Rebellion, Class, and Labor in Argentine Society

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The Argentine popular rebellion of December 2001 was a watershed departure, representing a massive outpouring against the neoliberal economic model promulgated by the international financial community and a confrontation with the established political class and the flawed Argentine political institutions. The election of Néstor Kirchner as president in May 2003 marks a reformist response to the social forces challenging Argentina’s historically perfunctory liberal democracy.

To allow the market mechanism to be sole director of the fate of human beings and their natural environment, indeed even of the amount and use of purchasing power, would result in the demolition of society. For the alleged commodity “labor power” cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this peculiar commodity. In disposing of man’s labor power, the system would, incidentally, dispose of the physical, psychological, and moral entity “man” attached to that tag. Robbed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure; they would die as the victims of acute social dislocation through vice, perversion, crime, and starvation. Nature would be reduced to its elements, neighborhood and landscapes defiled, rivers polluted, military safety jeopardized, power to produce food and raw materials destroyed. (Polanyi 1944, 73)
Economic historian Karl Polanyi was struck by the paradoxical fact that the laissez-faire economy was the product of deliberate state action while subsequent reactions to laissez-faire started in a spontaneous way (Polanyi 1944, 141). Indeed we have seen the deliberate unraveling of the capitalist welfare state on a global scale and nowhere with more negative consequences for the society at large than in Argentina. Global financial institutions have attained such a predominance over national economies that domestic priorities have succumbed to a mere secondary role. Virtually all autonomous planning has become subordinate to international finance requirements to such an extent that central banks no longer can plan for the health of the local economy, and productive enterprises have been replaced by financial stock market and currency trading. Inequitable income distribution has dramatically threatened societal cohesion, and the crippling of protective labor laws has caused the working class to fall into unparalleled levels of insecurity and poverty. Keynes’s nightmare vision that warned against a free society and economy’s being undermined by the purposeful dominance of finance capital has become a dire reality (Keynes 1964).

The impact of this offensive against governmental responsibility for societal security and welfare has reached global proportions. As Fred Block puts it, “The dictatorship of international financial markets has become a powerful obstacle to conscious adaptation and effective steering” (Block 1996, 207). The global ideology of neoliberalism since the mid-1970s sees governmental intervention as inherently wasteful and ineffective and promotes fiscal austerity, tax cutting, deregulation, and privatization as the coins of the realm. Block’s notion of “productive consumption”—that is, investments in education, job training, health care, the physical infrastructure, environmental protection, and the defense of families from economic insecurity—has been virtually ignored (Block 1996, 75ff.).

In the mid-1970s petrodollars found Latin American countries to be willing customers for recycled dollars that were looking for new sources of income. Easy credit from private banks to improve Latin American countries’ negative trade balances slowly created the esca-
tating debt crises that began in the early 1980s. The debt mounted steadily through the 1980s in Argentina, and while the debt accumulated, the International Monetary Fund (IMF) began its more stringent intervention in accordance with a restrictive fiscal and monetary policy. As the Argentine debt crisis deepened, economic decision-making was increasingly controlled by external banking interests, led by the International Monetary Fund (IMF), whose agreement for increasing debt relief was subsumed under a policy known as the Structural Adjustment Program (SAP). Under the aegis of the IMF’s imprimatur, Argentina’s external debt increased from $5 billion in 1970 to $90 billion by 1995 (Weaver 2000, 174). As the chief collection agency, the IMF oversaw the nationalizing of private debt obligations, which gave it, the large lending banks, and the powerful creditor governments the leverage to enforce neoliberal economic reforms throughout Latin America. As Frederick Weaver writes, “One does not have to go too far down the slippery slope of conspiracy theory in order to appreciate the profound compatibility between reorganizing Latin American economies in ways appropriate for wringing debt payments from them and for readying them to play new roles in the changing international economic order” (Weaver 2000, 181). The historic relative autonomy of the capitalist state as separate from the capitalist class has significantly atrophied in the post-Keynesian world (Miliband 1969, ch. 4).

Ultimately the overwhelming majority of Argentine society has no legal recourse in opposition to IMF economic policies. Those who work and those who are unemployed have no seat at the negotiations conducted at the highest levels among international bankers and governmental officiaildom. The IMF-sponsored bailout packages focus not on social issues, employment, and a variety of human concerns but rather on whether the creditors will be paid with interest. Thus the consciously driven policy of the IMF toward Argentina exhausts its domestic economic productivity while impoverishing the Argentine people. Just between 1992 and 2001, the public debt of Argentina increased by almost $50 billion. Moreover, between 1995 and 2000, the creation of Argentine private pension funds (AFJPs) has
reduced the public treasury by $45 billion. In addition, by the year 2001, Argentine indirect taxes on consumption, mainly IVAs, a value-added sales tax, made up 72.5 percent of revenues collected, whereas taxes on profits and income comprised only 27.5 percent (Resels 2002, 86). Workers were assured that if their public institutions were downsized and deregulated and social services privatized, they would be the beneficiaries (Ranis 1999, ch. 5). The workers kept their end of the bargain, but “globalization from above” aggravated old problems and created new ones (Brecher et al. 2000, 4). In the last analysis, it is the Argentine people who pay for the country’s debt by working harder and receiving less. This, then, is the scenario as we approach the popular rebellion of 2001.

**Antecedents to the Argentine Rebellion of 2001**

A framework is essential in understanding the contemporary crisis in Argentina: the causes, the conflict, the actors, and the ideological debate that has been unleashed. Argentina had become the world’s leading poster child for economic and political liberalism. State-led deregulations, flexibilization of labor laws, and privatization of public enterprises as well as the social security system have been combined with a minimalist government not unparalleled to Bill Clinton’s preachments about “the era of big government is over,” a society in the mold of Charles Lindblom’s famous dictum of “the market as prison” (Lindblom 1982).

The massive privatization of Argentine public enterprises, such as petroleum, electricity, railways, telephones, gas, and water, has naturally meant a substantial growth of foreign control over the Argentine economy. In 1993, in the early stages of President Carlos Menem’s neoliberal economic policies, of the 500 largest companies, 280 were in the hands of national capital groups and 220 were foreign-owned. By 2000, 314 were foreign-owned and 186 were Argentine nationals. In terms of earnings, the changes were even more pronounced. In 1993, the national firms accumulated close to $12 billion and the foreign firms $19 billion. By 2000 the national firms
attained less than $8 billion in earnings and the foreign firms close to $37 billion. But most dramatic were the comparative data on profits. The national firms’ profits declined from over $2 billion in 1993 to only $365 million in 2000, while the foreign firms’ profits rose from over $4 billion in 1993 to over $7 billion in 2000. In other words, by 2000, although the foreign firms made up 63 percent of the largest firms, they attained 95 percent of the profits (Página 12, May 21, 2002, 5).

Social data in Argentina indicated that unemployment (25 percent) and underemployment combine to 35 percent of the populace, that 60 percent of the population of 37 million are below the poverty level (measured by a family of four with monthly incomes below $220), and 27 percent are classified as indigent (family of four with monthly incomes $100 or less) in terms of providing for food, clothing, transportation, and services (Lozano 2003a; New York Times, March 2 and 22, 2003). Recent data indicate that people on wages and salaries now earn 15 percent of national income compared with over 40 percent in the 1960s and 50 percent under early Peronism (Resels 2002, 87; Ranis 1992, ch. 2). Wealth has become even more concentrated in the past decade. Income distribution figures according to households now indicate that the top 10 percent have gone from holding 35 percent of income in 1991 to 40 percent in 2000, while the bottom 40 percent of income earners have dropped from 14 percent of national income in 1991 to 10 percent in 2000 (Damill et al. 2002). In 1974, before the military dictatorship, the top 10 percent income earners received five times the income of the bottom 10 percent. By 1991 it was fifteen times, and by 2002 it was thirty times. Even more dramatic is that in the past decade, income distribution has become ever more concentrated. In 1991 the 20 percent richest group received 7 percent more than the bottom 80 percent. By 2002 that figure had risen to 23 percent! By comparison, in 1974 the top 20 percent income group received 35 percent less than the remaining 80 percent. If we apply an index number of 100 to Argentine salaries in 1974, by 2002 that index has fallen to 47 (Nochteff and Güell 2003, 5–17). This is in a country that in the mid-1970s ranked along with Uruguay
as having the best income distribution, highest modernity indices, and largest middle-class sector in Latin America.

Economist Joseph Stiglitz has argued that in the case of East Asia, the IMF and the World Bank have to consider three areas of priority: ensuring food security, maintaining the purchasing power of vulnerable households, and maintaining economic and social services for the poor, including spending on education and health care and designing well-targeted social programs (Stiglitz 2002, ch. 4). It is evident that these factors were among the crucial societal detonators in the upheaval of December 2001 in Argentina.

The explosion of December 2001 must be seen in a global context (see, for example, Burbach et al. 1997). In the Argentine case, it was a spontaneous outpouring of wrath and a rebellion against the imposition and consequences of a prescribed neoliberal economic model for Argentina. But it also included a direct confrontation with the governing institutions and the political leadership. Argentines massively demonstrated in December 2001, beating on pots and pans, directing their opposition to President de la Rúa’s establishment of controls over savings and checking accounts to avoid a run on the banks after the announcement of a partial debt default (corralito). The economic turmoil precipitated the sacking of supermarkets by impoverished consumers, which in turn resulted in a declaration of a state of siege, counterdemonstrations, and the death of twenty-seven people. De la Rúa resigned, and after a series of interim presidents, the congress designated Peronist Eduardo Duhalde as president.

The cacerolazos (pots and pans demonstrations) that began in December represented the mass of Argentine society from all walks of life. Argentina has never experienced such a spontaneous multiclass uprising. In 1945 the labor confederation massed workers to gain the release of the imprisoned Juan Perón, soon to be elected president. In 1955 conservative and moderate political parties, combined with the Catholic Church, marched against the Perón government, soon to be toppled by the military. In 1969 organized labor and university students occupied the center of the city of Córdoba, leading to the end of the military regime of Juan Carlos Onganía. In 1975 the Plaza de
Mayo was witness to large demonstrations against the economic policies of Isabel Perón, who was eventually ousted by the Proceso military dictatorship. But December 2001 was qualitatively different. It represented the Argentine people saying basta. They were the poor, the working class, the unemployed, the retirees, civil servants, students, the middle class, professionals, shopkeepers, and small-scale employers.

The culprits were no longer the Argentine military or a particular political party. The continuing confrontations turned on an assessment of the liberal capitalist model and representative government as realized in Argentina. Yet it was distinct from past socialist, revolutionary, and populist movements. This was a movement from below, distrusting even leftist parties that sought changes from above. There was little confidence in established political leadership cadres, in or out of power, as mediators of the public will. Nor was there any clear evidence that these new social formations had the unity to take immediate political power or that they had a shared commitment to develop new mechanisms of public responsibility and representation.

**The Rebellion’s Impetus to Social Formations**

In terms of the rise of civic and social activism, the lack of confidence in Argentine institutions has had a positive fallout quite remarkable in Argentina or anywhere else in the world. A pro forma citizenship was replaced by an engaged citizenry. Individuals demanded something beyond the nominal and often empty right to vote. They asked for a role on substantive issues such as taxation, privatization, and internationally mandated fiscal austerity policies (Petras and Veltmeyer 2001, 70). Organized groups of neighborhood people, *assembleas populares* (popular assemblies), met in parks, plazas, plazolettes, and on street corners to exchange ideas and projects concerning their needs, and procedures to address these needs and resolve them. What was being discussed and constructed was a new form of democracy based on an informed citizenry not only in the public arena of governance but filling public space that has hitherto
been a vacuum of citizen concern. It was simultaneously mobilizing and participatory. The popular assemblies were largely an urban affair and highly concentrated in the capital and in Buenos Aires Province. Of the popular assemblies, 75 percent are situated in Greater Buenos Aires in which reside about one-third the Argentine population (Feijóo and Salas Oroño 2002, 25–26).

What these popular assemblies attempted to do was (1) learn how public institutions function, (2) learn who is who in each publicly responsible entity, (3) gain access to public information on a regular basis, and (4) take public positions on key institutional questions. They began to develop mechanisms for monitoring the supreme court and key committees of congress such as those that make judicial appointments in the senate and those that deal with the national budget in the chamber of deputies. They made a serious critique of the political parties’ closed primary system (listas sábanas). They debated the “socialization” of the former state enterprises that were privatized in the 1990s, including the private pension funds (AFJPs), and sought oversight of both corporate and governmental corruption, the legitimacy of the foreign debt and the IMF structural adjustment programs, the defense of public education, and an investigation of the corralito (Mattini 2002, 51–52; Pérez Esquivel 2002, 58).

The popular assemblies organized themselves into committees based on the needs of each community and the interests and capabilities of its participants. They constituted themselves in committees responsible for the press, community action, social services, youth, housing, education, health, employment, and unemployment (Pérez Esquivel 2002, 63). Most popular assemblies met once a week. They then sent representatives to periodic inter-neighborhood meetings held at Parque Centenario to come up with common strategies. The representatives sent to the inter-neighborhood meetings had specific temporary mandates and no permanent tenure and were liable to recall by the neighborhood popular assembly. Popular assemblies have (1) fostered solidarity groups on behalf of cartoneros (see below) and workers who have occupied factories, (2) formed consumer food cooperatives, (3) defended people’s connection to the electricity, gas,
and water grids that had been cut off because of difficulty in paying their bills, (4) improved hospital outpatient facilities and care, (5) created job opportunity circles, (6) established community kitchens, (7) occupied and defended abandoned lots and buildings, (8) initiated micro-enterprises, (9) developed community organic vegetable gardens, (10) founded barter clubs, and (11) set up therapy outreach programs. And always in each neighborhood assembly, there was usually one or another participant who could provide the expertise in law, accounting, engineering, journalism, architecture, medicine, and public relations.

The popular assemblies aim to keep themselves as horizontally driven groupings rather than succumb to traditional vertical organizations. They discuss how they can fill the vacuum of political leadership in areas of citizenry needs (the possibility exists that from their ranks independent candidates will challenge the political party structure in national elections at every level). Some communities have sponsored their own radio program of information, and others their own local newspaper. These assemblies seem to be particularly well-informed and cosmopolitan groups, which are demonstrating how Internet technology and other communication belts can be a major stimulus for organizing and directing public opinion (Di Marco 2003).

One of the more interesting Argentine phenomena, proliferated and magnified since the corralito, are the escraches. The word comes from Argentine slang and has been used to dramatize the guilt and defects of public figures (i.e., to “out” someone, embarrass someone publicly). It was begun by Hijos, the children of the disappeared who would assemble before the home of a torturer and make his identity known to all his neighbors (Fontana et al. 2002, 205–8). This was done by painting slogans or simply holding up signs that might say, “Neighbor, on the fifth floor of your apartment building lives ‘fulano de tal’ [so and so] torturer at ESMA [naval school at which much of the interrogation, torturing, and disappearances occurred], responsible for the disappeared, kidnapper of babies,” and so on. What would then often occur is that the neighborhood waiters would not wait on them, the newspaper vendor would not sell them papers, nor the
florist flowers, and so on. So as the Hijos said, “The city should be their prison” (Mirta Palomino, private communication, August 15, 2002). Today the escraches have been more broadly redefined to target politicians, CEOs, banks, private companies, judges, newspaper and television reporters, and university rectors. Though the escraches may be on the edge of legality since the subjects have not yet been indicted, the Argentines have lost faith in the judicial system and see this as a form of “popular justice.” It is also now quite common for any discredited politician not to be able to walk the streets of his neighborhood without being verbally abused and sometimes even physically assaulted. Recently escraches were applied to ex-admiral and junta dictator Emilio Massera when his death was announced, as well as to Army Chief-of-Staff Ricardo Brinzoni for his eulogy at the death of ex-military dictator Leopoldo Galtieri.

Very important also in terms of direct action are the piqueteros (roadblocks by picketers), which have some of their antecedents in the 1996–97 period, formed originally to protest the loss of jobs by petroleum workers. When Repsol (of Spain) privatized YPF (Argentine National Petroleum Corporation), the piqueteros cut off routes of access. Later this form of protest became a major national outlet for the poor and unemployed. They eventually organized themselves into the Frente Nacional Piquetero, which tries to influence who gets subsidies and food provisions. It is an imaginative methodology that equates the interruption of transportation and commerce as part of their arsenal against the government with the interruption of production that strikers have used against their employers.

The piqueteros have broken into various groupings, some more confrontational than others, some focusing on food subsidies, others on employment opportunities, but all centered on the paucity of governmental social programs for the needy. Their picketing on roads and highways to stop commerce is a means by which those without jobs and basic social goods can exercise their rights as protesters in the same way as employed strikers picket their places of work. Two tendencies among the piqueteros are clearly visible. On the one hand is the Federación de Tierra y Vivienda (FTV), associated with the Cen-
Ranis de Trabajadores Argentinos (CTA, Confederation of Argentine Workers), the Corriente Clasista y Combativa (CCC), the Polo Obrero, and the Movimiento Teresa Rodríguez (MTR). Their thinking is one of a structural confrontation with the neoliberal orientation of the government. Most militant in the regard has been the Movimiento Independiente de Jubilados y Desocupados (MIJD). The other tendency is the Movimiento de Trabajadores Desocupados (MTD) Aníbal Verón and the Movimiento de Trabajadores de Desocupados (MTD) de Solano (Quilmes), whose position is more conditioned by daily responses to the needs of their communities (Fontana et al. 2002, 93). In recent months the piqueteros have created soup kitchens, day care centers, housing-construction brigades, and small-business enterprises (Palomino and Pastrana 2002, 21).

The unique character of the piquetero movement is their ideological positioning that goes beyond seeing themselves as merely the unemployed and the underprivileged, helpless victims, but rather as people capable of response (Fontana et al. 2002, 100). They do not see themselves as a permanent lumpen class in the Marxian sense but rather as part of a coalition of included and excluded workers who, based on societal conditions, may move from one to another category. It is not unlike the place of the American working poor as they shuttle between welfare and employment (Zweig 2000, ch. 4). In a labor surplus economy, the lines among the social classes increasingly disappear, making these kinds of alliances and coalitions feasible.

In the mid-1990s another form of social action developed in Argentina. Workers began taking over factories as cooperatives. With the downturn of domestic industry and the difficulties of exporting, many factories declared bankruptcy or, in some cases, were abandoned by their owners, particularly in such hitherto viable Argentine areas of production as textiles, meatpacking, metalwork, ceramics, and plastics. The workers have argued their case as creditors, since their collective-bargaining contracts had been unilaterally abrogated, resulting in the loss of their wages, pensions, and health-care coverage. Significantly, once they have set the factories into operation, the workers have decided that all shall receive the same wages, often re-
quiring some part of the pay in food and goods. In the celebrated cases of the Brukman clothing factory in Buenos Aires and the Zanon ceramic factory in Neuquén, *piqueteros* and *assembleas populares* in those constituencies have come to the assistance of the workers both materially and in physically struggling against police attempts to remove them. With the economy in recession between 1998 and 2002, about 100 enterprises were taken over, representing about ten thousand workers (Di Marco 2003, 20–22).

The dramatic increase of unemployment and poverty within both the formal and informal sectors of the economy has also given rise to an army numbering some one hundred thousand nighttime *cartoneros*, who scavenge the city of Buenos Aires after the close of business, arriving from the *villas misérias* (slums on the outskirts of the capital) to scavenge the city for cardboard and paper refuse. Because of the economic downturn and costs of importing these raw materials, domestic wholesalers and retailers are paying for this refuse in order to recycle it. Unemployed workers, often with their whole family, come by horse-drawn carts or on foot with wheelbarrows to work through the night, often earning $50 a month. The level of consciousness-raising in Argentina is clear from the slogan used by many groups when they say, “Somos todos cartoneros” (We are all scavengers).

The middle sector often makes up the bulk of the *cacerolazos*, and the poor and unemployed most define the *piqueteros*. But the two groups have increasingly made common cause within different communities, as this refrain indicates: “Piquete y cacerola, la lucha es una sola” (Roadblocks and pots and pans demonstrations—we are but a single struggle).

In short, the popular assemblies and the *piqueteros* represented a major threat to clientalist political parties, particularly the Peronists, who like to organize through mobilization but with little discussion (Auyero 2001). One of the assembly’s rallying cries pointed up this confrontation with the political class when they chanted, “Que se vayan todos—que no quede ni uno solo” (May they all leave . . . that not a single one remain). This was a fundamental and more skeptical slogan than, for example, “Liberté, égalité, et fraternité” or the Soviet
“Peace, bread, and land” or the Spanish Republic’s “No pasaran,” or the Argentine “Ni Yanquis ni Marxistas—peronistas.” Most of the constituent members of these societal movements share distrust of corporate, banking underpinnings of the economic system as well as of what they saw as the subordinate collusion of the political class. One of the more promising developments is the growing alliances on particular issues between the popular assemblies and the piqueteros as both of these groupings reach out to support claims of the worker takeover of factories and the conditions of the cartoneros. With unemployment rampant, May 1, historically known as the “day of the worker,” significantly is now denominated as the “day of work.”

Equally impressive are the numbers of people associated with these new social movements. By late 2002, there were approximately 100,000 active piqueteros, 10,000 associated with popular assemblies (just in Greater Buenos Aires), and 10,000 workers who were occupying factories (Palomino and Pastrana 2002, 38). Add to this the thousands of CTA activists among its nationwide regional and local committees. This is historic because it is clear that these numbers of citizen-activists far outnumber the combined memberships of the Juventud Peronistas (Peronist Youth Movement), the Peronistas de Base (mass Peronist constituent activists), the Montoneros (nationalist/left guerrillas), and the ERP (Trotskyist radical left People’s Revolutionary Army) during the volatile and revolutionary struggles of the early 1970s that ended with a cataclysmic repression.

**Rebellion’s Impact on Class Alignments and Labor**

The rebellion that surfaced in Argentina in December 2001 was reminiscent of two historical events: one that resulted in the triumph of a Cuban revolutionary movement and one that was eventually destroyed by the Pinochet military dictatorship. These two occurrences frame the uprisings and the multiclass movements that took shape in Argentina. Fifty years ago (1953), Fidel Castro, on trial for sedition against the Batista regime, defended his actions by arguing that his armed uprising against the illegitimate Cuban government was joined by
the vast multitude of alienated and exploited societal groups. Castro cited Cubans without work, farm laborers, industrial laborers, small farmers, teachers and professors, small businessmen, young professionals, doctors, engineers, lawyers, veterinarians, schoolteachers, dentists, pharmacists, newspapermen, painters, sculptors, etc. (Castro 1961, 34–35). This list approximates the coalition of social forces emerging in Argentina today.

And reminiscent of the factory takeovers in Chile under President Salvador Allende thirty years ago (Winn 1986), on April 13, 2002, at a conference in Argentina in defense of employee-occupied factories, a woman making her first public speech said, “In the last months we have [had] the experience that we workers are capable of running a factory [Brukman textile plant] ourselves. If we can do this, why can we not also run the country?!” (Boletín Clajadep, April 17, 2002).

No more than three decades ago, Argentina could boast being a developing capitalist country with a large number of salaried urban workers comparable to levels in developed Western European countries, with an extraordinarily high proportion of Argentina’s workers affiliated with unions (Abós 1985). Further, the power of Argentine unions in the councils of government had surpassed that of unions in most advanced capitalist and socialist countries. Argentine trade unionism, in alliance with Peronism, gave the Argentine working class a major, legitimized option—namely, a potentially militant populist alternative that dramatically improved living conditions under capitalism when it took over the reins of government. Moreover, the alliance between political Peronism and the trade unions, through uprisings, mobilizations, demonstrations, general strikes, and election victories, had managed to destabilize five apparently safely situated civil and military governments in just two decades (1962, 1965, 1969, 1975, 1982). Again, Argentina, though a third-world country in terms of national income and industrial production, had a social structure comparable to that of advanced Western countries (Ranis 1992, ch. 1).

Argentina, a generation ago, did not have a labor surplus economy. Its relatively skilled workforce was critical to modern capitalist development and, therefore, had enhanced labor’s bargaining power
with the government and with capital. The internal market was a major
engine of industrial growth, and the Argentine workers, as consum-
ers, were a mainstay of the domestic economy. Much of the nation’s
bountiful agricultural harvest was consumed by Argentines. Especially
important for the health of the populace was the fact that Argentina
produces crops such as fruits, vegetables, beef, dairy products, and wheat
and other grains, not traditional third-world products raised chiefly for
export, such as coffee, tobacco, sugar, and mineral ores. The working
population, as a result, had a relatively high standard of nutrition,
with above-average world caloric intake and protein consumption.

The high index of unionization in Argentina reflected several fac-
tors in labor’s development vis-à-vis the society and the economy.
First, as a society constantly confronting inflation and hyperinfla-
tion in the last several decades, organization was one of the key means
by which workers could defend themselves against this attack on their
living standards. Second, because of the generous social welfare ben-
efits provided by trade unions, enforced by law, joining unions had
become a customary means of participating in social and cultural ben-
efits otherwise too costly for most workers. Low levels of unemploy-
ment had enhanced union affiliation. Third, widespread union
membership was encouraged by the power of the Peronists, who sup-
ported the union structure and, of course, encouraged membership.
Fourth, the CGT’s successful role as a political force had spurred union
affiliation in a corporately organized society. The centralized nature
of collective bargaining in Argentina had given workers a unified voice
in economic matters along with the government, the agrarian sector,
the industrialist, the military, and the church (Ranis 1992, ch. 3).

A sea change has occurred in Argentina in the last decade and a half.
Contemporary Argentina has experienced a dramatic shift in the struc-
ture of the working class since the deepening of the neoliberal economy.
Only a tiny percentage of Argentines own the major means of produc-
ton or landed estates (1–2 percent). Another small percentage are in
the upper managerial class and the small employers. The balance of
more than 80 percent can be considered people constituting the work-
ing class, writ large. With the momentum of privatization of state com-
panies, public-sector employee downsizing, and deindustrialization, the class pattern of the economically active population has dramatically changed. The changed social strata now mainly consist of the autonomous, self-employed, and informal workers who make up more than half of the nonagricultural workforce, while the balance is made up of salaried public- and private-sector service employees, and a small minority of the traditional industrial laborers (Roberts 2002, 22). In the years before the Menem neoliberal administrations, unionized workers were estimated to be 34 percent of the economically active population (Europa Yearbook 1988, 350). By 2002 that percentage is estimated to have fallen to below 20 percent (author’s interview with Edgardo DePetri, CTA organizational secretary, July 24, 2002).

The neoliberal economy has disempowered the Argentine people and subjected them to cruel economic dislocations ever since the end of the import substitution industrialization policies of the 1930s up to the mid-1970s. The appropriation of millions of middle-class savings accounts in 2001 was a culminating event that made a whole population take stock. We speak of the overwhelming majoritarian combination of “middle-class workers,” the service and industrial working class, as well as those outside the formal economy of Argentina (Ranis 1995, chs. 8–9). A critical factor is that the self-employed workers who have always had to live by their own entrepreneurship have now combined with elements of the informal working class and the unemployed—all combating the insecurities of a shrinking capitalist welfare state. The sense of deprivation brings all these groups together in a variety of overlapping and seemingly contradictory class positions (Wright 1985, ch. 3).

What the data described above confirm is the increasing stratification between the Argentine rich and the rest of the population. The precipitous fall of middle-class workers’ salaries has made them very volatile and increasingly associated with the lower ends of the service and labor sectors of the working class. The disorganization of traditional class securities has made for shifting alliances. Class interests based solely on relations of production have become tenuous, given the dearth of workers fully employed. Political events have produced
new alignments that redefine class interests. The historic Argentine workers’ suspicion and distancing from the working poor (lumpen) and the unemployed have seemingly disappeared (Ranis 1992, ch. 8). As Adam Przeworski indicated, class position is not a certainty prior to societal struggles (Przeworski 1977, 343–401).

It is against this backdrop that the Confederation of Argentine Workers (CTA) was formed in 1992, and legally constituted in 1997. Argentina has seen the impressive growth of the CTA ever since. It is now a progressive labor federation confronting the more traditional General Confederation of Labor (CGT) and its major minority faction, the dissident CGT sector, formerly the Movement of Argentine Workers (MTA). The CTA is made up principally of two important unions—the state employees (ATE) and secondary and primary schoolteachers and education employees (CTERA)—and various smaller groupings in service and industrial union sectors. These groups constitute 70 percent of CTA’s affiliates. The other 30 percent come from direct affiliations by piqueteros, the unemployed, youth, students, renter groups, the self-employed, small shop keepers and otherwise unorganized individuals, including retirees and housewives. These individuals pay nominal monthly dues. The CTA is unique in this and a number of other ways. The CTA has exceptional promise since it has positioned itself beyond being a trade union and into being a social movement. Indeed it has close ties to the piqueteros, organizations of the unemployed, pensioners, and the popular assemblies, as well as to nongovernmental organizations, the Mothers of Plaza de Mayo, human rights groups, and the dissident wing of the CGT. Membership-wise, it is the broadest multisectorial aggregation in Argentina, now constituting over 900,000 members—still, of course, less than half the size of the far larger union-institutionalized and affiliated membership rolls of the CGT.

**Major Challenges to Contemporary Anti-establishment Forces**

May 29, 2002, marked a major new breakthrough among all the militant popular groupings. It was the anniversary of the working-class
and student uprising in Córdoba, Argentina, in 1969 that brought down the military dictatorship of General Juan Carlos Onganía. The country was essentially paralyzed without the CGT participating. It was led by the CTA, along with dozens of small dissident unions, the piqueteros, and the neighborhood popular assemblies. It marked a significant portion of labor involvement for the first time since December 2001 and came under the leadership of Victor de Gennaro of the ATE public employees union and general secretary of the CTA. Throughout the length and breadth of the country, local organizing committees took upon themselves different and imaginative forms of protest against the neoliberal model in Argentina. For example, in Buenos Aires, the actions taken ran the gamut from work stoppages in hospitals, schools, public facilities, universities, taxi services, and cultural institutions to roadblocks and mass escraches against particular private companies and entities. All the various activities and mobilizations then combined to meet at the National Congress building for a final rally under the auspices of the CTA.

To build a viable social movement takes time. It took Luiz Inácio Lula da Silva (“Lula”) via the Brazilian Workers Party (PT) two decades to achieve national political leadership. Recently in an interview, that caveat was made clear by de Gennaro, in speaking of the CTA. “We [the social movements] are everywhere throughout the country. We learned that the desire ‘que se vayan todos’ is real, but they are not going to go. We are going to have to throw them out. . . . The problem is no longer to say enough, now we must say how” (Página 12, December 1, 2002, 3). In December 2002, the CTA gathered 8,000 delegates at its sixth annual conference in Mar del Plata, based on twenty-four previous provincial congresses and dozens of local CTA assemblies throughout the country. The majoritarian outcome was to form an inclusive movement that incorporates all the popular Argentine organizations (Página 12, December 15, 2002, 2). Though several individuals associated with the CTA ran in 2003 as candidates for legislative posts, the position of the CTA is to create a social and political movement that will have substantial weight in challenging the direction of the established political leadership. The CTA has re-
fused to subordinate itself to any political party without an institutional renovation of the rules of the game. This view holds that the illegitimacy of all political party organizations is such that it is better to first provide a cohesive opposition force with which to confront and later challenge the political class. Nevertheless, to date, the CTA has not provided an explicit model to resolve the institutional impasse (Héctor Palomino, personal communication, February 13, 2003).

In terms of issue orientations, the CTA has begun an internal discussion of the multitude of shortcomings of the recent incumbent governments. The leadership has called for participatory budget mechanisms so that the public can get directly involved in public policy priorities, a law to restrict economic monopolies, worker coparticipation within private firms so as to share in the decision-making regarding prices, profits, and investments, and the development of a public-sector economy that will act as a monitor for the creation of jobs and the incorporation of technology (Lozano 2003b, 2). The proposal for worker coparticipation reminds one of the German codetermination policies in large companies (see Rogers and Streeck 1994, ch. 4).

The uniqueness of the CTA is its understanding that reform for Argentina is more than labor reform, but it must become a reform of societal values themselves. Its appeal is not only to labor but to all the underrepresented elements of Argentine society. The CTA is a broad social movement as much as a labor federation. Workplace struggle has been transported into the public arena, and societal positions have replaced collective-bargaining demands. Trade union bread-and-butter aims have been supplemented by informed critiques of the political class that appeal to a wide variety of social groups. André Gorz, speaking of Western Europe, made this point over a decade ago when he argued that workers’ organizations must represent the “disenfranchised, oppressed and immiserated proletariat—that is, with the post-industrial proletariat of the unemployed, occasionally employed, short-term or part-time workers who neither can nor want to identify themselves with their job or their place in the production
process” (Gorz 1994, 72–73). The CTA has the challenge of promoting the idea that Argentine working-class conditions are not self-imposed or fatalistic but are the result of a concerted offensive led by a coalition of international and national corporate interests that Karl Polanyi foreshadowed sixty years ago.

The popular assemblies have also been challenged by the enormous difficulties in maintaining a highly participatory but essentially inorganic community movement. Over time, the inevitable enthusiasm over weekly, and sometimes daily, meetings began to take its toll. Over the course of the two years, the energy, initiated by the populace in early 2002, began to dissipate for many of the participants, as the daily struggles of life intruded. In many instances, the most vibrant and participatory asambleas gradually became dominated either by committed leftist party militants or by intellectuals or highly specialized professionals who emerged as the dominant activists and movers of the agendas (Svampa 2002). A form of Leninist “substitutionism” or Robert Michel’s “iron law of oligarchy” asserted itself as the horizontal forces began to decay before the inevitable juggernaut of organizational requisites.

**Peronism Returns: New Wine in Old Bottles?**

The April/May 2003 presidential elections produced acknowledged divisions among the many progressive social forces in Argentina. The anti-establishment votes represented a wide spectrum, from those voting for the victorious anti-Menem Peronist candidate Néstor Kirchner, governor of Santa Cruz Province, to Elisa Carrió, center-left independent candidate, a host of small leftist parties, a minority of protest and blank votes, and outright abstentionism. It is abundantly clear that, although another Peronist candidate won the election, the deep skepticism of the majority of the population remains in place, as does their alienation from traditional party politics.

Kirchner remained the best hope of defeating the neoliberal agenda, represented by the other main Peronist candidate, former President Menem. The Kirchner administration has managed to give the Peronist
party a new and possibly revitalized lease on life when a year earlier it appeared that Argentine social forces would produce a more progressive political outcome that would eclipse the traditional party structure. It became clear by early 2003 that the societal vitality emerging after December 2001 had been too politically dispersed to mount a significant electoral challenge to the most powerful established party—the Peronists.

Nevertheless, the experiences of 2001–2003 have left a significant residue with the Argentine body politic. A powerful testimonial to this changed environment is that on a single day in Argentina—November 21, 2003—there were four simultaneous demonstrations in Buenos Aires: one group supported workers in a Western province that had destroyed the offices of two private petroleum companies for their downsizing policies; a second group of piqueteros were protesting in support of increasing governmental subsidies for the unemployed; a third demonstration protested against any Argentine entry into the U.S.-sponsored Free Trade Agreement of the Americas (FTAA), and a fourth group of judicial employees were picketing for high wages (La Nacion Line, November 22, 2003, 6).

The government of President Kirchner in its first six months in office was very careful to recognize a substantially changed political culture. His sensitivity to these changes has been reflected in the 80 percent positive approval he has received from the public (La Nacion Line, December 1, 2003, 1). A post-neoliberal political culture appears to have emerged. For example, in regard to the massive privatizations under Menem, in a poll conducted in November 2003, 89 percent of those surveyed wanted privatized firms either to be returned to government ownership or to be reformed under significant government supervision, while only 7 percent preferred to leave the enterprises in private hands. Similarly, Kirchner’s more assertive approach to the IMF is approved by 92 percent of those surveyed, and only 4 percent opposed (Ipsos-Mora y Araujo 2003, 6–7).

Since 2001 the piqueteros have become the leading supplicant yet opposition force in Argentina, replacing the traditional CGT labor organizations. Despite the piquetero public disruptions, they are viewed
with approval by 32 percent of the population, quite remarkable for a disruptive, direct-action group, while trade union leaders received a 16 percent approval rating (Ipsos-Mora y Araujo 2003, 8). The CTA has somewhat filled this union vacuum as it continues to define a broadened working-class agenda. Worker takeovers of factories and other enterprises have substantially increased since the 2001 rebellion. The enterprise takeovers have proven far more significant in their impact on the social and cultural fabric of society than in any intrinsic impact on production. The takeovers put into question the whole gamut of labor relations and the workers’ response to capital strikes and lockouts (Di Marco 2003, 20). Lastly, the asambleas populares remain a latent but dispersed source of potential opposition. All these forces continue to have a pertinent influence on the direction of Peronist public policy.

President Kirchner has undertaken a wide-scale investigation of the Menem governmental privatizations of public enterprises. The government has revoked some contracts in which the companies have not fulfilled their obligations, and it has put others up for new bids. It has argued that any rate increases must be justified and that high foreign company profit remittances in the 1990s cannot now be recovered by increasing consumer rates on basic services such as electricity, water, and gas. Again, Kirchner has undertaken an antigovernment corruption campaign and forced the resignation of several indictable Menem court appointees. He has committed himself to abrogate the labor reform law of April 2000 that extended short-term labor contracts without severance or pension coverage, which was apparently passed with government payoffs to several Peronist senators (La Nacion Line, December 23, 2003, 2). He has maintained an openness to the demands and claims of the piqueteros even when they have occupied public buildings, such as the Ministry of Labor, and by the end of 2003 there had been no police repression against almost weekly disruptions of normal traffic in downtown Buenos Aires. Kirchner has been largely supported by his continual opposition to IMF demands that he set aside more reserves for interest payments. He argued in December 2003, “I say to the IMF that the Argentines want to be responsible toward our
obligations, but this time the economic recovery has to flow to the Argentine people. . . . A recovery like we had in the past is useless. Argentina grew in the 1990s: in 1997 we grew over 7.5 percent . . . very impressive. Nevertheless, economic concentration was accentuated, very few Argentines were better off, and the majority were worse off. . . . This pattern has definitively ended” (La Nacion Line, December 23, 2003, 1).

The economic news has been favorable with a half-million jobs created between mid-2002 and mid-2003. Fueled by rapid growth in textile, auto, metals, cement, cooking oil, and meat production, industrial growth in November 2003 surpassed that of October by 18 percent. By late 2003 unemployment had fallen to 16 percent and underemployment to 17 percent. Because of piquetero pressure, certain social policies (e.g., Planes de Jefas y Jefes de Hogar) have been given priority. Since 2002, the programs that have received the most increased governmental outlays have been attention to children and adolescents at risk (126 percent), attention to vulnerable groups (78 percent), emergency food distribution (75 percent), and plans directed to mothers and children (49 percent) (Presupuesto nacional 2004 y política económica 2003, 9–10).

Nevertheless, Argentina continues to have structural obstacles that lend themselves to a continuing negative assessment. A nagging chronic problem still appears virtually unsolvable: that among young people between fifteen and nineteen years of age entering the job market, unemployment is 55 percent, and among those twenty to twenty-four years of age, unemployment is 33 percent (Página 12, December 24, 2003, 3). Two-thirds of those who remain unemployed reside in the bottom 40 percent of the economic strata (Nochteff and Güell 2003, 10–11; La Nacion Line, December 23, 2003, 7). Despite productivity growth since 2002, the working class has not shared in that largesse. Skilled workers average only about $200 a month and the unskilled approximately $100. Even highly trained technical personnel average $300 monthly. Thus the vast bulk of economically active people have not shared in Argentina’s productive growth in several generations, going back to the mid-1970s and the onset of the
military dictatorship. The struggle of the *piqueteros* is predicated on lifting the unemployed to employed status and giving the unskilled employees a living wage. In this venture, their more moderate factions are joined in the struggle by the CTA alternative labor federation. In the meantime, globalization, privatization, and deregulation have substantially weakened a declining CGT union membership within the ranks of the more skilled sectors of the working class.

**Conclusion**

The word "worker" or "laborer" in Argentina has become increasingly complemented by other categories: the unemployed, part-time workers, the *piqueteros*, pensioners, housewives, young people who have never held a job, and the workers who have taken over abandoned and decapitalized enterprises. A necessary reevaluation by Argentines confronting postindustrial society is taking place.

Public-sector employees, from state workers to public school teachers, make up a large proportion of the working class, combined with private-sector industrial, service, commercial, and transportation laborers and employees, both formal and informal. The most militant groups in Argentina today are the unemployed *piqueteros*. Instead of downing their tools in strikes, the unemployed and their families stop commerce and transportation, equivalent to stopping production directly. The *corralito* experience has radicalized middle-class workers and retirees who found their niche in the *cacerolazo* pots and pans demonstrations, and in the neighborhood popular assemblies. Today they remain a potential force that, though presently quiescent, is an important and critical circumscription to the ultimate policy direction of the Kirchner government.

These movements, though incipiently consecrated, are the first potentially interclass movement that represents an alternative to the majoritarian coalitions developed under historical Peronism. As yet there is not in place a wholly new political and economic model, but its methodology is based on mass democracy and a critique of traditional representative democracy as practiced in Argentina. It critiques
liberal democracy that emphasizes formal individual and civil rights to the exclusion of social and economic rights. A paramount symbol of this change was the refusal of the middle sectors to support the government’s state of siege in December 2001 when President de la Rúa sought to cast the underprivileged who raided the supermarkets as criminal elements and looters. Instead they banded together to bring down the government. With the end of the Keynesian class compromise of the import substitution for industrialization (ISI) period, workers must forge a new kind of intra-working-class coalitional compromise. More and more workers or ex-workers see their reference point as their community relationship to public policy makers as much as their productive relationship to their employer.

How do you institutionalize enthusiasm? Can something born in spontaneity and massive demonstrations be institutionalized? These are critical questions often pronounced sotto voce. In a recent Internet post we read,

The Popular Assemblies were in a certain sense a “symbol” for the general population and in this abstract sense there is a representative connection, a rebellious icon for some, a revolutionary sign of subversion for others, or better, simply one of the visible faces of an answer with genuine democratic intentions before so many historic abuses of power. (Boletín Clajadep, March 19, 2003)

Can we speak of a democracy when a country has unemployment of nearly 20 percent and poverty rates approximating 60 percent? The IMF is now a national issue. So too with privatization and the role of budgets and the banking system. The unrepresentative nature of the presidency, the congress, and the judiciary are now a concern for a large segment of the population. These arenas of contestation are no longer merely property of the left. Even three of the four leading moderate candidates had taken critical positions against neoliberalism in the 2003 presidential campaign. A left-center position has become a majoritarian orientation, making it unrecognizable as simply a position of a leftist political party or a single dissident labor union. A popular critique of capitalist hegemony seems to be taking place.
This is a major change that has reshaped Argentine politics in the last two years.

One can surmise that the original December 2001 insurgency led to a second stage of mobilization in 2002 and early 2003. Que se vayan todos threw down the gauntlet as a confrontation with the neoliberal value system. Argentina, despite the election of Kirchner, who ran as a Peronist critical of the Peronist policies of the last decade and a half, is in a period of watchful waiting. The next stage, of which most participants are very aware, is the slow institutionalization of the movement. Though this will not be easy, Argentina has already achieved a deep-seated change in its political culture. It is clearly against a return of interest-group liberalism or politics by institutionalized corporatism, nor is the aim a decentralized anarchism, but rather new forms of greater mass participation through more horizontal means of involved citizenship.

The Argentine rebellion of December 2001 has led to a serious crisis with the questioning of the legitimacy of existing political institutions, and it has resulted in a reinvigoration of grassroots democracy, worker militancy, and people’s empowerment. It is this novel feature of an unleashing of everyday citizens’ capacities as they try to meet material challenges in new and perhaps revolutionary ways that is most promising. Even if all this activity should be replaced again with a more traditional polity, it is likely that the neoliberal political and economic model of Argentina’s establishment will face greater and greater challenges in the months ahead.

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