Bringing Unions Back In: Labour and Left Governments in Latin America

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Keywords
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Abstract

In the 2000s an unprecedented wave of left-party victories in presidential elections swept across Latin America. Although scholars have studied variation among left regimes and how these regimes differ from neoliberal-era predecessors, few have addressed the role of labour unions and labour policy under the Left. We argue that 'bringing unions back in' to the analysis of left governments’ performance sharpens distinctions with neoliberal governments and unsettles existing typologies. We review the labour policies of left governments in four countries—Chile, Brazil, Uruguay, and Argentina—to show how a labour lens enriches our understanding of left governments in the region.

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Introduction

By the mid-2000s an unprecedented wave of left-party victories in presidential elections had taken hold across Latin America. Not surprisingly, studies of the rise and performance of left governments followed. These studies sought to identify what made left governments distinctive. For instance, scholars pointed to left governments’ shared interest in the more equitable distribution of resources (Weyland, Madrid and Hunter 2010). At the same time, analysts noted the remarkable continuity between the economic policies of left governments and those of their immediate predecessors (Petras and Veltmeyer 2009; Kaufman 2011). Given this continuity, much of the literature on left governments focused on their social policies and goals to identify what made them ‘Left’.

Studies also pointed to variation in the policies and governing styles of left governments. Accordingly, analysts created typologies of left governments. Although some of these were criticised for being too Manichean, in effect distinguishing between ‘good’ and ‘bad’ left governments, most typologies of left governments drew upon the social goals and electoral bases of the Left (Castañeda 2006; Schamis 2006; Roberts 2007, 2008; Cameron 2009). While organised labour was recognised as a support base for many left parties, in these typologies popular movements effectively replaced labour as the more significant social and political actor (Lievesley 2005; Petras and Veltmeyer 2009). Labour unions were discussed mostly in terms of their past prominence and subsequent demise (Levitsky 2001; Roberts 2002; Barrett, Chavez, and Rodríguez-Garavito 2008). Those analysts who did consider the relationship between the Left and labour suggested that even though the relationship persisted, it was diminished (Etchemedy and Collier 2007; Levitsky and Roberts 2011).
We contend that this relegation of labour unions to the political margins has left a significant gap in the literature on the Latin American Left in power. We argue that an examination of left governments' labour policies and of their relations with labour unions gives us a better grasp on the distinctiveness of these regimes. Whereas the roots of these governments' economic and social policies lie in the neoliberal era, thus underscoring continuities, analysing labour policies allows us to identify the ways in which some left governments break with the policies of that period. Marginalizing labour in the analysis of left governments has also led scholars to miss important differences within typologies and to overlook novel developments regarding labour's relations with left parties and the state.

In the remainder of this paper we develop these arguments in two main sections. First, we undertake a brief review of the literature on left governments, focusing on how the absence of attention to labour hinders our understanding of 1) the differences between left administrations and the preceding neoliberal governments and 2) differences across left governments, including within categories or typologies discussed in recent literature. Second, we review initiatives in labour policy and legislation undertaken by left-of-centre governments in four countries—Chile, Brazil, Uruguay, and Argentina—to provide evidence for our main argument that a labour lens matters. The conclusion discusses how an approach that 'brings unions back in' changes the way we think about left regimes in the region.
What Is Left? Continuity, Change, and Difference Among Left Governments

For many observers, the rise of left governments seemed to reflect a rejection of the previous decade's neoliberal policies (Barrett, Chavez, and Rodríguez-Garavito 2008, Moreno-Brid and Paunovic 2008). While some have argued instead that voters simply punished conservative governments for failing to create strong economic growth (Murillo, Oliveros, Vaishnav 2010), others claim that the election of left governments signified a mandate for change and gave left governments more political space to moderate the neoliberal policies of their predecessors (Baker and Greene 2011). For instance, aided by the mid-decade commodity boom, left governments were able to increase social spending and some pursued what Roberts (2008) has termed a 'social-democratic' agenda. Yet, at the same time, many left governments maintained the macroeconomic policies of previous conservative governments. Even so-called radical left governments focused more on macroeconomic stability and fiscal restraint than did previous left regimes (Kaufman 2011). In short, left governments largely avoided sharp breaks with the macroeconomic policies of the neoliberal decade (Flores-Macias 2012; Cook 2011).

What, then, makes these governments of the Left? Even within 'well-defined structural and institutional constraints', left governments are ideologically committed to improving social inequalities and expanding social citizenship rights (Roberts 2008: 216). As evidence of this commitment, many governments initiated or expanded social assistance programs. In Chile the Lagos government began a targeted poverty assistance program that Bachelet later expanded, and both governments extended the coverage of
health care and social security. The Lula government in Brazil extended the previous
government’s social assistance programs in ways that helped reduce the percentage of
people below the poverty line. The government of Tabaré Vázquez in Uruguay provided
subsidies for low-income families and began a family allowance program. It also
expanded pension eligibility and access to health care (Roberts 2008, Cook 2011). In
Argentina Néstor Kirchner expanded a basic social assistance program begun after the
Argentine financial crisis, adding employment and training opportunities for
beneficiaries.

But targeted poverty-relief measures and related social policies are not in
themselves enough to declare a break with the neoliberal model of development.
International financial institutions promoted many such policies alongside market
reforms as a way to soften their effects while proving more efficient and cost-effective
than universal programs. In many cases, left governments have simply expanded anti-
poverty programs begun under their more conservative predecessors. Due to this past
connection, the literature’s emphasis on social policies has frustrated efforts to identify
how the Left’s policies signal a break with neoliberal governments.

A related challenge has been how to characterise differences among left regimes.
Much of the left-typologies literature emerged in response to the ‘good’ (social
democratic) and ‘bad’ (populist) left thesis championed by Jorge Castañeda (Castañeda
2006; Castañeda and Morales 2008). Scholars suggested that this framework was too
normative, yet then went on to group left governments under similar dichotomies. For
example, the ‘cautious’ left governments of Brazil and Chile were contrasted with
‘radical’ or ‘contestatory’ regimes in Bolivia and Venezuela (Weyland, Madrid, and Hunter 2010; Cameron and Hershberg 2010).

In an effort to clarify the distinction between the left and the rest, we bring unions back into the analysis of left government policies and orientations. Doing so allows us to make three key contributions to the literature on left regimes in Latin America. First, we argue that labour policies can provide clearer evidence of discontinuity with policies of past governments. In the 1990s neoliberal policies were generally more hostile to labour unions and workers’ concerns. Under neoliberalism real wages either declined or recovered very slowly from their nadir in the 1980s, union membership fell, and the size of the informal workforce expanded (ILO 2002). Labour reforms reduced individual protections, while weak enforcement and market pressures undermined collective rights that were still recognised in law (Cook 2007). Labour unions were largely excluded from policymaking, and labour-based parties’ relations with unions were strained (Burgess 2004). Hence, while many anti-poverty policies may be seen as consistent with policy recommendations of the World Bank and the IMF in the 1990s, most pro-labour and pro-union policies were anathema to the neoliberal agenda (Cook 2011).

Second, we argue that using a labour lens upsets the categories and typologies that have been developed to discuss and differentiate left regimes in the region. As we note above, few of the many typologies of the left discuss labour policy. Most take for granted the relationship between labour and the left, or else they see pro-labour policies as evidence of older patterns of populism (Etchemendy and Garay 2011). Our focus on labour policy reveals important differences within categories established by other scholars. For example, scholars have tended to group together Chile and Brazil as
'moderate left' countries, noting their comparable experiences in maintaining economic
growth and combating inequality (Weyland, Madrid, and Hunter 2010), or the
'professionalization' of their respective parties and deactivation of grassroots supporters
(Levitsky and Roberts 2011). Yet we show that Chile and Brazil embarked on very
different labour policy trajectories. Similarly, despite important differences in the party
structures and histories of Uruguay and Argentina (Levitsky and Roberts 2011), we note
that these countries share a commitment to stronger collective representation for labour.

Finally, we show that instead of a return to populism, changes in some countries
suggest that a different relationship is emerging among unions, employers, and the state.
Some elements of this difference include the state’s promotion of collective rights of
workers, the search for greater balance in labour-employer relations, and strengthening of
collective bargaining as a means to resolve conflict between workers and management.
Left government support for the institution of collective bargaining has entailed, in turn,
policies that strengthen unions and bolster their autonomy vis-à-vis the state. While these
developments do not necessarily imply that populism or corporatism is absent, they are
too important to cover over with these labels. What is emerging in the relationship
between labour and the state may be closer to the hybrid 'post-liberalism' that Arditi
(2010) describes. Arditi (2010: 159) uses the term post-liberal to suggest that left
governments, rather than being anti-liberal, support such liberal traditions as civil
liberties, electoral politics, and even international trade. Although Arditi does not
specifically refer to labour policies, we see some left governments’ labour policies as
more consistent with liberal-pluralist notions of group relations than with revivals of
populism or corporatism. Yet the situation differs from traditional pluralism in that the
state remains actively involved in shaping a more balanced institutional, legal, and resource environment for unions' interactions with employers. It is this emerging and hybrid situation that leads us to use 'post-liberal' to refer to these developments under the Left. Here we note left governments' expanded commitment to equality and social cohesion—but also to increased union autonomy and collective, not just individual, rights—within the boundaries of a market-based economic model.

We focus on four countries—Chile, Brazil, Uruguay, and Argentina—for a couple of reasons. First, typologies of left governments have often grouped these countries together in recognition that they differ more sharply from other left regimes in the region, such as those led by Evo Morales in Bolivia and Hugo Chávez in Venezuela (Panizza 2005). Second, none of these countries has significantly changed the macroeconomic policies of previous governments, although Argentina comes closest (Flores-Macias 2012). Looking at these countries' economic and social policies may not reveal significant differences among them nor important differences with past non-left regimes. Yet because labour has historically been a concern of the Left, analysing the labour policies of these regimes should give us a better sense of whether and how these left governments differ from their neoliberal predecessors, as well as a clearer understanding of differences within this 'moderate left' grouping.

Although a detailed explanation of the underlying causes of similarities and differences among these cases lies beyond the scope of this article, we do identify some factors that may account for these similarities and differences in the hope that they will be explored in future studies of left regimes in the region. Finally, while we believe that our focus on labour policies helps to unsettle existing typologies, it is not our intention
here to create new typologies based on different approaches to labour. Instead, we limit our analysis to signalling the importance of an overlooked dimension—unions and labour policy—for the Left in Latin America, and to showing how existing typologies have obscured key features of left regimes in the region.

**Unions and Labour Policy under Left Governments**

We identify five areas in which changes that potentially benefit workers and unions may be assessed: 1) wage policy, 2) legal reform and enforcement, 3) collective bargaining, 4) social dialogue, and 5) unionization. Governments that improve, implement, or support any of these areas can be said to be acting favourably towards labour. We also distinguish between areas that are primarily oriented toward enhancing resources for individual workers and those that are more clearly oriented toward enhancement of collective resources. Although there is a relationship between the two, we argue that the extent to which governments enhance resources of unions and not just of workers indicates a sharper break with the policies of the previous decade (Cook 2011). For example, minimum wage policy and labour law enforcement tend to benefit all workers, but in the absence of measures to boost collective rights, they signal a primary commitment to the welfare of individual workers. Conversely, strengthening collective bargaining, fostering social dialogue and inclusion in policymaking, and promoting unionization indicate support for the role that unions play in the economy and society (Cook 2011).

Governments can also shape the institutional and policy arena in ways that enable the measured use of strikes in the course of conflict resolution and expand formal-sector employment. Our review includes these additional factors as part of our effort to assess favourable environments for unions in each of these countries.
Our four cases represent a spectrum of labour policy experiences (see Table 1; Figure 1). On one end of the spectrum, the Left in Chile has continued the neoliberal model: the pro-labour policies of the Concertación focused on individual protections, not collective rights. On the opposite end of the spectrum, Argentina and Uruguay strengthened institutions for workers’ collective representation and unions in those countries have experienced a resurgence unlike any seen in recent decades. We situate Brazil in between these poles. Though the ruling party in Brazil has roots in the labour movement and unions remain important actors, key labour reforms failed to materialise and critics charge that labour has lost its initiative vis-à-vis the government. Nonetheless, Brazil’s expansion of formal employment and union density are more similar to Argentina and Uruguay than to Chile.

We now turn to examine labour policies in each of the four country cases and assess the extent to which left governments pursue the enhancement of collective (union) resources as well as individual resources of workers.

**Chile: Social Policy Without Labour Policy**

In Chile a coalition of centre-left parties (the Concertación) was in power for two decades, from Chile’s 1990 democratic transition until 2010, when Sebastian Piñera of the conservative National Renewal party was elected. Chile’s ‘left’ rule, however, dates from 2000, when Socialist Ricardo Lagos was elected president, and continued through the administration of Michelle Bachelet (2006-2010). Both Lagos and Bachelet increased social spending and expanded the social safety net, improving conditions for workers in
both formal and informal employment and for those in previously excluded sectors, such as women and youth. Yet government policies primarily targeted workers as individuals and did not enhance workers’ ability to pursue their collective interests via legal and institutional reforms (Cook 2011).

Both the Lagos and Bachelet administrations increased the breadth of social programs. The Lagos government initiated an unemployment insurance program and Bachelet expanded the benefits and coverage of the program to include fixed-term contract workers as well as those on indefinite contracts. In 2004, 42 percent of the economically active population was potentially covered by unemployment insurance (Aravena and Núñez 2011). In addition, Bachelet’s pension reform extended benefits such as family allowances and workers’ compensation to informal-sector workers, but did so by requiring both informal and formal-sector workers to contribute to government-facilitated individual savings plans. Finally, both Lagos and Bachelet provided annual increases to the minimum wage, which has doubled since the 1990 transition (Pribble and Huber 2011; see Figure 2).

These and other social programs have helped to reduce poverty in Chile (Mesa-Lago 2008, Olavarría-Gambi 2009; Cornia 2010). Moreover, unemployment declined throughout the decade (except in 2008-09, during the global financial crisis). However, other indicators point to persistent levels of precarity in the labour market. Throughout the 2000s, the number of workers on fixed-term contracts increased, and even before the financial crisis fully hit the region, 37 percent of workers earned no more than 1.5 times the monthly minimum wage (Aravena and Núñez 2011).
Left governments in Chile worked to improve enforcement of labour law. They expanded the powers and practical reach of government labour inspectors by granting greater authority to inspectors and providing funding to enforce labour protections. The Lagos government increased the number of labour inspectors and judges, and expanded the Labour Directorate’s jurisdiction (Cook 2007). Bachelet more than doubled the number of labour court magistrates. She also increased the number of specialised labour tribunals in order to expedite proceedings, whose average length was reduced from four to five years to a few months (Posner 2008; Cook 2011). Indeed, reforms to the system of labour justice were among the most important to have been undertaken in years (Aravena and Núñez 2011).

Nonetheless, neither the Lagos nor Bachelet governments implemented major labour law changes in the area of collective rights. The Lagos government did introduce some legal improvements and protections for workers’ collective actions, such as protection against dismissal for workers involved in collective bargaining, greater access to company information during bargaining, and increased fines for unjustified dismissals and anti-union practices. However, these improvements failed to address unions’ longstanding demands, especially in the areas of strikes and collective bargaining (Aravena and Núñez 2011). For instance, employers could still hire replacement workers during strikes (although they were now required to pay a bond), and employees could still be fired at will if employers claimed that dismissal was necessary for the efficient functioning of the firm. In addition, collective bargaining remained decentralised, inter-enterprise bargaining continued to face obstacles, and non-union bargaining groups were still used to undercut unions in workplace bargaining (Frank 2004; Cook 2011).
Moreover, the scope of bargaining in Chile was still limited largely to wage adjustments, which had seen only modest improvements since 1990. The weakness of collective bargaining overall was perhaps best reflected in the continued decline in the number of workers covered by collective bargaining agreements, which fell from 7.6 percent in 1990 to 5.9 percent in 2009 (Aravena and Núñez 2011).

Under Bachelet efforts to extend labour protections and to address collective rights were thwarted by strong opposition from employers and their political allies. For instance, a potentially far-reaching initiative, the 2006 Law on Subcontracting and Transitory Labour, would have extended labour protections to informal and subcontracted employees. The bill imposed a subsidiary obligation on principal enterprises for employees' health and safety and set limits on the use of temporary workers. Yet the bill faced significant opposition in Congress and was eventually watered down. The law's effectiveness was further reduced in a 2008 Supreme Court ruling involving CODELCO, the state-run copper company (Aravena and Núñez 2011; Posner 2008). In another example, the Bachelet government established a multipartite Presidential Advisory Council on Work and Equity in 2007 in order to develop proposals for labour reform. But the council failed to address the issues of striker replacement and the scope and level of collective bargaining. Moreover, unions refused to participate, claiming that the exercise was purely bureaucratic (Consejo Asesor Presidencial Trabajo y Equidad 2008; Posner 2008).

Overall, organised labour's political clout has been limited since the transition. Labour unions' links to the parties in the Concertación have grown more distant over time (Frank 2004). Within the labour movement, the Central Unitaria de Trabajadores
(CUT) has been unable to mobilise broad support for general strikes even as it has called for more such strikes in recent years. Political weakness reflects in part the growing fragmentation of labour. Although the total number of unions has increased since 2001, when a law lowered the minimum number of workers required to form a union, the average number of workers per union has declined (Aravena and Núñez 2011). Similarly, union density has continued to fall under the Concertación governments: from a post-transition peak of 21.2 percent in 1991, unionization rates declined to 14.8 percent in 2008 (Arrau et al 2008, Cook 2011).

In the end, viewing the Lagos and Bachelet governments through a labour lens yields little evidence of ruptures with the policies of Concertación governments of the 1990s. Indeed, core elements of Chilean labour law remain unchanged from the dictatorship (Frank 2004). Although Socialist administrations expanded targeted social programs, increased the minimum wage, and put more resources into labour enforcement, they did not expand the collective resources of unions nor did they inject more balance into the relationship between labour and employers (Cook 2011).

More than the other cases discussed here, the neoliberal economic model—a legacy of the Pinochet dictatorship—was more consolidated and accepted by political elites, including members of the Concertación. This economic legacy of the dictatorship was also reflected in the presence of strong employer groups and their conservative party allies, on the one hand, and weak unions, on the other (Frank 2004). The conservative legacy was manifest in the widespread resistance among employers and political elites to collective labour reform, further limiting what was possible to achieve under the Left. For labour, Chile’s ‘left-turn’ was barely a turn at all.
Brazil: The Ambivalence of Power

The election of Luiz Inácio ‘Lula’ da Silva, a former autoworker and union leader, to the presidency in 2002 ushered in a period of optimism for the Left and for Brazilian workers. The Lula government advanced social policy in a number of areas, including income-support programs for poor families and a campaign to end slave labour. Together with steady increases in the minimum wage, targeted social-policy programs dramatically reduced the level of poverty in Brazil. These policies also earned Lula an important base of support among the poor and less educated that proved key to his second electoral victory in 2006 (Hunter and Power 2007; Cook 2011). While these social policies were popular, they did not break with the neoliberal policies of previous governments.

The Lula government was committed to improving the minimum wage. Between 2003 and 2006 the real minimum wage increased over 25 percent (Rodrigues, Ramalho, and da Conceição 2008: 55-56), and over the course of both Lula administrations (2003-10) it increased 54 percent. By January 2011 the minimum wage had recovered the value it had in 1986 and was at its highest point in 25 years (DIEESE 2011). Yet it was only after labour centrals had organised a coordinated campaign, with three separate marches to the capital between 2004 and 2006, that the government formed a multipartite commission to oversee a policy of continuous adjustment of the minimum wage. The result was that while the earliest real minimum wage adjustments were relatively modest (e.g. 1.23 percent in 2002), those in the later years of Lula’s administration were significantly higher in real terms (Araujo and de Oliveira 2011).
In addition to minimum wage improvements, the Lula administration provided a positive environment for wage gains through collective bargaining. In 2003 public administration employees were involved in wage negotiations for the first time. They were then able to initiate a recovery of wages that had fallen steadily under the administration of Fernando Henrique Cardoso. Real wages for workers in public administration grew by 56 percent between 2003 and 2009 (Araujo and de Oliveira 2011). Nonetheless, workers in public administration were concerned about employment losses associated with pension reform, evidenced by the higher levels of conflict experienced in this sector. Private-sector wage gains attained through collective bargaining were also important under the Lula government. Between 2004 and 2009, eighty percent of agreements included wage increases above the level of inflation (Araujo and de Oliveira 2011).

These advances in collective contracts were undergirded by gains in formal-sector job creation. Formal sector employment grew every year between 2003 and 2009 (DIEESE 2010). Employment grew by 56 percent between 1998 and 2007, with two-thirds of these jobs created between 2003-07 (Araujo and de Oliveira 2011: 99). Other indicators of increased formal employment also showed gains during Lula’s tenure. For example, the percentage of workers who contributed to social security increased from 61.2 percent in 2003 to 65.8 percent in 2008 (DIEESE 2010). Informal employment decreased as the number of workers involved in own-account work and those without an official ‘work book’ (carteira registrada) declined. Open unemployment also fell consistently throughout Lula’s two administrations. While there was a small hike in
unemployment in 2009 as a result of the effects of the global financial crisis, by 2010 unemployment had returned to its pre-crisis levels at 7.8 percent.

A major focus of the Lula government was the inclusion of societal groups in institutional spaces where dialogue and consensus could take place. The process adopted by the Lula government of ‘democratizing’ policy-making by expanding participation in policy fora signalled an important break with similar reform efforts under the Cardoso government (Cook 2011). Lula’s commitment to including unions in these participatory spaces was evident in his creation of the National Board for Collective Bargaining for federal employees and the National Forum for Social Welfare (previdencia). In addition, Lula included unions in ministerial conferences that focused on the areas of work and employment, health, education, communications, environment, and urban areas, among others (Araujo and de Oliveira 2011).

Among the most important of these participatory instances were the Councils for Economic and Social Development (CDES) and the National Labour Forum (FNT). The CDES consisted of multipartite structures formed around discussions of labour, social security, and tax reforms, while the FNT created a space for social dialogue around labour reform (Cook 2007). Significantly, discussions for labour reform that included guarantees for unions’ organizational integrity and collective rights were carried out within these tripartite and multipartite settings.

The government initially set out to address the need for a broad reform of the Brazilian labour relations system and spent considerable time and effort to develop consensus around a set of labour reform proposals. Yet resistance from Congress and a political crisis in the last year of Lula’s first term kept the labour reforms from advancing
(Zylberstajn 2005). These proposed reforms would have dismantled some of the core corporatist provisions in Brazilian labour legislation, including *unicidade* and the *imposto sindical*, and they would have allowed workplace-level union representation, long a union demand (Cook 2007). In Lula's second term some specific changes in labour law were re-introduced, yet they did not signal the transformation that the earlier process had promised. Employers were able to block other issues on the union agenda, including proposals to regulate subcontracting and reduce work hours (Rodrigues, Ramalho, and da Conceicão 2008: 55, 57). Nonetheless, in 2008 the government did pass a law giving union centrals legal recognition, a status that had eluded them for years. With legal recognition union centrals were now able to coordinate and devise action policies for their affiliates as well as act in the name of workers in various tripartite forums. Centrals were also entitled to ten percent of the contribution collected from workers through the union tax (Araujo and de Oliveira 2011). While the legalization of union centrals was a significant boost to these organizations, relaxation of regulations on union formation meant that many new unions were created, leading to further fragmentation of an already fragmented labour movement.

In this environment, unionization rates in Brazil increased steadily during the 2000s. From 15.9 percent in 1998 the percentage of the workforce in unions climbed to 17.7 percent in 2003 and to 18.4 percent in 2005 (DIEESE 2005, 2006). An analysis of data from household surveys confirms this trend, reflecting a net increase in union membership of 53.4 percent between 1992 and 2008 (Pichler 2011). Union density grew the most in rural areas and female membership accounted for sixty percent of all new union members in this period. This increase in union density among female workers and
in rural areas suggests both positive employment growth in the 2000s and unions' ability to recruit new members (Pichler 2011). More importantly, these developments signal the critical role of the government's favourable position on unionization.

The downward trend in strikes initiated under the previous government continued under Lula (ILO LABORSTA). Nevertheless, there were a greater number of public-sector strikes each year compared with the private sector (except for 2008), reversing the trend of more private-sector strikes between 1978 and 2002 (DIEESE 2009). Strikes under Lula also lasted longer on average. A notable feature of these strikes was that the majority sought either to expand already established provisions or to create new rights; relatively few strikes were defensive. Most strikes also resulted in negotiated outcomes that proved favourable to labour. Only thirty percent of strikes saw resolution in the labour courts (Araujo and de Oliveira 2011). This scenario suggests the institutionalization of collective bargaining as a way to resolve conflict between workers and employers.

Despite implementation of a number of initiatives important to workers and poor Brazilians, the labour movement's support for Lula became strained. Many came to see him as a moderate leader, especially with regard to economic policy and pension reform (Câmara Neto and Vernengo 2007; Marques and Mendes 2007; Cook 2011). Others suggested that unions were too passive and that they followed the lead of the Lula government rather than take the initiative on issues of importance to labour (Araujo and de Oliveira 2011). Many union leaders were absorbed into government and the Central Única dos Trabalhadores (CUT), in particular, did not want to do anything that might weaken the Lula administration. Union leadership support for the government
exacerbated tensions within the labour movement and led some factions to split from the
CUT to form more combative labour centrals (Sluyter-Beltrão 2010).

Brazil represents a mixed case from the perspective of labour policy and relations
with unions. Although union influence in the Lula administration was unprecedented,
longstanding legal reform demands were not realised and the administration remained
sensitive to employer opposition. At the same time, some unions grew more cautious in
their dealings with the government, while others who were more critical of the
administration’s moderate economic and social policies withdrew their support. At no
point had the labour movement in Brazil been closer to power, yet that proximity yielded
ambivalent results for labour.

Uruguay: Promoting Union Autonomy and Collective Bargaining

Together with Argentina, Uruguay represents the clearest case of how left
governments can develop labour policies that benefit both workers and unions. The
policies of the Frente Amplio governments of Tabaré Vázquez (2005-09) and José
Mujica (2009- ) not only helped to reduce social inequality and poverty (Pribble and
Huber 2011), but they also arguably restored labour unions to their former central role in
Uruguayan society, economy, and politics (Cook 2011).

As with Argentina, the backdrop to the emergence of a more labour-friendly
government was the economic crisis, which in Uruguay lasted from 1998 to 2003. The
impact of the crisis on workers’ wages and employment was especially harsh. Average
annual unemployment between 2000 and 2004 was above 13 percent, and real wages
Informality and precariousness also increased in the period of market reform in the 1990s (Cook 2011).

Economic recovery began in 2003, with 12 percent GDP growth in 2004, the highest in thirty years. Although unemployment remained high at around 12 percent in 2005, by 2011 it had dropped to 6.4 percent, an historic low (OIT 2011). Moreover, real wages began to increase in 2004 and 2005, largely as a result of the reintroduction of sectoral, tripartite wage councils by the Vázquez government (see Figure 2). The government also expanded the reach of these councils by including rural and domestic workers for the first time (Cook 2011).

The effects of the crisis led the Vázquez government to invest heavily in anti-poverty programs. In 2005 it established a social emergency plan for indigent families, and in 2007 a new program increased the family allowance and made it conditional upon a child’s attendance in school. The government also lowered the age requirement for the social assistance pension and offered subsidies to employers that hired unemployed members of poor households (Pribble and Huber 2011).

In addition to social policies, the Vázquez government implemented legal reforms that benefited workers and unions. For example, it expanded resources for labour inspection and established a Work Observatory to monitor the labour market and assess training needs. Further, in contrast to Chile, where a similar bill was watered down, the administration instituted a law on subcontracting that held employers legally responsible for the conditions of subcontracted workers. In the area of collective labour rights, the Vázquez government reversed an earlier law that prohibited workers from occupying a workplace during a labour conflict, framing this as a right to strike issue. The
administration also made explicit its support for union organizing through its adoption of a law that protected workers against dismissals for union activity (Amorín 2008).

The collective bargaining rights of workers were also strengthened in an effort by the government to encourage more self-resolution of conflicts through bargaining (Amorín 2008). To this end, the Vázquez administration created a separate space for bargaining with public-sector employees, and it established a national system of collective bargaining for both public and private-sector workers that consisted of multiple tiers linking national, sectoral, and firm levels. The Vázquez government worked closely with the ILO in these efforts, taking seriously the ILO’s promotion of social dialogue (Senatore Camerota 2009). One example was the establishment of a tripartite forum on job creation and national production, known as the National Commitment for Employment, Income, and Responsibilities (Amorín 2008; Cook 2011).

The government’s push for self-regulation in the resolution of conflicts came with the recognition that worker organizations needed strengthening. According to Vázquez’s labour minister, Eduardo Bonomi, the government’s ‘union rights promotion policy’ was needed in order to level inequities between workers and employers so as to achieve more effective bargaining. Bonomi added, ‘with all these instruments what we want is to move increasingly towards self-regulation, with the State participating less and less. But to reach this self-regulation we need to attain a balance first, and that’s what we’re working on’ (Amorín 2008; Cook 2011).

As an indication of the improved climate for labour, unionization rates increased dramatically in Uruguay, as did collective bargaining coverage. While union density rates remain below what they were before the dictatorship, unionization increased after 2003,
with the fastest growth occurring in the private sector (Senatore Camerota 2009: 68-69, Cook 2011). In 2006, 10 percent of private sector workers and 42 percent of public sector workers were affiliated with a union. Yet forty percent of those private-sector workers who joined unions did so between 2004 and 2006 (whereas the jump in public sector unionism occurred between 1985 and 1987 during the democratic transition) (Quiñones Montero 2011). The more recent expansion of union membership occurred both in already established unions and through an increase in the number of new unions. Many of these unions formed in sectors and in firms that were not previously organised or where unionism had declined (Quiñones Montero 2011). In addition, nearly all formal sector workers were covered by some form of collective agreement in 2008, up from 16 percent in 2000 (Mazzuchi 2009: 79-80).

Whereas Uruguay’s largest union confederation, the Plenario Intersindical de Trabajadores–Convención Nacional de Trabajadores (PIT-CNT) has long been aligned with the political left, it has remained largely autonomous from the state and political parties. During the economic restructuring of the 1990s, the labour movement emerged as an ally and sometimes competitor of the Frente Amplio in its opposition to neoliberal reforms (Quiñones Montero 2011). The PIT-CNT differed with the Frente Amplio government headed by Vázquez over wage policies and launched several general strikes calling for changes in economic policy. Public-sector unions, in particular, criticised Vázquez’s attempts to reform healthcare and the education system (Barca 2008). The PIT-CNT also called for the government to direct a larger share of the national budget to education, lobbied for a larger increase in the national minimum wage, and opposed a free trade agreement with the United States. Still, there was a notable convergence in the
priorities of the labour movement and the Frente Amplio government. Moreover, the PIT-CNT and some of the parties that comprised the Frente Amplio shared leadership as well as programmatic and tactical convergence (Quiñones Montero 2011).

In sum, left governments in Uruguay have built up the unions' organizational resources while doing little to limit their power, and they have done so in spite of employer opposition. This stance indicates a shift in approach toward labour policy and unions, one characterised by an enhanced role for collective bargaining, an effort to create greater balance between unions and employers, and a more limited involvement by the state in the direct resolution of conflict.

**Argentina: Union Resurgence**

The Peronist party (*Partido Justicialista*) has been in power in Argentina since Carlos Saúl Menem was elected in 1989, yet only after Néstor Kirchner's election in 2003 did Argentina become part of the region's 'left turn' (Levitsky and Roberts 2011; Cameron and Hershberg 2010; Weyland, Madrid, and Hunter 2010). After more than a decade of neoliberal reforms under Menem and Radical party President Fernando de la Rúa, and in the wake of the devastating economic crisis of 2001-02, Kirchner adopted more heterodox economic policies and took a stand against the IMF, a move that gained him popular support. In the labour arena, the Kirchner government was also friendlier to labour unions than these previous governments had been (Cook 2011). President Cristina Fernández de Kirchner (2007- ) initially shared her husband’s commitment to social policies and to the party’s labour base. Although strains between labour unions and the government developed after Fernández was re-elected for a second term in October 2011,
the labour ministry staff that forged favourable ties with unions under Néstor Kirchner remained in place in the Fernández government (Cook 2011).

The market reforms of the 1990s, coupled with the impact of the 2001-02 economic crisis, weakened labour. High unemployment, industrial restructuring, informal sector expansion and an increasingly decentralised bargaining structure all took their toll. Yet labour was able to defend some institutional and legal arrangements that helped to preserve its organizational resources. Chief among these was the retention of collective bargaining coverage for non-union workers, centralised and articulated bargaining, and union control over the obras sociales, a key source of financial resources for the unions (Murillo 2005; Cook 2007). As a result, when economic recovery began in 2003-04, organised labour was in a better position to press for gains in wages and institutional resources (Etchemendy and Collier 2007, Senén González 2011). For example, under Kirchner the Congress replaced a controversial labour reform package passed under de la Rúa with more labour-friendly legislation (Cook 2007).

To emerge from the crisis, the Kirchner government aimed to increase industrial production and expand the domestic market by improving the purchasing power of workers (Senén González 2011). The government’s labour and employment policies centred on two areas: increasing the minimum wage and strengthening collective bargaining. Between 2000 and 2010 the real minimum wage grew by 321 percent (OIT 2011; see Figure 2). In the 2000s wages also became the most negotiated item in collective bargaining agreements compared with the 1990s, which saw bargaining focus on flexibility clauses. Between 2002 and 2008 all collective agreements included wage
increases, and pattern bargaining was a key feature of wage negotiations between 2006 and 2008 (Senén González 2011).

The Kirchner and Fernández administrations broadened their support for collective bargaining more generally. Both governments actively participated in the comisiones paritarias, which oversaw the renewal of collective agreements. One result was that the number of collective bargaining agreements tripled between 2003 and 2008, and the percentage of the formal workforce covered by collective bargaining agreements increased (Senén González 2011). Survey results from 2005 indicate that 90 percent of firms signed some form of collective agreement with their workers, and 83 percent of workers were covered by a collective bargaining agreement, though only 37 percent of workers in formal-sector firms were officially union members (Etchemendy and Collier 2007). Using more recent survey data, Senén González (2011) notes that 87.5 percent of all registered wage employees in the private sector were covered by collective bargaining agreements in 2010.

The trend toward decentralization of collective bargaining that began in the 1990s started to reverse itself in the 2000s. In this period the number of sectoral bargaining agreements increased, as did the number of plant-level agreements. But the trends for each point in opposite directions: compared to the total number of contracts, the percentage of sector-wide collective agreements increased by 174 percent since 2002, whereas the percentage of plant-level agreements decreased by almost one-third in the same period (Etchemendy and Collier 2007). Since unions often oppose decentralised bargaining in favour of more centralised or coordinated bargaining, this shift reflects a positive development for unions.
Collective bargaining has become the primary institution through which social dialogue on matters of compensation and distribution takes place. But the Kirchner and Fernández governments also expanded fora for social dialogue in related areas. For example, the government revived the Minimum Wage Council (Consejo del Salario Mínimo Vital y Móvil), composed of unions, employer organizations, and the labour ministry (Senén González 2011). Participants in the council included the Central de los Trabajadores Argentinos (CTA), a rival confederation to the Confederación General del Trabajo (CGT) that had previously been excluded from such fora. Employer organizations like the Unión Industrial Argentina (UIA) and the Cámara Argentina del Comercio also participated for the first time.

Union membership also appears to have increased in recent years, although comparable long-term membership data are not available. In general, sources show a decline of union density in the 1990s and an increase in the 2000s. For 2005-2008, data based on the Encuesta de Indicadores Laborales show union density rates of 37 percent in 2005, 39.7 percent in 2006, and 37 percent in 2008 (Senén González 2011). These are high rates compared to the rest of the region, and especially given that union membership in Argentina is voluntary (Marshall 2005).

As in Brazil, the Argentine government also successfully expanded formal-sector employment. Between 2003 and 2005 the rate of growth of employment covered by collective agreements (an indicator of formal employment) was 10 percent annually, followed by an 8 percent annual growth rate in 2006 and 2007 (Senén González 2011). In 2011 unemployment fell to 7.3 percent from a high of 21.5 percent during the crisis in 2002 (OIT 2011). In addition, the labour ministry claimed to pursue employment-
promotion policies that were based on 'an ethical concept of work'. Labour Minister Carlos Tomada touted this shift as the sign of 'an Argentina that has once again situated work as the source of rights of social inclusion for all' (Senén González 2011).

Finally, an increase in labour conflict signalled the resurgence of unions and the enhanced role of collective bargaining. Labour conflict as used here refers to all forms of pressure against employers and government with the aim of reaching the bargaining table, not only strikes and work stoppages. Labour conflict increased in the 2006-08 period; after 2008 conflicts begin to coalesce around the economic branch (rama) as part of the bargaining process (Senén González 2011). Strike activity also increased in the manufacturing sector as a result of the state's active promotion of industrial production and formal employment following economic recovery (Senén González 2011).

The greater number of strikes and the changing nature of these indicated a more institutionalised form of pressure aimed at employers and focused largely on wage issues. A related development was the inclusion of no-strike clauses in many collective agreements (Etchemendy and Collier 2007). These clauses are typically added at the request of employers in order to ensure stability during the life of the contract. Strikes most likely occurred in the lead-up to new contract negotiations as a form of pressure to secure wage increases. Changes in strike laws have also been notable. The right to strike is recognised in the Argentine Constitution, but strikes in so-called essential services were prohibited altogether until passage of a new law in 2004 (Cook 2007: 97). This law now incorporates ILO standards regarding the right to strike: it forbids striker replacement, prohibits retaliation against strikers, and automatically recognises the legality of non-violent strikes (Senén González 2011).
The foregoing developments all point to a favourable environment for labour and to a resurgence of the Argentine labour movement compared to the 1990s and early 2000s. Yet unlike analysts who see the more favourable environment for unions as indicative of a populist or neo-corporatist regime, we see a shift in a different direction. The Argentine government has strengthened collective bargaining, aligned strike laws with ILO standards, included formerly excluded labour organizations in tripartite institutions, and promoted overall adherence to ILO goals of ‘decent work’ and social inclusion through employment. Such policies reflect a ‘post-liberal politics’ (Arditi 2010) more than they do a return to populism or an expression of state corporatism. This is not to say that all vestiges of corporatism have disappeared or that populist appeals are absent or unlikely to re-emerge. But our review of labour policy suggests that casting the Argentine regime as simply a newer version of its past impedes our ability to capture significant developments that signal both a break with the past and possible new future directions.

Conclusion

The election of left governments in Latin America has not led to a radical reorientation of macroeconomic policies. Nor has left governments’ focus on redistributive social policies and public welfare programs signalled a break with neoliberalism, even though these have provided important benefits to poor and middle-income workers. Instead, the targeted anti-poverty programs implemented by many left governments are fully consistent with the compensatory social policies associated with market reforms. In other areas that entail a direct benefit to workers, such as labour law enforcement, left governments’ attention to improved enforcement through the allocation of more
resources is also consistent with the discourse on more efficient government and rule of law that accompanied market-oriented reforms (Cook 2011). Moreover, the commodities boom that began in the mid-2000s contributed to improvements in inequality, unemployment, and GDP across the region, regardless of governments’ political orientation.

By looking through a labour lens, however, we show that some left governments have jettisoned neoliberal ideas about unions. In the 1990s union power was seen as an obstacle to growth, redistribution, and investment. In the 2000s the governments of Argentina, Uruguay, and Brazil rejected the notion of a necessary trade-off between union strength and economic health. In these cases, left governments were committed to social dialogue and included labour in policymaking. They also supported legal reforms and policies that strengthened unions’ ability to engage in effective collective bargaining. Perhaps most significant, union membership began to grow after years of steady and often dramatic decline (Cook 2011). Governments’ policies toward unions, and especially the extent to which collective resources were expanded under the Left, point to more change than continuity in three of our four cases. These policies indicate a novel approach to unions, one that acknowledges the role that unions can play in improving the welfare of all workers.

The tendency in the literature on left governments thus far has been to label pro-union policies as examples of populism, suggesting that there is little new in the way that governments relate to unions. Yet reliance on such categories can lead us to miss novel developments. Past models of state-society relations associated with neoliberalism characterised these relations as technocratic, authoritarian, and focused on the individual
(Oxhorn 1998: 200-201). Under the Left, however, we see a shift toward what might be called a post-liberal politics (Arditi 2010), where governments show a commitment to improving social equality and to enhancing the collective rights of workers. Key elements of this approach include support for union autonomy in a context of increased institutional resources and legal protections; a greater reliance on collective bargaining, combined with an effort to promote the bargaining strength of trade unions; and a commitment to a more level playing field in labour-management relations. However, this is also a hybrid politics where populist and corporatist forms of mediation are present and aspects of neoliberalism persist.

The degree to which these changes in labour policy have become difficult to reverse remains to be seen. Every election brings the potential for change, and the pro-union policies discussed here are not immune to attack by future governments. Yet some of these changes represent qualitative shifts in institutions and practices that are likely to remain 'sticky' and resistant to rollback. Moreover, international labour developments such as an enhanced discourse around labour rights, recognition of a role for social dialogue, and greater attention to core ILO conventions in such areas as freedom of association and collective bargaining tend to reinforce such changes at the national level (Bronstein 2005).

Using a labour lens also calls into question some of the typologies that have appeared in the scholarship on left governments. For instance, although the left governments of Chile, Brazil, and Uruguay are often grouped together as cases of social democracy (Panizza 2005; Roberts 2008), we see significant differences in their labour policies. While Chile’s left governments did little to enhance the collective rights of
workers, Uruguay and Brazil (and Argentina) have advanced in this area. We also see more similarities in labour policies between Argentina and Uruguay, whereas most typologies have placed Argentina outside of the moderate left. Both governments have promoted collective rights through an expansion of collective bargaining, social dialogue, and unionization.

A more developed explanation for why these countries adopted the labour policies that they did under the Left lies beyond the scope of this article. In addition to the relative strength of unions, employers, and political party allies or opponents, such an explanation might take into account differences in labour law, union structure, and labour markets. These considerations might even form the basis for new categorizations of left regimes built on the role of unions and labour policy. Our goal, however, has been to show how an analysis of labour policy sharpens distinctions with neoliberal governments and unsettles existing typologies that have left labour out. For a fuller understanding of left regimes in the region, future studies will need to bring unions back in.
References


Table 1. Left Government Labour Policies: Individual and Collective Resources

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<th>Collective Resources</th>
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<td>Enforcement</td>
<td>Collective Bargaining</td>
<td>Social Dialogue</td>
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<td>Brazil</td>
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+ = Degree of enhancement of specified feature.

Source: Authors’ elaboration from multiple data sources referenced in this paper.

Figure 1. Labour Policies of Left Governments: A Comparison
Figure 2. Real Minimum Wage Index for Selected Latin American Countries (2000-10)

Source: ILO Regional Office for Latin America and the Caribbean, QUIPUSTAT.