August 1973; Law 15,137-May 21, 1981 and Decree 513-October 9, 1981. International Labor Organization, *Relaciones Laborales en Uruguay*. Geneva: ILO, 1987: 36.

³⁰ The comparison is made in Drake, *Labor Movements*: 29-56.

³¹ Martin Gargiulo, "El Movimiento Sindical Uruguayo en los '80: Concertación o Confrontación?" In CLACSO, *El Sindicalismo Latinoamericano*: 167.

³² Even so, the *Concertación* coalition promised a "profound" review of the Labor Plan that would restore equality to labor-business relations and reaffirm the fundamental rights of workers. See Concertación de Partidos por la Democracia, *Programa de Gobierno*. Santiago: 1989: 25-30

³³ Edward Epstein, "Labor and political stability in the new Chilean democracy: Three illusions,"

Economía y Trabajo V.1, N.2 (July-December 1993): 47-64.

³⁴ Law 19,010-December 1, 1990; Law 19, 049-February 19, 1991; Law 19,069-December 1, 1991; and Law 19,250-September 23, 1993.

³⁵ Patricio Frías, "Sindicalismo y desarrollo de acción contestaria," *Economía y Trabajo en Chile 1994-95*. Santiago: Programa de Economía y Trabajo, 1995: 68; Daniel López, "El Proyecto de reforma laboral: avances y desafíos," *Economía y Trabajo en Chile 1994-95*. Santiago: Programa de Economía y Trabajo, 1995: 103. Informes Relasur, *Las relaciones laborales en Chile*. Madrid: Ministerio de Trabajo y Seguridad Social/Organización Internacional de Trabajo, 1994:101.

These sources are synthesized in Patrick Barrett, "Labor Policy, Business-Business Relations and the Transition to Democracy in Chile," *Journal of Latin American Studies*, V. 33, N.2 (August 2001): 571.

³⁶ Law 19,296/February 1994.

³⁷ Informes RELASUR, *Las relaciones laborales en Chile* (1994): 24-25.

³⁸ Ministerio de Trabajo y Previsión Social, *Memoria Institucional 1994-1997*. Santiago: MTPS, 1998. Web version used: www.mintrab.gob.cl/memorias/memorias.html.

³⁹ On the scope of Chilean labor reforms since 1990 see Volker Frank, "The Elusive Goal in Democratic Chile: Reforming the Pinochet Labor Legislation," *Latin American Politics and Society*, V. 44, N.1 (Spring 2002): 35-68.

⁴⁰ Data on strikes from International Labor Organization, LABORSTA data base Tables 9A and 9C. Data on strikes and real wages from MTSS, Dirección del Trabajo. Cited in Barrett, "Labor Policy:" 570-72 (Tables 2-4).

⁴¹ Barrett, "Labor Policy:" 569 (Table 1).

⁴² Manuel Barrera, "La Negociación Colectiva en Chile, Una Decentralización Excesiva," *Estudios Sociales* N. 86 (1995): 181-207; Eduardo Acuña, "Irracionalidad en Sindicatos Chilenos," *Estudios Sociales* N. 79 (1994): 177-205.

⁴³ Unemployment remained relatively stable around seven percent of the labor force throughout the 1990s, and the average wage growth in all sectors for the period 1986-1998 was 3.6 percent. Compared to 1970 wage rates, wage total growth by 1998 (twenty eight years) was seven percent, well below the cumulative rate of inflation for the period. See Barrett, "Labour Policy:" 574 (Table 5).

⁴⁴ Buchanan, *State, Labor, Capital*: 239-255 details the work of the *Consejos* during the first three years of the elected regime.

⁴⁵ Buchanan, *State, Labor, Capital*: 253-54. Programa Modernización de la Relaciones Laborales, *Relaciones Laborales en 1999 y tendencias de los últimos cinco años*. Montevideo: Universidad Católica, 2000: 3.

⁴⁶ Due to the voluntary nature of interest group record keeping and the State's lack of statistics gathering authority, accurate data on union density, membership strikes and collective bargains

are hard to come by in Uruguay. The ILO relies on a host of secondary sources, and that has been the strategy here.

⁴⁷ Adriana Cassoni, Steven G. Allen and Gaston J. Labadie, "Unions and Employment in Uruguay," Washington, D.C.: Interamerican Development Bank, Latin American Research Network *Working Paper* R-392, (May 2000): 10.

⁴⁸ Economic Commission for Latin America, *Economic Survey of Latin America and the Caribbean 1998-99*. NY: United Nations: 92; John Weeks, "Wages, Employment and Worker's Rights in Latin America 1970-98," *International Labor Review*, V. 138, N. 2 (1999): Table 3, Table 5; Instituto Nacional de Estadística (Uruguay), *Índice Medio de Salarios (IMS)*, V.2, N. 87 (February 2001): 1-2.

⁴⁹ On the problems confronting unions in contemporary "boutique" economies, see P.G. Buchanan and K. Nicholls, *Labor Politics in Small Open Democracies: Australia, Chile, Ireland, New Zealand and Uruguay*. London: Palgrave/Macmillan, 2003.

⁵⁰ Sebastian Etchemendy, "Repression, Exclusion and Inclusion: Government-Union Relations and Patterns of Labor Reform in Liberalizing Economies," *Comparative Politics*, V. 36, N. 3 (April 2004): 273-290.

⁵¹ Louise Haagh, "The emperor's new clothes: labor reform and social democratization in Chile," *Studies in Comparative International Development*, V.37, N.1 (Spring 2002): 86-116.

⁵² The notion of bi-frontal state corporatist approaches to different interest groups is taken from Guillermo A. O'Donnell, "Corporatism and the Question of the State," in Malloy (1977): 47-87. On carrot and stick incentives and disincentives (inducements and constraints), see Collier and Collier (1979).