



**THE LABOR MOVEMENT IN  
DEMOCRATIC CHILE, 1990–2000**

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## **ABSTRACT**

This article examines the experience of the Chilean labor movement during the first decade of democracy. In so doing, it calls attention to the need for further study of how institutional variables, such as labor legislations, influence labor movement strategies across different political regimes (authoritarian and democratic). Evidence from the Chilean case demonstrates that while important, exogenous variables such as new democratic governments and new labor legislations have only limited explanatory power with regard to labor movement strategies. This warrants a closer look at internal organizational aspects.

## **RESUMEN**

Este artículo examina la experiencia del movimiento obrero chileno durante la primera década de gobierno democrático. Este examen llama la atención sobre la necesidad de profundizar el estudio de cómo las variables institucionales, tales como la legislación sobre el trabajo, influyen sobre el movimiento obrero en diferentes regímenes políticos (autoritarios y democráticos). La evidencia del caso chileno demuestra que, aunque importantes, las variables exógenas como los nuevos gobiernos democráticos y las nuevas leyes laborales tienen un poder explicativo solamente limitado en lo que refiere a las estrategias del movimiento obrero. Esto amerita un análisis más cuidadoso de los aspectos organizacionales internos.

## I. INTRODUCTION

A decade of re-democratization in Chile gives reason to reflect on how labor organizations<sup>1</sup> have experienced these last ten years. What can we learn about democracy by examining the experience of the organized working class? How have labor organizations fared in democracy? How do labor organizations respond to challenges in the new democracy? What strategies do they put forward to represent rank and file interests? This study seeks to shed more light on these questions. Even though there is by now a huge literature on Chile after Pinochet, surprisingly little has been written or published on labor. This absence of labor studies may reflect scholars' bias towards political or economic analyses, which in turn is perhaps at least in part a reflection of the predominance of political and economic themes or issues put on the consolidation of democracy agenda by Chilean political and economic elites. This is not to say, however, that social actors, such as labor unions and their organizations, matter little or not at all—regardless of what political and economic elites may say or do. As this study will attempt to show, an examination of labor movement strategies in democratic Chile can be a useful contribution to economic and political analyses.

Moreover, I shall argue that Chile's progress toward becoming a more democratic society<sup>2</sup> cannot be adequately understood without also looking at labor's experience during these past ten years. This admittedly strong argument is in part derived from the author's own work on the return to democracy in Chile.<sup>3</sup> It is generally an accepted fact that the transition to democracy was made possible by the then *Concertación de Partidos por el No*, which, once Pinochet was defeated in the 1988 plebiscite, became today's coalition government (the *Concertación*). The Chilean transition was elite-led to the degree to which it was above all the political elite that steered the opposition movement toward the victory over the authoritarian regime. Yet that assumption ignores the crucial role played by labor organizations, in particular the *Central Unitaria de Trabajadores* (CUT), in facilitating the emergence of the coalition in the first place and in pushing these parties toward the electoral road, that is the confrontation with the Pinochet regime via the plebiscite, and not, as many among the coalition believed for the longest time, by

insisting on “free” elections—a demand the Pinochet regime always rejected since it would have violated the 1980 Constitution. So what is often overlooked is the role played by social actors in those processes. In order to more fully understand processes of re-democratization, one should therefore avoid making the same mistake twice—that is, ignoring the crucial role played by labor in bringing about a return to democracy as well as ignoring the social dimension of new democracies by explaining them exclusively in political and economic terms.

This is all the more relevant because CUT’s ability to play a vital role in the return to democracy is itself the result of a complicated interplay of several factors—not the least of which have to do with yet another overlooked group in transitions to democracy and the ensuing consolidation process: plant-level leaders and their unions. Without the resurrection of the local union, Chile’s labor movement would not have been able to survive the severe repression of the Pinochet regime and, importantly, would not have been able to create a strong, politically and organizationally unified, and effective labor movement. This finding has important comparative and theoretical implications—for both transition and consolidation phases of re-democratization. The following considerations guide the discussion of this article:<sup>4</sup>

First, despite two labor reforms in democracy (1991–92, 1994–present), many labor leaders argue that the institution inherited from the Pinochet regime (the Plan Laboral of 1979) has remained basically the same. What is the significance of the change in labor laws, and what is the response of labor to those changes? Regardless of what labor leaders say, is the disappointment over the reforms really so important for labor unions’ ability to devise strategies to defend rank-and-file interests? The answer to this question is interesting because, quite paradoxically, repressive and/or restrictive labor laws are not necessarily delivering the expectations of authoritarian regimes and many times, instead of weakening labor, a repressive labor legislation is quite instrumental in reviving plant-level resistance. Plant-level activism following some reform of labor legislation was enormously important for the Spanish and Brazilian case. In both countries, as well as in Chile, unions were able to revitalize their organizations around collective bargaining, which in turn provided an ever-growing space for autonomous and hence also opposition activities. In Brazil, this development had major consequences for

the emergence of a “new unionism.” In Spain, the institutionalization of *jurados de empresa* provided the necessary space for *comisiones obreras* to slowly but surely become a major force among organized labor.

A second issue guiding the discussion of labor movement strategies pertains to labor–party relations. It is well known that the most influential and largest political parties within the Concertación (in terms of voter support) are the DC and the PS/PPD. These are also the parties that have historically been most closely associated with the labor movement.<sup>5</sup> In the past, that is, up to the coup in 1973, the relation between parties and the labor movement was often characterized as a party-dominated labor movement. That is certainly an exaggeration. The relationship was—and is—more complex. It is the case that at times both groups or actors came dangerously close to confusing not only students of the labor movement but more importantly, the interests of their respective constituency (as was the case with Louis Figueroa, who was CUT president and Labor Minister under Allende, as well as an important figure within the Communist Party [PC]). Yet, labor leaders were never a simple “transmission belt” for their parties, and not even the more radical among the leaders came close to being that. Depending on the political party or even political coalition there has always existed a considerable, if in many ways contested, autonomy of the labor movement from political parties. This complicated co-existence survives today. To be sure, it is different from past versions, but it is nonetheless there. This calls for caution in the analysis of labor movement strategies, particularly but not exclusively in relation to the top national organization CUT. Yet despite all the above disclaimers to the contrary, one thing is for sure: with the return to democracy, nearly all labor leaders, from the plant level up to the national organization, expected that their former allies would take seriously the legal and economic predicament the organized working class inherited from the authoritarian regime and hence expected that the new government would work toward an improvement in labor’s situation.

This expectation was reinforced by labor’s perceived role in the defeat of Pinochet in the 1988 plebiscite as well as its supportive role in making political parties a viable and ultimately winning coalition. Hence both the “old” as well as the immediate past became important elements in labor organizations’ assessment of “how we (the country) got to democracy.” Many hoped the Concertación would abrogate the old labor

legislation, that it would pay the *deuda social* (lost wages during the Pinochet regime), and that many other aspects, ranging from pensions to health care, vocational training, and improved wages would “be taken care of.”<sup>6</sup>

The previous discussion serves as the context in which I place the analysis of labor movement strategies in democratic Chile. Thus, labor movement strategies are understood as choices and responses of labor leaders at various levels of the labor movement structure (plant/federation/confederation/national organization) to a set of circumstances. These circumstances can be abstract, such as the form of the leaders’ political and ideological orientation, itself in part informed by their memory of a glorious past where a socialist government (Allende) attempted to create a workers’ state. In many cases, leaders’ reading of labor’s place and role in history may go back even further to the origins and first battles of an incipient labor movement. The fact that this happened long ago does not preclude the possibility that labor leaders will use these early experiences as guiding principles for contemporary action. There are also more concrete factors influencing labor leaders. Their personal experience under the dictatorship and the degree to which they felt or were actually persecuted and punished are both important criteria leaders take into consideration in their choice of action.

As already mentioned, yet another set of variables that shape leaders’ strategies pertains to the institutional context in which any labor activity is embedded. Important here is the type of industrial relations system and the degree to which the labor legislation inherited from the previous authoritarian regime has been modified. Unfortunately, what complicates matters here is not only the measurable objective change in labor legislation, but the subjective assessment of every labor leader. In other words, to what degree all this, that is, the reform, really matters depends on the perception of the individual leader, and may be different for factory leaders than for those at the top of the union hierarchy.

It is also important to take into consideration the degree to which labor leaders perceive the new government as supportive of labor demands. Since the reform of the labor legislation was ultimately taken over by the Concertación government<sup>7</sup> it is possible to separate the legal-institutional dimension from political factors, such as the government, which influenced the creation of the new labor legislation and hence the new institution itself. In other words, the reform of the labor legislation has a dual character

for labor. The first is the legislation as such and to what degree it limits or fosters labor activity, to what degree it allows for the effective defense of workers' interests and so on. The second is the leaders' perception of the role of their government in producing this institution.

Yet the government is not necessarily a unitary actor, more so when it is made up of a coalition of political parties. Hence, depending on the leader's political orientation or party identification, he/she may be more or less inclined to think that labor unions ought to support the government. Moreover, the leader's actions are not limited to what the government does or does not do with regards to the reform of the labor legislation. There are dozens of other issues important for labor: economic policies of the government, unemployment insurance, health insurance, educational programs, minimum wage, pension plans, privatization of state enterprises, particularly copper, among others. Finally, important characteristics of the labor movement itself such as its degree of affiliation by economic sector, its overall affiliation rate, and its sectoral unity (the degree to which individual sectors have one, two, or several federations, and confederations) are also significant in shaping the selection of labor activities. Even more important, given the high degree of decentralized collective bargaining, is the individual plant-level leader and whether he or she has a more accommodationist or more confrontational approach to collective bargaining. This approach is informed by yet another set of variables, such as the economic position of the firm and its position in the national and international market.

It should therefore be clear that it is extremely difficult, if not impossible, to consider all these variables in order to construct an encompassing theory of labor movement strategies in processes of re-democratization. The sheer heterogeneity of variables makes it impossible to construct a model of labor strategies by way of induction. Moreover, something that has not been stated yet, but is equally important, is the relationship between leader and rank and file and the degree to which strategies reflect the latter group rather than the former, or the degree to which it is a mix of both. One could reasonably argue that leaders are in general responsive to their rank and file (demonstrated by their generally long tenure in office), however, this does not in itself justify the use of the notion of labor movement when in fact we are only talking about the leaders of the movement. These considerations should not lead the researcher to forfeit

any approach to a more systematic analysis of the role of labor movements in processes of re-democratization. It does mean, however, that certain compromises must be made if we are to move beyond the level of hypotheses.<sup>8</sup>

Hence I propose to consider only a limited number of variables in the analysis of labor movement strategies. This is undoubtedly insufficient for theory building, yet my objectives here are more modest as well. In examining some of the contextual variables that shape labor movement strategies, I attempt to provide a perspective that may be useful for further investigations and theory construction. The arguments made here are in part informed by excellent case studies on Chilean labor unions in democracy, and in part they derive from my own research on labor in democracy. Hence, to return to the outset of this study, the purpose is to document how the Chilean labor movement has experienced the past decade of re-democratization.

Two issues will be examined. First, the labor legislation inherited from the Pinochet regime, its reform under the first two democratic governments, and possible limits it puts on labor movement activities. Second, the Concertación government (with some consideration for political parties) and its perception by the labor movement, in particular its top representative, the CUT. The analysis seeks to show how institutional and political variables shape the context in which labor movement responses in Chile took place during the past ten years. Once the context has been described, the analysis will then focus on specific labor movement activities. To repeat, the approach here does not claim to be inclusive, in fact, probably the opposite is true; given the enormous simplification of this “model” it remains doubtful how much labor movement activity is really explained, or perhaps, how “representative” of “the labor movement experience” this description is.

The study here is also guided by conceptual considerations. The use of “contested spaces” implies that labor movement strategies are carefully orchestrated responses to historic, political, and economic conditions. Labor movement strategies are thus a reflection of an ongoing struggle by organized labor to, frankly, fight capitalism. Hence the notion of contestation. The Chilean industrial relations system and the core institutional feature, the labor legislation, challenge labor unions to come up with ideas to defend workers’ interests, to make gains primarily in remunerations and to secure

employment, but to make this possible in a humane context, with good working conditions, sanitary and safe arrangements and health benefits, and some assurance in case of accidents or unemployment. It is here where the labor movement expects a greater presence from the government than in the “management” of the economy. What is at stake in Chile is not the economic model; that seems firmly rooted in the neo-liberal camp. What is contested is labor’s ability to shape this model and to find a place in it. In Chile’s new democracy, labor organizations thus attempt to construct a place, an existence, which is far from given or accepted. Thus, the study of new democracies requires an examination not only of formal arrangements but also of substantive issues. To perceive labor movement strategies as taking place in contested spaces, or as a struggle for space, is in many ways then not a story about the return of democracy, but about its survival.

## **II. THE INSTITUTIONAL SPACE OF LABOR MOVEMENT ACTIVITY**

The adoption of neo-liberal economics in Latin America was often accompanied by a change in labor law. Argentina initiated economic reform in the late 1980s and labor reforms quickly followed in 1991, 1993, and 1995, and are underway today. Brazil began economic reforms in the 1990s, and the reform of the labor legislation in 1988 as part of the new Constitution anticipated these. Other examples include Paraguay (economic reform in 1991, labor reform in 1992 and after), Peru (economic reform in 1992, labor reforms in the 1980s and 1990s), Ecuador (economic reform in 1990, labor reform in 1991) (see Cook 1998: 324).

The particular path<sup>9</sup> labor reform would take in each country depended on a number of variables, for which the outcome is different in each case. Among these factors are: the degree to which labor organizations were able to shape the outcome of the labor legislation; the character of the previous authoritarian legislation and the historic configuration of industrial relations preceding the authoritarian regimes (such as the “corporatist” type in Brazil or Argentina, or the “political bargaining” type [Drake 1996] in Chile or Uruguay). The degree to which economic reforms and labor reform coincided with political re-democratization is yet another important factor influencing the path of the new labor legislation.

The Chilean case is interesting because unlike Argentina, Brazil, Paraguay, Peru, or Ecuador, re-democratization in Chile started in 1990 (or, if we take the plebiscite and its political and constitutional consequences into consideration, in 1988) and hence re-democratization in Chile comes after economic reform. Therefore, the particular sequence of the Chilean case—economic reform (starting in 1975), combined with a labor law (1979), followed by political transition (1988–90 and beyond) put the reform of the authoritarian labor legislation, the Plan Laboral, squarely on the transition to democracy agenda. Curiously, while that was the consensus between the incoming Concertación government and labor organizations in 1988–90 (“no democracy without labor reform”), after 1992, that is, after the first reform to the Plan Laboral, the importance of labor reform slowly but surely disappeared from the government’s agenda.

The reader may rightfully ask what should be curious about that, after all, there was a reform, hence what else would or could labor want? This section seeks to answer this question by presenting a balance sheet of sorts of how much of the previous legislation was changed and also a result of labor movement participation in the reform process, which, following Cook’s model, should be reflected in the outcome of the reform. And how far has the reform of the authoritarian legislation advanced in democracy? These questions are important because they provide us with a crucial yardstick with which to measure the new institutional space of labor movement activities. This, in turn, is relevant because it speaks to the social, as compared to economic or political dimension of the Chilean re-democratization.

### **1. The New Labor Legislation of 1990–1992<sup>10</sup>**

The most important of all changes concerns the new law on collective bargaining. The legislation of 1979 drastically limited the scope of collective bargaining by making subject to negotiations only the initial wage readjustments, the time period for inflationary adjustments (usually every three to four months), and the levels of inflation adjustments. Unions are strictly prohibited from including other topics in the negotiations that pertain to the “organization, direction and administration of the firm.” This has not always been the case, in fact the previous legislation allowed them to discuss promotions, work crews, machinery, and other production-related issues (Valenzuela 1979: 257).

Should the negotiating commissions decide to reject the employer's final offer, it must, in no later than five days, invoke a vote on whether or not the union should go on strike. This vote must be secret, and in the presence of a notary public. The employer must send a copy of his/her last offer to the union as well as to the labor inspectorate and place a copy of the offer in conspicuous places within the firm. The decision to go on strike must be approved by an absolute majority of the union and must be realized no later than three days after the vote.

The most important novelty with regard to collective bargaining, and thus in a way of the entire reform, resides in the employer's last offer to the union. In case this offer includes a) identical stipulations as those of the old contract and b) a minimum wage readjustment of at least the inflation level, the employer has the right to replace striking workers from the first day. Although the new law states that those who participate in collective bargaining cannot be fired ten days prior to the presentation of the union's new demands until the signing of the new contract, in practice, from the moment a strike begins, workers do not know whether they will be able to keep their jobs, and it may not be of much help to know that they have the option of crossing the picket line after the fifteenth strike day. Should, however, the employer's last offer not include criteria a) and b), he/she can only replace strikebreakers after the fifteenth day, and workers can start reintegrating themselves into the workforce after the thirtieth day. But even if the workers should decide to opt for crossing the picket line, the employer has the right—regardless of the type of offer he/she makes—to reject them and continue to rely on his/her strikebreakers. Hence, at that point, the worker will know whether or not he or she is dismissed. The reader may correctly argue that this last argument is contradictory. It is. By law, every worker who participated in a strike should, after having been replaced by strikebreakers, be allowed to return to the workforce. In practice, however, this is not what happens, since the new laws simply require employers “to justify” the dismissal of a worker.

## **2. The Second Reform to the Labor Legislation 1994–?**

In light of the many shortcomings of the first reform, and partially as result a of continued CUT opposition to the reform, the second democratic government under Frei

promised to attempt further changes that would be closer to labor organizations' idea. This new legislation<sup>11</sup> envisions major changes that would indeed limit the employers' abusive powers, which a very flexible labor market has given them in the first place. In this sense, unlike the first reform of 1990–92, this second one does move much more toward a “protective” labor market—to use Cook's (1998) terminology. First, the new legislation proposes to amplify collective bargaining. Working conditions, productivity, and negotiations with regard to product quality, incentive pay, and so on, can now all be included in collective bargaining, whereas previously all this depended on the employer's good will. In short, flexibility is more negotiated than simply imposed or offered by one side. This is quite novel, since any discussion concerning productivity was anathema to employers.

Second, and quite contradictory to the first point, all this is only possible if both sides agree. Hence employers cannot be forced to include all these themes in collective bargaining. This *de jure* “line item veto” makes the objectives of the first point *de facto* useless.

Third, the new law would finally give so-called transitory unions the right to bargain collectively. Again, this is potentially quite good, because many unions can now only present a written proposal (*convenio colectivo*) but cannot negotiate new terms (*contrato colectivo*). This new law is particularly relevant for construction workers and for many of the miners who move from one place to another to set up the huge mining infrastructure to be used later for mining itself. In other words, this law would give workers a much-needed tool to defend themselves against the increasing use of flexible contracts in such important sectors as mining, agriculture, construction, and port work.

The new law would also make collective bargaining obligatory for supra-enterprise levels *provided the unions themselves* are able to propose such negotiation. Again, this is in itself a good innovation, not because all plant-level leaders would favor industry-wide bargaining, or because they would be given an instrument to counter the power of national organizations (which was disputed in Argentina early 2000), but because conditions exist at the intermediate level of federations and confederations where such negotiations might actually be quite useful.<sup>12</sup> This law signifies another potential victory for labor since the provisions of 1990–92 only make the supra-enterprise

negotiations an option if both sides agree. This led to perhaps five to ten such negotiations between 1990–94.

Fifth, employers can no longer replace striking workers. Similar to the fourth stipulation, this is also somewhat of an intermediate step. This stipulation puts pressure on employers to come to an agreement with workers since their production, or most of it, will eventually come to a halt.

Sixth, all workers engaged in collective bargaining are protected up to 30 days after the bargaining. This gives workers more employment protection. To give the reader an idea of the significance of this aspect, a few statistics may help. In light of CUT's and unions' repeated complaints that employer abuse of article 161 (the right to fire workers if "necessary" for the firm) was rampant, the *Dirección del Trabajo* initiated a series of surveys among Chilean unions. The results confirm unions' complaints. In one of those surveys 5,500 firms were interviewed and in those companies, a full 32% of the labor force had been fired no less than three months after the last round of collective bargaining. Firms with high rates of unionization among the labor force correlated well with dismissal rates; those firms with 70% or more of the labor force in unions fired 40% of the labor force one month after collective bargaining (DT 1996: 48). It should be added that participation in collective bargaining is not necessarily the same as participating in, or even voting for, a strike.

Seventh, the proposal also includes a stipulation that the employer must justify his/her position with regard to the union's demands by more than a simple acceptance or rejection of it. In other words, it forces the employer to share much more information about the firm with the labor force. Unfortunately, the new law does not stipulate precisely what kind of information the employer has to relinquish and the employer has considerable leeway in his/her judgment, also because whatever is deemed "confidential" information is excluded from this stipulation.

In sum, this new proposal to expand the scope of labor reform in democratic Chile can be seen as moving away from a more flexible labor market regulation toward a more liberal and protective legislation as conceptualized at the beginning of this section. The state assumes a more protective role for labor interests and rights by specifically anchoring new, or expanded rights, in the labor code. Yet to a considerable degree, these

new rights are simply a frame of reference and do not necessarily regulate outcomes, as demonstrated by the new criteria for collective bargaining. This gives workers a reasonable assurance that they have at least certain minimum rights.<sup>13</sup> Unfortunately, this second reform to the labor legislation was never ratified in Congress. Due to heavy employer opposition and because of the strength of opposition parties in Congress, a full six years have passed since the original proposal. The new government has promised to revitalize the reform of the labor legislation, but how much Lagos and his team can accomplish remains to be seen.<sup>14</sup>

### **3. Collective Action and Economic Gains**

Despite the goodwill gesture of the Frei government (and Lagos has already promised to deliver a new reform), chances for improvements in labor unions' bargaining power are still limited by what was accomplished in the first reform. It is very likely that this has immediate consequences for the economic situation of organized labor. For example, the number of unions involved in collective bargaining<sup>15</sup> increased with the return to democracy, including even the last year of the Pinochet regime (1989). There is also a tendency toward shorter readjustment periods. Thus, during the 1980s, the average period was 6–7 months, whereas since the 1990s, the average readjustment period has shortened by about one month. These are positive changes. However, there is little change in terms of “the deal” unions were able to strike in collective bargaining. For example, the average future wage readjustment has been consistently below inflation rate. This does not mean that unions could not obtain wage readjustments equal to or even higher than inflation during collective bargaining. It does mean, however, that as inflation persists, automatic wage readjustments—even if they occur sooner—will be below inflation rate. This puts enormous pressure on the union to obtain a relatively high initial wage readjustment that is sufficiently above inflation so that over the course of the next two years (the next time the union bargains with the employer) hopefully inflation may not be able to catch up with their wages.<sup>16</sup>

These examples show that the readjustment of wages is often just barely above the inflation rate, and if the future readjustment is taken into consideration, wages continue to be right at the level of the inflation rate. These numbers, admittedly only

samples, refer specifically to unionized workers but should be kept in mind when considering statistics on the labor force in general. Here, the picture is slightly different. Real wages during the 1980s were at about 85–92% of the 1970 level. Around 1990–91, they began to show improvement: 96.9% in 1991, 101.3% in 1992, 109% in 1995, and 117.4% in 1996 (PET 1998: 276).

This generally positive trend varies again by sector. It is very likely that during the 1990s, real wages improved for most workers. However, the improvement is not big and there is variation across sectors. One could argue that the recent economic crisis witnessed in Brazil, Argentina, and Chile in the aftermath of the “Asian crisis” of 1997–98 had something to do with the poor showing of real wage increases for Chilean workers. This may be true, but all the statistics cited point to a consistent and hence more important long-term trend: for organized labor, wage improvements tend to be uncomfortably close to the level of inflation. Therefore, combining initial and future readjustment levels depicts a less favorable but more precise image than the one given by statistics on improvements in real wages for all workers. This somewhat paradoxical result should not lead to the conclusion that organized labor fares worse than workers that are not organized. The survey by the *Dirección del Trabajo* shows that union leaders generally believed that readjustments and wages as well as incentive pay are better for unionized workers (DT 1998: 9–10). But the meager results are an important corrective to aggregated statistics and should be taken as a reason for concern, particularly with regard to conflicts between unions and employers.

Despite labor’s inability to obtain better deals in collective bargaining, there are few conflicts between labor and capital, at least when measured by strike levels. Some people might argue that precisely because labor’s hands are tied in collective bargaining we see relatively few strikes.<sup>17</sup> And given employers’ ability to fire strikers at will, which union leader can be expected to take his/her union all the way towards the final showdown? A few statistics on strikes are instructive (see Table 1).

According to Table 1, the increase in the number of strikes coincides with the return to democracy. Keeping in mind, however, that as strikes are economic demands in the first place, it is necessary to take this analysis with caution. It is possible that unions, anticipating the return to democracy, were more aggressive or defensive in collective

bargaining, assuming that repression was less in those years. But that tells us little about the economic reason that usually lies behind the strike. There is a decrease in the number of strikes after 1992, the year of the first reform to the labor legislation. Hence, after reaching a high of 247 strikes in 1992, the number of strikes has leveled off in subsequent years to a low of 179 in 1997. Strikes lasted on the average 12 days, which is not a particularly long period. But again, this may have more to do with union finances or other issues than with the nature of the conflict that caused the strike to emerge in the first place. Better information is needed to make more precise arguments with regard to strike behavior during those years. In general, there is a relative labor acquiescence in democracy and a low level of open conflicts between unions and employers (see Frank 2000).

**TABLE 1**

**Number of Strikes, Strikers, Average Size, Average Duration, 1983-97**

Year	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Strikes	36	38	42	41	81	72	101	176	224	247	225	196	187	198	179
Strikers	3,571	3,595	8,532	3,940	9,913	5,645	17,857	25,010	46,215	26,962	25,153	16,209	24,727	25,776	19,278
Avg. Size	99	95	203	96	122	78	177	142	206	109	112	83	132	141	108
Avg. Days	13	12	21	15	14	14	16	15	12	12	12	13	12	10	10

Source: Frías (1994, 1998)

Are meager wage increases and the absence of high strike levels a reflection of labor's weakness? Would better legislation, that is, labor laws that really protect workers from employer abuses and that really make collective bargaining a much stronger and effective tool in unions' hands, create more strikes, more combative unions? Certainly, it would put employers more on the defensive and perhaps even make them more willing to negotiate. Today, unions are in a much weaker bargaining position than their counterparts and therefore cannot risk demanding too much in collective bargaining. Even the strike, though it is no longer limited to 60 days, is a weak weapon for unions, as explained earlier. In the meantime, then, economic improvements of organized labor resemble more goodwill signs of employers who expect some "worker gratitude" in return than real economic victories of determined unions. However, despite the limitations imposed on unions by the labor legislation, the influence this institutional arrangement has on unions' strategies cannot be imputed so automatically. Counter to what should have been expected from the analysis of the labor laws, many labor leaders agree with the idea that the new labor laws do indeed create some room for action, and few leaders think the reform is "just bad" and constitutes no progress.<sup>18</sup>

This is not a contradiction to what was said before. Hence, to repeat, in its current version, the labor legislation does not make the strike an effective weapon. Yet this is not to say that the union's job ends here. On the contrary, if the strike is not effective, the union's work becomes even more difficult to obtain some results. The union still needs to come up with ideas to realize many rank-and-file demands, it is more difficult to keep rank-and-file solidarity, and so forth. It is thus easier to strike, and more difficult not to. This is a strong indicator that labor movement strategies are informed by contextual variables such as the labor laws, but the laws themselves have limited influence on what, exactly, the union's response will be in a given context, such as a dispute with the employer over remuneration. The laws also do not explain how the union comes up with a response, what considerations are taken into account, which alternatives are envisioned, and so forth. In all likelihood, more unions will tend to put aside their exclusive reliance on the law precisely because it does not provide them with a ready-made solution to its dilemma.

#### 4. Conclusions

The institutional space of Chilean labor relations is complex and highly regulated. The labor laws themselves, as amended in the reform of 1990–92, are in many ways insufficient to accomplish what the new democratic government said it would set out to do: establish more equal relations between labor and capital and create stronger labor unions capable of effectively defending workers' interests. The "reform to the reform," sitting in Congress since 1994, would go further in trying to accomplish the goals set out by the Aylwin administration because it addresses major issues such as replacement of strikers, expansion of collective bargaining rights to important segments of the Chilean labor movement, and so on. All these real and potential changes must be seen in the context of a modernizing economy that grew throughout the 1990s. Workers, unionized or not, have by and large benefited from economic growth, at least in terms of real wages. Yet their economic gains have oftentimes been small, and if productivity gains outpaced real wage growth throughout the decade, it means that growth with equity is an ever more elusive goal for Chile's working class in general and organized labor in particular. A labor legislation that would shift the balance of power away from employers more toward the middle, and thus also a bit toward workers, could help improve this situation. Yet so long as the labor legislation is not modified, this goal remains out of reach. In the meantime, the economy continues to take advantage of a flexible labor market that makes increasing use of cheap, subcontracted, or temporary labor. From the perspective of employers, this is a profitable and relatively easy strategy, but it is also short-sighted.

What has been absent from the discussions in the 1990s are themes that in the long run will become ever more important for Chile's economy: the ability to compete in international markets with goods other than those from agriculture or mining, and with highly skilled labor (see Valenzuela 1993). Currently, many employers hesitate to invest more in their labor force because they continue to see labor primarily as an inferior and hostile group and staunchly oppose government proposals and even reject government subsidies geared toward modernizing production.<sup>19</sup> In sum, the "black hole of Chile's labor legislation" cannot be what the new democratic governments had in mind when they committed themselves to social concertation in 1990 and again in 1994. The state,

which could be a vital mediator of conflicts between employers and workers, too often remains on the sidelines. Unfortunately, when industrial relations strongly favor employers over workers as they do in Chile, it is erroneous to equate “the new role of the modern state” with “autonomy and equality between social actors.” To the degree to which the economy continues to grow, this “model” will remain sustainable, but it is unlikely that it will help Chile develop into a more equal society.

### III. POLITICS AND LABOR IN DEMOCRATIC CHILE

The past ten years have seen a curious yet interesting evolution of the relationship between, on the one hand, the Concertación coalition and its constituent parties, and the labor movement on the other. Arguably, in Chile’s new democracy (as in the region as a whole), we are witness to no less than a major break in the history of labor politics. Several questions will frame the discussion in this section: What specific aspects of this relationship should be analyzed? To what degree does a complicated history of union-party relations influence both actors in democracy? What historic period are we talking about, 1973–90 or the entire 20th century prior to 1973? The following discussion also attempts to document some of the strategies employed and decisions made by the democratic governments of Aylwin and Frei. Together, these could be identified as the new “political environment” in which the Chilean labor movement finds itself and to which it must respond. Mention should be made that in many ways this political environment is more relevant for the top union organization CUT than the intermediate confederations and federations or the plant-level unions. The big exception to this “rule” is the reform of the labor legislation, which was very important for all unions. And this is perhaps a good point to start the discussion. As mentioned in the last section, most union leaders had hoped that with the return to democracy, the new Aylwin government would strongly push for a major reform of the *Plan Laboral*. This is not what happened. In addition, CUT’s ambition to be an active participant in the writing of the new labor laws was given a serious blow when the government decided to hammer out the reform by negotiating a compromise with UDI and RN, the opposition parties in Congress. As a result, Labor Minister Cortazar and also Aylwin himself were often criticized by Bustos and other union leaders for not doing enough for Chile’s workers. Yet the government

was quick to respond that given the distribution of political power in Congress, more could simply not be done. It was either this (so much reform) or nothing. This is certainly true. Due to Pinochet's constitution of 1980 as well as the binomial electoral system put in place by Pinochet, the opposition in Chile's Senate has been artificially strengthened and thus has enjoyed veto power throughout the past ten years.<sup>20</sup>

Hence the interesting, albeit hypothetical question: What would the Concertación government have done in terms of labor policies if it had been stronger in Congress, specifically in the Senate? Because we are dealing with a hypothetical scenario, our interpretation is by necessity speculative and based merely on circumstantial evidence and therefore the question ultimately cannot be answered. Nevertheless, the material presented below should allow the reader to get an idea not of "what could have been" but "what has been." Why should this matter? What is the relevance of this new perspective in light of the fact that the Concertación government was indeed constrained constitutionally, legally, and politically in what it could or could not do for labor? It matters because the ideas and even choices of the new democratic governments cannot be regarded as having been solely determined by the constitutional legacy of the Pinochet regime and the political reality of the 1990s. In other words, while these factors were significant constraints, the Aylwin and Frei governments also followed a political path of their own choosing, undoubtedly informed by, but not determined by, said political reality. As a result, labor's political environment proved oftentimes highly ambiguous, full of strategic if not outright manipulative maneuvers by the governments, and idealistic hopes by the labor movement itself, above all by CUT. This claim will be substantiated more fully in what follows below.

### **1. History Teaches a Lesson**

Those politicians who were members of the Aylwin and Frei administrations all shared at least one conviction: To avoid past mistakes,<sup>21</sup> primarily Chile's and secondarily Latin America's. As for the former, years in exile or under repression at home had given these leaders time to think about the breakdown of democracy. In addition, the breakdown of democracy in 1973 came to be regarded as only one, albeit crucial, element in a history that almost inevitably led to the terrible outcome of 11 September 1973. The

dictatorship, too, had been important in the sense that it led the then opposition politicians to appreciate the values of (an absent) democracy and, at least up until 1988, the need for economic policies radically different from those of the regime. In short, populism, corporatism, authoritarianism, and perhaps other “isms” (certainly socialism and communism) were to be avoided if democracy were to have any chance for survival in Chile and in Latin America. The consequences in the Chilean case were many, but for our purposes, politicians and political parties (e.g., DC, PS, PPD, PR, PDS), with the possible exception of the PC (though given the party’s exclusion from the governing coalition that mattered less), became much more pragmatic, “technical,” and above all, oriented toward consensus and governability. In addition, because of the existence of the coalition, Concertación parties clearly moved to second place in importance, making way for a “supraparty” government, which was, in theory, guided by party politics, but in reality more often driven by its own convictions. Moreover, the consensus among all the leading politicians of the coalition was that Aylwin and, later, Frei should govern with considerable autonomy from particular party concerns. Hence autonomy from parties, from social actors such as unions, or from civil society in general became perhaps one of the crucial concepts of the new regime. This fit well into the reading of past mistakes—where the state was often held hostage by the party or the coalition in power—and it fit well with the recipe for democracy.

## **2. Consensus Politics**

What is the (domestic) political factor behind the economic and social problems that have persisted throughout the 1990s? What accounts for the behavior of the Concertación governments? In other words, why do they do what they do and what is it they do? This is not a problem of semantics. Instead, the issue is a compatibility dilemma between the type of economic policies—neoliberal with the state assuming a subsidiary role—and the proclaimed politics of social concertación (see Raczynski 1999). The “tensions in the neoliberal-social concertationist state” of the 1990s manifested themselves quite openly in a lack of efficacy when it came to being able to translate economic growth into more social growth. Sometimes these tensions revealed themselves in bureaucratic inefficiency, which then diminished efforts to improve the social

conditions of the populace, and specifically of the poor (see Raczynski's 1999 analysis of MIDEPLAN, or Ruiz-Tagle's 1996 work on the poor).

There are two sides to the origins of these tensions. One (the "why" question) is related to the political learning of Chilean politicians—the grave mistakes that were made in the past and that ultimately led to the breakdown of democracy and a rectified vision (and oftentimes painful revision) of the developmental model of Chile and Latin America. This explains how former opposition politicians arrived at the plebiscite in 1988 (ideologically, strategically, personally) and how they prepared and handled the subsequent transition to democracy from 1988 to March 1990. This aspect has already been discussed previously. The other and more recent side of the tensions refers to what these politicians did with what they learned, or how they applied their ideas, ideology, and historic lessons.

Elsewhere (Frank 1995) I have argued that one of the important lessons of the Chilean re-democratization is that the coalition's understanding of social concertación was quite different from the one of labor organizations and other social actors (see also Schedler 1992). Whereas to the coalition, social concertación meant peace, consensus, and governability, to labor it meant democracy and participation. These different understandings led to different strategies and misunderstood behavior. The Aylwin government and particularly the core ministries under Boeninger and Correa (*Secretaria General de la Presidencia* and *Secretaria General de Gobierno*) and to a lesser degree, Foxley's finance ministry (*Hacienda*) made it clear from the first day that the new government intended to consolidate democracy on the "installment plan" (see O'Donnell/Schmitter 1986). The early tax reform in 1990, then the labor reform, then the municipal reform and municipal elections, then hopefully the reform of the electoral system, all were important building blocks of this program. Some critics (e.g., Garreton 1995) pointed out that instead of pursuing each of these reforms (and other issues) in an excessively pragmatic way, it may have been better to contemplate from the beginning a "project" for Chile's new democracy (see Flisfisch 1984). These proposals remained by and large ignored. Instead, keeping the democratic agenda in mind, the new policy makers were eager to engage in negotiations with the opposition in the belief that above all, a consensual approach to politics would be the most effective. This strategy, however,

proved ultimately to be just as or almost as radical as those employed prior to the military coup. How so? An important lesson from Chile's political history had been that many parties, including the Socialists, Communists, and Christian Democrats, slowly but surely became extreme (see A. Valenzuela 1978) in the sense that they all put their own politics and the realization of their goals above the interests of the nation. In other words, politics was more important than consensus (or negotiating). In post-1990 Chile, the reverse is true. Consensus is more important than politics. The reform of the labor legislation is a case in point. During that process, CUT often accused the Labor Ministry of ignoring its proposals, yet Cortazar and his team often did not really understand the complaint. To them, the mere presence of CUT leaders in conversations or technical committees was evidence enough of real participation, and hence real results and thus consensus (see Frank 1995). One advisor to Cortazar admitted that often, the primary objective was not concrete results, but dialogue.<sup>22</sup>

Both the Aylwin and Frei administrations made use of a strong presidency for which the Constitution provided. The historic lessons referred to earlier provided an additional incentive to give the Aylwin and Frei governments a supraparty character that allowed them to govern with as much autonomy as possible. Yet the problem of party representation in a coalition government was not ignored. Among others, ministries were equally divided among Christian Democrats and Socialists, and the top two positions in each ministry were occupied by leaders of the two major parties. This is certainly an original approach that had many virtues. Among others, conflicts between parties were in general quickly resolved because the top leaders of the government prevailed over a loyal party membership. Moreover, political differences between parties were by and large kept out of Congress, thereby allowing the Concertación to speak as a unified voice, mostly. Yet this subordination of political parties to a strong government also signified a closure of sorts to a historic conflict between two major parties (or political camps) that had lasted from the days of the Frente Popular (1936)<sup>23</sup> to the Unidad Popular (1973), if not until the creation of the Concertación of Parties for Democracy in 1988. In many ways, this conflict had dominated the second half of 20<sup>th</sup>-century politics, yet it had also greatly contributed to major socioeconomic advances in Chile. In no small way, it had been an important engine for change (Garreton 1995).

It is difficult to blame the coalition between PS/PPD and DC in the government for their excessive emphasis on consensus. But this caveat cannot lead us to ignore the fact that the absence of a viable opposition party at the Center and the Left (the PC) of the political spectrum gave the coalition a tremendous amount of leeway or power. Hence, wittingly or not, the members of the Aylwin and Frei governments made up a small group of elite politicians at the top of a political system which in itself—as far as Center and Left is concerned—was dominated by the very two political parties to which these elites belonged. Over time, this privileged position produced a leadership that was more and more interested in governing with a pragmatic, efficient, apolitical and nonideological hand interested primarily in “consensus politics” under Aylwin and “priority politics” under Frei (see Fuentes 1999 and also Huneeus 1998). Until the political reality (composition in the Senate) would permit it, the Frei administration put political-institutional issues on the back burner and began to concentrate more on socioeconomic issues (education, poverty, etc.) (Fuentes 1999) with a so-called “focalized” approach (see Raczynski 1999). In other words, issues that could stir conflict with the opposition were neglected, themes that might find more consensus (poverty is bad, education is good) were emphasized.

What is interesting here is once again the political consequence of this strategy. Observers close to the government noticed that the inner circle of power brokers with access to the president seemed to have narrowed even further (Fuentes 1999: 208). Others, speaking of the political parties, argued that “politics became secularized” and parties have “virtually become secularized churches which formulate eternal truths that are no longer negotiable” (Lechner, cited in Fuentes 1999: 214). To the degree to which parties were subordinated to a supraparty government, Lechner’s assessment, though somewhat strong, is compatible with ours. It makes sense that disciplined parties would disseminate top-down views to the larger audience of party members and their constituencies. The survival of the coalition was and remains the crucial challenge for all involved. As a result, few politicians have asked themselves which policies and what politics are possible and necessary in democratic Chile.<sup>24</sup> It is likely that the way politics worked in Chile in the 1990s is different from the way it worked in the past. This will now be shown in the concrete case of the governments’ dealing with labor organizations.

### 3. The New Democratic Governments and Labor Organizations

In addition to the reform of the labor legislation—which, as stated, was initially intended to be elaborated with strong input from CUT and employers—the second major theme of government cooperation with the labor movement involved the creation of a fundamental agreement between employers and workers. In a sense, the government was interested in bringing both sides not only to the bargaining table, but also to an agreement on principles. Labor abandoned its historic view of the class enemy. In turn, capital recognized workers' legitimate interests as well as their right to defend these through collective action. In this way, class conflict, or its solution, was removed from its utopian realm (the classless society in the case of workers) as well as its equally ideological position (a world without unions in the case of employers) and brought back down to the contemporary and real Chile. To the degree that this implied a rectification with past behavior, this strategy very much resembles lessons Concertación politicians themselves had drawn from history. The *Acuerdo Marcos* (AM) symbolized this new idea of consensus symbolically as well as practically. Due to major disagreements among all sides over the purpose of these pacts, they came to a disappointing end in 1993. In this way, the government's second major labor project came to an end roughly one year after the signing of the new labor legislation. Thereafter, the labor movement in general, and its top organization CUT, dropped considerably in the government's list of priorities. What started out in Chile in 1990 as a promising possibility for social concertation, was thus slowly but surely degraded to a symbolic interaction of ambiguous signals between government, employers, and CUT.

Under Aylwin, most of these revolved around the reform of the legislation and the AM. Neither was going anywhere, because there was no AM nor reform in 1994. Under Frei, no attempt was made to revive the AM (by that time, the importance of coming to an agreement over the minimum wage had lost any potential to spill over into other agreements), legislative reforms were put on the back burner, and the administration focused by and large on providing financial support to train the labor force and the launching of a series of programs and initiatives. Hence, upon a closer look, there was no lack of initiatives and programs. In fact, one could even say there are too many.

What is absent was consistently substantive progress along these lines; a determination among all three sides that these initiatives were “really going anywhere.” Often, in seizing the initiative, or in taking employers and the government at their words, CUT leaders complained that further progress was impossible without concrete actions following goodwill gestures. Hence, between 1994 and 1999, one finds a plethora of initiatives, but the constant in this impossible game was that every year it seemed as if negotiations were back to point zero. Over time then, the government could afford, or became accustomed to, an on-again, off-again relationship with CUT. The conflicts between CUT and Labor Minister Cortazar and then Minister Arrate became predictable and somewhat routine. Neither CUT’s nor the public’s opinion could be swayed by government promises or employer tactics. If anything, the public has come to support CUT and the labor movement even more during the past decade, whereas the government and employers are perceived to be mostly indifferent to what most people think should be done about unions’, and hence workers’, legal predicament.<sup>25</sup>

It is likely that the democratic governments’ ambiguous position toward CUT as well as their lukewarm commitment to a “deepening of social concertation” was intentional. One factor had to do with labor’s own approach to employers and to the government and will be discussed below. The other is a result of several conditions. First, the governments (Aylwin and Frei) may have tried to lure employers (especially those organized in the CPC) into a more cooperative position, but by and large failed in doing so. Second, this failure is itself the very product of the governments’ excessive emphasis on consensus, instead of pressure, which may have been the more successful strategy, or at least may have forced CPC and other employers to reconsider their own strategy. Third, this friendly politics toward employers and deficit politics toward CUT and other labor organizations usually benefited employers. Case in point: employers’ opposition (in 1997) to renewing discussion about the labor reform. The top employer association, CPC, and Sofofa argued that any such proposals were “unnecessary, violate(d) the rules of a social market economy, and are based on workers’ confrontational relations to employers” (Frias 1998: 51). If that were not enough, some accused labor minister Arrate “of living in the past,” that the government was only “interested in strengthening unions” (and not employers). After all, employers argued, none of these initiatives were

warranted since “apparently, current labor relations in the country were quite peaceful” hence “any attempt to change a good situation” could “only lead to a worsening and a move away from a modern economy” (paraphrased from Frias 1998: 51–52). From the perspective of employers, this twisted view of reality seems to make sense. Why change anything if unions are quite peaceful and show little signs of hostility? Of course, what employers chose to ignore is the very fact that the labor legislation put them in a far superior position than unions. Yet this outcome is also the responsibility of the government, which, instead of pushing for more progressive reforms, was content in coming to agreements at all. Moreover, the government spent far more time assuring employers’ agreement than CUT’s. This repeated “downward negotiation”<sup>26</sup> continuously eroded and hence weakened—not strengthened—the government’s strategy vis à vis employers. The emphasis on consensual as compared to divisive issues provided employers with a clever strategy to by and large maintain their prerogatives with regard to labor reforms while seemingly agreeing to some government proposals. This “windfall” opportunity made them appear as the good guys, and employers enjoyed more and more legitimacy from the government (see Espinosa and Abramo 1992). Some observers pointed out that this type of agreement—devoid of any real negotiation—weakened the exercise of democratic principles, made it more difficult to design more democratic institutions, and sent ambiguous signals to the public, which was led to believe in the good of consensual democracy without substance (see Huneus 1998).

Today’s relationship (1990–2000) between the labor movement and political parties is no longer the one it used to be before 1973, or during 1973, 1988, or 1990. The nature of this new party–union relationship in democracy has not been sufficiently investigated at the level where it matters most because much of what is said about labor and parties in democracy concerns more often the top union organizations rather than intermediate and grass roots organizations such as federations and plant-level unions.<sup>27</sup>

While it is helpful to think of the relationship between CUT and Chile’s labor parties in terms of three historic periods (prior to 1973, 1973–90, and 1990 onward), one cannot go so far as to assume that the relationship was totally different from one period to the other; nor can one argue that it remained the same throughout each period. Nor is it

safe to assume that this relationship was the same for every party. There are changes and continuities, a landscape of sorts. Even today, there is within CUT a tremendous heritage and party culture that cannot be ignored or underestimated. In this sense, few, if any, top national leaders are less political today than they were in 1990, or before that. This does not mean that today these leaders cannot be more critical of—or angry at and disappointed with—their party; it does mean, however, that party political identification remains as high as ever. One wonders, however, whether party leaders have indeed been able to shed their “skin.” Party leaders have continually lowered the significance they themselves gave to union affairs. At the time of Aylwin’s inauguration in 1990, many party leaders were indeed quite optimistic about prospects for good labor relations, in part because of the recent experiences between 1988–90 and in part because of hopes that, as they had done so themselves, many union leaders would also have come to a new appreciation of democracy. Hence, labor and the “social question” was important to these party leaders, but it was not a particularly worrisome concern.<sup>28</sup>

Proof of labor’s importance is the very fact that after the tax reform, the reform of the labor legislation was the second agenda item on re-democratization. Yet in a novel approach, the dominant player in union–party relations was the supraparty government, with the result that individual parties (PS, PPD, DC) and the “folks” in charge of the labor departments within them, assumed a less and less significant role. To be precise here, it is not the case that the maintenance of good relations *per se* was less appreciated, but to the extent that their relationship was decided increasingly by “government folks” (major issues such as the labor reform or the AM were discussed at ministerial and presidential levels) the union–party relationship became secondary. Thus, to repeat, party leaders continuously lowered the significance they themselves gave to union affairs, or in other words, the relationship was put in its proper perspective—which is yet another sign of political learning. Given the fact that the PC is not part of the governing coalition, and that the entire history of PC–union relations is also one in its own right, the scenario just described is different for Communist union leaders. This allows us to ignore that part of the history of labor parties in democratic Chile (for our purposes). The reader may be reminded that the only party that has consistently improved its representation within the labor movement is the PC. The current CUT president—Etiel Moraga—is a Communist.

If the previous discussion has led us to perceive the limited and hence relative role Concertación parties have played during the past ten years, one must not ignore the fact that there were moments in which these parties emerged as crucial players in union affairs. I refer to the union elections of 1991, 1996, 1997, and the most recent one in 1998. Each of these elections showed the enormous amount of influence each party continues to exercise over the labor movement. During the first Congress in 1991, the Concertación lists (PS/PPD/DC) landed an easy victory over PC and other minor groups. That is not the major issue here, however. The point is that the entire CUT directorate (above all Bustos [DC] and Martínez [PS]) presented themselves eagerly as the representatives of the Christian Democratic and Socialist wings of the labor movement without feeling the need to explain to their constituency how they could reconcile that blatant identification with political parties with their claim for union autonomy. As a result of this election, Bustos was re-elected to the presidency; Martínez obtained the position of first vice-president.

Given the political process of the labor reform and other experiences already mentioned, the 1996 Congress was much more complicated. In fact, it ended in a fiasco. The Socialists within CUT had come to the conclusion that the disappointing results of social concertation with the government (not to mention with employers) were in part attributable to CUT's own excessive consensus politics, and that in turn was in no small part a mistake of the Christian Democrats within CUT. Hence the Socialists within CUT demanded a new direction. They also expected—similar to their party colleagues in the government coalition—that the PS/PPD should rightfully obtain the presidency since the Christian Democrats had already enjoyed that position. In a Machiavellian move that included a threat to go into a coalition with UDI, Martínez was ultimately able to put a Socialist at the head of CUT (Alarcon), though as part of the deal he himself could not assume the presidency. As a result of that maneuver, Martínez was severely criticized by the PS and has since been relegated to a marginal position within that party, though not within CUT, where “his” Socialist wing remains influential. In light of the possibility that the CUT leadership may actually include a party not present in the coalition of the government (either PC or UDI), political leaders of PS/PPD and DC were quick to strongly pressure their union leaders to make sure the same type of coalition existed

within CUT (Frias 1998: 33). One of the important lessons from the 1996 election was that CUT needed to become more democratic, and that its leadership needed to be elected in a more democratic way. Up until then, votes were weighted in a complicated way that was so hotly contested among all parties that it often ended up jeopardizing the entire electoral event. Hence, the ordinary Congress in May 1997 established statutory amendments such as a rotating leadership every two years and a new and much clarified proportional electoral process. Votes were still weighted, but a lot more rank and file were entitled to vote by increasing the number of delegates each union could send to vote (see Frias 1998, CUT 1998). Unfortunately, due to accusations of fraud and manipulation, the 1998 CUT elections turned into a very ugly event that left most of the nation confused. The very night of the election, the Concertación sector of CUT requested an annulment, which was rejected by the Communists. Hence as of December 1998, the CUT presidency is occupied by a Communist, while several important positions within the CUT national executive (among others the first and second vice-presidency) remained vacant because PS and DC sectors refused to accept the new leadership and of course the elections.

#### **4. Conclusions**

After ten years in democracy, CUT ended up a divided house. The leadership was paralyzed because the Socialists and Christian Democrats among the union leaders did not accept it. Their call for new elections was rejected because the Communists argued that they should not have walked out of the elections. Any negotiations with the government were seriously hampered by the fact that no one knew who within CUT had the authority to implement decisions, or who should be held accountable. Who should be blamed for this? Is it necessary to find the culprits? To the degree to which the last two CUT elections were by and large an event orchestrated by CUT and Concertación parties, both carry responsibility. CUT should have been more serious about autonomy and the parties should have built a different kind of relationship with unions over the past ten years. Perhaps the parties, too, should have maintained a more autonomous relation to CUT, instead of ceding all initiative to the supraparty government. A major effect of the government's powerful position within labor relations had been, somewhat unwittingly

perhaps—though I tend to think that few things in politics simply happen—that parties and party activists close to the labor movement were only called upon to act on behalf of the government when that was instrumental, such as during elections. Yet reducing a historically complicated relationship to this type of stand-by position proved ultimately insufficient and harmful to party–union relations and further discredited the government’s image within labor. On the other hand, perhaps it would have made a difference in the outcome if the parties of the Concertación (or, to repeat, the “labor people” within PS/PPD and DC) had more often attempted to influence the government and/or powerful members of the Aylwin and Frei administrations. In that way, their behavior would have resembled more the one in place prior to 1973. That choice, however, may have been a victim of the learning process that began in 1973 and that was by and large finished by 1988.

Hence, the old articulation of party–union relations in Chile is history. The Aylwin and Frei governments created a new reality that did not give parties much room to maneuver during the past decade. There is something of a “Tocquevilleian dilemma” in Chile’s democracy. Governments lay down a design for a new democratic republic that rests in no small way on active participation of civil society. Yet, precisely this is limited by institutions (the labor legislation), overtly strong Aylwin and Frei presidencies, actors whose allegiance to democracy is still in many ways instrumental and incomplete (employers), a public increasingly skeptical with regard to the quality of democratic life (certainly so between March 1990 and March 2000, there are signs this is beginning to change with Lagos), and finally, an organized labor movement whose leadership is ineffective because in crucial decisions it (the leadership) is frequently incapacitated<sup>29</sup> by historic allies (the labor parties).

#### **IV. LABOR MOVEMENT ACTION IN DEMOCRATIC CHILE**

Up until now institutional and political factors were treated as important contextual variables that shape labor movement perceptions, choices, decisions, and so on. Yet as important as these contextual variables are, they cannot, and do not, by themselves determine labor movement activities. These activities, I argued at the beginning of this article, are also the result of endogenous political and organizational

factors that operate more independently from the context in which they take place. Two caveats are in order. First, by “more independently” I do not promise to deliver some probabilistic statistical analysis that could precisely measure the degree of influence of each variable. I simply intend to emphasize the need to look perhaps more sociologically at labor movement activities in periods of re-democratization. The literature tends to highlight “structural” economic conditions or “political” changes and often assumes that these explain labor movement strategies. Studies that focus on labor organizations in processes of re-democratization support this call for attention (see Fishman 1990, Keck 1989, Moreira Alves 1989, Stillerman 1997, McGuire 1989, and Frank 1995). The second caveat to bear in mind is that often, labor autonomy from contextual variables (especially the political) varies depending on what level of the union structure we are looking at. Hence, in the Chilean case, with a decentralized labor movement, political factors play a strong role in CUT but less so among plant-level unions or intermediate organizations, because, among others, the latter two bargain collectively without CUT’s ability to interfere (if it wanted). This is not to say that leaders of intermediate or grassroots-level organizations are immune to politics (such as political ideas on democracy, party identification) or the reverse, that organizational factors are not relevant for CUT. In short then, the complicated interaction between endogenous political and organizational factors *within* the labor movement is the subject of the analysis here.

### **1. The Central Unitaria de Trabajadores de Chile (CUT)**

The precipitous dive CUT has taken in terms of its relevance as important player in the new democracy is truly astounding. Ten years ago, CUT was on the national scene, negotiating with the government and the leading employer association CPC over the labor reform and the minimum wage. The top leaders gave daily TV and radio interviews regarding human rights abuses, missing union leaders (*desaparecidos*), financial compensation for property seized by the Pinochet regime, and more. By 1999, apart from news about electoral scandals, CUT had vanished from the national political scene. Few contacts with the government persisted, and despite important pending issues, there was little to talk about. Both sides seemed exhausted. Moreover, given CUT’s divided house in the aftermath of the December 1998 election, the government was not willing to

recognize the incumbent leadership by initiating talks with the Communists. Such a move would also have seriously antagonized Socialists and Christian Democrats within CUT and further undermined the position of these union leaders within the entire organization and the labor movement as a whole. How is it possible that the national organization of the Chilean labor movement was considerably weaker in the first decade of the new democracy than during the last 5–7 years of the Pinochet dictatorship?<sup>30</sup> Two factors will be discussed here.

### **Between Autonomy and Subordination: The Quandary of a Politicized CUT**

The fact that national union organizations tend to suffer from some type of “political contamination” is nothing new and not a unique Chilean phenomenon. Rather, what is distinctive to each case is the way politics is played out within these organizations. For our purposes, it is necessary to briefly delineate this political process. By the time of the inauguration of the Aylwin government on 11 March 1990, the new CUT had existed for about two years. CUT (or its predecessor, the CNT and its affiliate organizations) had played a crucial role in revitalizing the opposition movement to the dictatorship. This began around 1983 with the first large-scale protests of copper miners that lasted, roughly speaking, until 1986. In light of the opposition’s inability to bring down the dictatorship, both the labor movement and political parties (above all DC, PS, and PPD) contemplated a new strategy that focused on the political-electoral path, as opposed to a sustained mobilization of the masses. Hence, between 1986 and the plebiscite in October 1988, parties and the labor movement were busy preparing and convincing their rank and file that the “day would come where we shall defeat Pinochet.” That day came, yet how exactly that was accomplished was soon disputed, or what is more likely, forgotten in light of the tremendous challenges that lay ahead. This is no small issue because in many ways it is at the root of the problem at hand. For the leadership of the then opposition parties (the Concertación for the No), what counted most was the fact *that* Pinochet was defeated in his own game, whereas for CUT it was equally important *how* he was defeated. How was Pinochet defeated? According to the predominant view within CUT, not just through an electoral victory, but through a long social struggle of the working class, the labor movement, political parties, and so on.

CUT may have a point to the degree that the plebiscitary victory is simply the tip of the iceberg. Hence the more important story is how parties and labor organizations managed to organize an opposition movement. This story cannot be told here as it is too long. Suffice it to mention that the legacy of party–union relations up until 1973 (itself very important to most union leaders) allowed both the labor movement as well as the opposition parties to lend each other crucial support in all kinds of ways, ranging from shelter and soup for a politician in hiding to a platform to speak in front of hundreds or thousands of people about the need for resistance (see Valenzuela 1979). To be sure, this history is complicated; in some cases, unions were skeptical not only of parties (for a long time, these were blamed for 11 September) but of CUT itself (see Falabella 1993, Stillerman 1998). In others, such as in the all-important mining sectors, cooperation between CUT and party leaders had long existed (see Klubock 1998) and had facilitated unitary action.<sup>31</sup> In short, far from considering political parties as *the* force that had returned democracy to Chile (the *primus inter pares*), CUT quite legitimately claimed its place in history and hence expected to be taken seriously, that is, as an actor among equals. Thus, what needs to be emphasized is the nature and multiple layers of this political process. For CUT, the victory over Pinochet was not simply the result of a consensus among political parties, which, it should be mentioned, came about only in the ‘last minute.’<sup>32</sup> It was the result of a long history of party–union relations (see Angell 1972), and a shorter phase of opposition struggle (1973–88). In both periods the organized working class was believed to have played a crucial role (through a contribution to social, economic, and political development in the former; support for the return to democracy in the latter). This is how CUT, and by and large the entire labor movement, “arrived at” 11 March 1990. However, it is this experience that CUT never managed to put into proper perspective in the decade that followed.

Similar to the parties of the Concertación, CUT began to speak of “lessons from the past” and “political learning.” It is possible, though not altogether definite, that CUT leaders meant the same thing as their colleagues in government, that is, a new approach to politics, a strong civil society, a “decongested state,”<sup>33</sup> new unionism, autonomy, and so forth. However, unlike the representatives of the Aylwin and later Frei governments, including the parties of the Concertación, throughout ten years of democracy, the CUT

leadership remained unclear and ambiguous about its true relation to these notions and hence about its relation to parties and the government. In other words, while CUT claimed autonomy from political parties, in reality more often the opposite was true. To be precise here, by autonomy I do not mean the physical presence of party members in CUT or political pressure emanating from parties. As mentioned above, at times, these factors did play a role. The important issue here, because of its presence, is the ideological orientation of the top leadership within CUT. Hence, despite its claim and even its name, “unitaria,” that organization rarely if ever managed to speak in one voice.

Instead, Bustos, throughout his tenure, remained the “Christian Democratic” president, whereas Martinez stayed the “Socialist vice-president.” What is more—and this applies less to negotiations with employers—to the degree that some issues discussed with the government were more important than others (e.g., reform of the labor laws as compared to the right to collective bargaining or salary readjustments for public servants), disagreements between Bustos and Martinez tended to be seen primarily as ideological as compared to practical or organizational. Over the years, this led to an unfortunate pattern of mutual perceptions between these leaders and their supporters. It also contributed to a constantly politicized environment, which, when combined with outside interference from the Christian Democratic or Socialist party, led to a highly volatile scenario.<sup>34</sup>

In the end, that is, not only the end of the decade but in many ways the lowest point in its entire history, political divisions within CUT were so intense that one of the major organizational innovations of all times, that is, the change in electoral laws in 1997 and the subsequent elections in December 1998, ended in total failure of the elections themselves and a subsequent schism between Concertación and Communist wings of CUT, and—perhaps indicative of the quandary—CUT’s appeal to political parties to help restore order in their house (see Frias 1998). Finally, the top leadership’s perception of “where Chile had gone over the past years” and what CUT had been able to accomplish added a tone of bitterness to an already politicized atmosphere. Wittingly or not, the top leaders began to develop a state of mind that tended to see the negative side of things:<sup>35</sup> the labor reform was bad, the financial situation was bad, parties had abandoned the working class, the government and the economy were controlled by neoliberals who did

not care about workers, employers were only interested in exploiting workers, plant-level union leaders had lost control over their members, rank and file were only interested in consumption, the country as a whole was plagued by violence, poverty and globalization, and so on. In short, enemies and conflicts were everywhere.

### **Organizational Activities and Strategies**

The previous analysis suggests that an excessively politicized leadership prevented CUT from perceiving new challenges and opportunities in a way that might have been conducive to more successful action. Between 1990 and the end of the decade, CUT launched many projects, continually proposed initiatives, such as a new unemployment insurance, vocational programs for minors, retirement plans, modifications to health care, and of course the labor reform. At times, CUT managed to organize workers to stage massive mobilizations, such as during 11 July 1994 (*Día de Dignidad*, to protest the slow progress in the labor reform) 23 October 1995 (*Día de Dignidad del Trabajador Público*, to protest the conditions of public employees; 380,000 workers and employees showed up, a record number); 4 November 1997 (to protest the deadlocked negotiations over the labor reforms and unemployment insurance); and 20 November 1997 (to protest privatizations) (see Frias 1998). The issue here is not so much CUT's ability to call upon workers to protest. The numbers show that CUT was able to do that. The problem is rather of a qualitative nature. CUT needed to make use of extraordinary steps such as a call for national strikes (*paro*) in order to be considered a serious player, but once the call to attention was made, it was unclear how to proceed from there. Often, CUT walked away from the bargaining table feeling empty-handed because its proposals were rejected. On top of this, CUT could only make sporadic use of threats since a more frequent call to mobilizations would have resulted in a poor(er) turnout and thus would have weakened even further CUT's ability (*poder convocatorio*) to mobilize affiliates (the 1997 protests were disappointing since fewer than expected rank and file showed up). Soon the risk of diminishing returns became a reality, yet the CUT leadership had no ready-made recipe to deal with this. In sum, the ability to adequately respond to each item or issue with the "right" answer, the capacity to assess which policy ought to be proposed under given circumstances, the sustained ability to

demand concrete answers from the government and employers, the ability to pressure concessions from them, all of these elements were by and large missing from CUT's strategic approach. Perhaps CUT's failure was its unwillingness or its inability to become a risk taker, to throw its full organizational weight behind any action, confrontational, consensual, dangerous, whatever. Instead, CUT adopted a dual discourse (and few actions), swinging pendulum-like between open confrontation toward and cooperation with government and employers. This caused the organization a series of "missed opportunities"<sup>36</sup> and deprived them of a greater "negotiating space" in which to maneuver.

This outcome was not inevitable. For this to happen, however, CUT would have had to rely much more on organization building. By 1990, CUT announced that it hoped to have 1 million affiliates within a couple of years. This was by no means unrealistic. As a share of the salaried labor force, around 13.5% were affiliated to unions in 1990 (PET 1998), and of those rank and file, approximately 80% were affiliated through their federations, confederations, or national unions to CUT. Hence, roughly 10% (more or less 450,000 workers) of the entire Chilean salaried labor force was affiliated to CUT (DT 1998a). Hence, in order to reach 1 million, CUT would have had to more than double its affiliation. Circumstances to do this were unusually favorable: the euphoric climate among a majority of the population, the presence of a labor-friendly government, the national attention to the "social question" in general and the "labor question" in particular, a growing economy, and last but not least the disappearance of fear. To be a unionist was once again something to be proud of. Yet CUT failed to reach its goal. In fact, by the end of 1992, increase in affiliation to CUT had already slowed down and, by mid decade, affiliation began to decrease.

This is all the more dramatic if we compare affiliation rates to plant-level unions and especially to federations and confederations. Both in terms of rank-and-file membership and number of unions, the labor movement grew throughout the decade. Rank-and-file affiliation to and number of federations more than doubled and the number of confederations and member affiliation increased by no less than a third between 1990 and 1995 (Espinosa 1996, PET 1998). Hence while intermediate- and low-level union organizations were able to grow spectacularly, CUT briefly enjoyed growth that then

quickly declined. Outside Santiago, CUT was unable to establish a national presence. There are regional headquarters in many regions, but in most cases these exist on paper only. CUT remains a financially poor organization whose leadership cannot afford to work full time for the organization (though this is in part also a result of the legislation that does not provide CUT with member fees). This condition is thus both a cause and consequence of its neglect to strengthen its organizational reach. CUT has not been able to convince its affiliates to increase their membership fees. Many affiliates pay, many do not, few union officials oversee this, nobody enforces it. Hence CUT has been unable to establish regional offices that would in turn establish a presence for local organizations, a place to meet, organize, protest. Quite rationally then, why should unionists affiliate with CUT if they can expect very little in return for their sacrifice, financial and otherwise? It makes much more sense to focus on organizational activities at the plant and intermediate level, which is what the numbers indicate. This organizational weakness has had far-reaching negative consequences. Paradoxically, CUT leaders, particularly Bustos and Martinez, tended to complain about a labor movement that was unwilling to “fight” (*“entreguismo”*) and did not have clear strategies. We shall see below that this is an erroneous assumption. Such interpretations, then, indicate first the degree of distance an elitist leadership had put between itself and followers, who increasingly perceived CUT as too political, not willing to fight, and elitist (personal interviews: Cabrera, Castro; see also Falabella 1993), and second the inability to fully understand the reality of these unionists, who, despite a restrictive labor legislation, had worked hard to strengthen the labor movement. I must mention, however, that the CUT leadership is not a unitary body. The *Consejo Ejecutivo* is made up of 45 members, who represent various political tendencies, and who differ in their approaches to union strategies. Hence it would not be precise (or fair) to equate the top CUT leadership (basically the president and all vice-presidents) with this group of leaders, which includes an enormous amount of talent, skills, and ideas but does not enjoy the same decision-making power as the top leadership.<sup>37</sup>

## **2. Labor Movement Organizations: Federations, Confederations, Public-Sector Unions, National Unions, Plant-Level Unions**

In contrast to CUT, many of the organizations that make up the Chilean labor movement have sent out clear messages that, while extremely difficult, victories for the organized working class are possible. An examination of these success stories can help us better understand the development of the Chilean labor movement during the 1990s. To reiterate a caveat, in light of the tremendous heterogeneity of the organizations that make up the Chilean labor movement, such analysis must by necessity leave out a set of variables that in all likelihood also influences these strategies (such as type and size of economic sector, domestic and international market position, wage and salary levels, private or public sector). Yet the following analysis seeks to move beyond sector specific explanations to trace common elements among unions. In particular, what organizational characteristics can be identified? Is there a type of strategy that is more likely to deliver unions' expectations?

Throughout the decade, public-sector unions (known as associations) have maintained a high profile of mobilizations, protests, and, especially, illegal strikes. The most active among these were *Anef* (*Asociación Nacional de Empleados Fiscales*), *Confenats* (*Confederación Nacional de Trabajadores de la Salud*), *Colegio Medico*, *Coordinadora de Atención Primaria*, and the *Colegio de Profesores* (particularly the municipal teachers). Among their demands were the right to bargain collectively with the right to strike, a salary increase (since the Pinochet regime had dramatically cut public spending on these services), and various other demands specific to each group.<sup>38</sup> During the 1990s, *Confenats* staged altogether 6 nationwide illegal strikes, in some cases lasting only a day, in others more than 2 weeks (October 1993). *Confenats* was among the first to openly challenge the Aylwin administration to improve the condition of health workers, and even after repeated appeals by the government, including Aylwin himself, it did not back down and instead launched the first nationwide illegal strike in 1990. Others were to follow in 1991, two in 1993 and two in 1996 (interview with Cabrera). In light of these repeated nationwide interruptions to the country's health care system, the Aylwin government ultimately removed Health Minister Jimenez. In a rare action, toward the end of 1997, *Anef* organized a "human chain" consisting of more than 1,000 employees encircling several blocks in downtown Santiago (Frias 1998: 57). The *Colegio de*

*Profesores* organized a national mobilization in 1996 that was so powerful that observers compared it to “those the country had not seen since the days of Allende.”<sup>39</sup>

A number of factors help us understand why these organizations were so active throughout the decade. First, public employees are in a privileged position since any strike has immediate impact on the public. This puts pressure on the government to see that the conflicts are settled fast. One may sympathize with their demands, but nobody likes it when teachers, medical personnel, or state employees go on strike. Second, the fact that these organizations negotiate with the government is beneficial as well. Exceptions may very well exist, but in general, the government is likely to be more sympathetic to demands from teachers, doctors, or hospital emergency staff than private employers are with respect to demands from their unions.<sup>40</sup> Third, and somewhat paradoxically, public-sector unions are excluded from the labor legislation. Hence, they “enjoy the benefit” that if negotiations with their employer fail, or if benefits are perceived as insufficient, they cannot go on strike. Their only alternative (lest they give up on their demands) is to stage illegal strikes, which then have a big impact on the public at large. Fourth, in contrast to those private unions that can go on strike, public employees are rarely, if ever, dismissed for having staged an illegal strike, whereas workers or employees in the private sector are often dismissed for having staged a legal strike (or even less than that, for having participated in collective bargaining, see Section II). Fifth, public-sector unions have national reach, which, in addition to providing financial resources, also makes them large and powerful organizations. In short, the opportunity structure is different in the public sector.

Yet these objective conditions do not tell the whole story. This is apparent if we compare public-sector unions to CUT. Several of the items of the opportunity structure also apply to CUT in its negotiations with the government. Thus, with regard to the first point, while CUT cannot call for a strike since it does not negotiate wages or salaries, it has a different though equally powerful access to the public, provided it knows how to use this weapon. One may argue that it still makes a difference if an organization can withdraw service the public depends on (e.g., health workers), which then puts pressure on the government to solve this impasse. Granted, but this pressure is often more indirect than direct, and a *paro* called for by CUT could in theory bring the country to a halt.

Furthermore, while CUT does not enjoy the exact same type of pressure, it has other means to pressure the government, such as its access to political parties, its influence over elections (*Anef* threatened to punish the government in the next elections,<sup>41</sup> or its access to public media. The second point (negotiation with the government) is the same for CUT and public-sector unions. The third point (the ability to stage illegal strikes) is again the same. CUT can call for illegal strikes (*paros*). In fact it did so repeatedly and very successfully during the Pinochet regime. Yet, during Aylwin's government, it threatened with *paros*, but actually called for just a few, such as during October 1990 to protest the slow progress of the reforms. Under Frei, Bustos made more frequent use of vague threats (such as during May 1995 when CUT warned that "the labor movement could mobilize beyond the legal realm" ("*mucho mas al margen de la ley*") (see Frias 1998: 31) but by and large left it at that. Often, CUT simply jumped on the bandwagon by publicly supporting illegal strikes of other organizations. And those national mobilizations called for by CUT—such as the previously mentioned *Dias de Dignidad*—were not real national strikes but rather opportunities for people to express their solidarity with others. This is not to imply that CUT was not confrontational at times, but to show that CUT was far less aggressive than other organizations, such as *Confenats* or the teachers.

The comparison to Argentina is instructive. During its tenure, the Alfonsín government was faced with 11 national strikes organized by CGT. The fourth point (no negative consequences as outcome of "voice") also applies to CUT. In theory, the government had no way to punish a recalcitrant CUT. In practice, there is evidence that some within the top CUT leadership worried indeed what consequences their "speaking up" to the government might have. Not so much in terms of a direct response, but more indirectly coming from political parties. This is why CUT leaders were often accused by the *Consejo Ejecutivo* and affiliated members of being politicians instead of unionists. The final point (national reach) is once again the same for both. If anything, this comparison favors CUT, who has more members than any other union organization, yet, paradoxically again, is poorer than many smaller organizations and has less power to call for action (*poder convocatorio*).

This brief comparison supports the argument made earlier that, due to political and organizational mistakes, CUT did indeed miss opportunities to influence the course

of events more in its favor. As to the success of public-sector unions, it cannot be measured in salary increases alone. *Confenats* certainly got the government's full attention and respect. In fact, it is feared by the government, proven by the dismissal of the Health Minister in order to replace him with a more effective official. Results, even if they fall short of what public-sector unions had hoped to accomplish, show the crucial difference between these organizations and CUT: the willingness and ability to follow up with concrete and, if necessary, radical actions that put the government on the defensive and force it to compromise. This reveals a much different understanding of negotiations from the one demonstrated by CUT. Slowly but surely, CUT lost its bargaining power, whereas public-sector unions steadily gained more concessions, which in turn increased their strength to demand more the next time.

Does this mean that public-sector unions paid more attention to political and organizational factors? Yes indeed. Some readers may now argue that several public-sector union leaders are radical. For instance, the president of *Confenats*, Humberto Cabrera, is a long-time Communist and very critical of the new democratic governments. It is the case, however, that *Anef*, the *Colegio de Profesores*, and other highly active public-sector unions are far from being Communist controlled (assuming for the moment that *Confenats* or the *Colegio de Profesores* are because their presidents are Communists). Yet they too have been very successful in putting forward their demands and in obtaining important victories. The more likely explanation is therefore that unlike CUT, these organizations, while political, while having a leadership publicly known for its political affiliation, were indeed able to put politics in perspective and to subordinate it to the more important organizational objectives.<sup>42</sup> It is therefore doubtful whether the political factor explains much of their strategies. "Radical" can and does often refer to the political orientation of the union leaders, or its rank and file, but it should not always be the exclusive reference point. The experience of public-sector unions in Chile of the 1990s shows that these organizations have been quite radical, though few observers familiar with them would associate this in the first place with the political party affiliation of the leadership.

A similar explanation can be offered with regard to the activities of federations and confederations of state enterprises such as Codelco, Enami, Enap, Emporchi, and

Empremar. These organizations include the southern miners in Lota, port workers in Valparaiso, and copper workers in the north, to name a few. In some cases, demands entailed a halt to further privatizations of state enterprises (e.g., railroads, new copper mines, port facilities), in others, better wages or working conditions. Coal miners, who struck for 68 days in 1996, succeeded in bringing the government to lower the retirement age for heavy labor (*faenas pesadas*) from 65 to 55 (see Frias 1996: 214), though other demands related to the industrial reconversion of the region remained largely unmet, due in part to the enormous scope of the project (including, among others, schools, hospitals, housing, and infrastructure).

The argument that organizational factors play a vital role in union strategies can be expanded by moving beyond public-sector unions and federations/confederations of state companies. Union organizations in the private sector, intermediate- as well as plant-level unions, often exhibit similar strategies. However, before we move on to substantiate this, several points should be reiterated. First, it is very likely that a reliance on organizational resources is a relatively common phenomenon among these organizations of the labor movement. Second, the hypothesized predominance of organizational variables gives political factors a secondary significance. Third, if this pattern is indeed prevalent among unions of different economic sectors, in distinct legal conditions (public, private, right to collective bargaining, right to strike, right to unionize, etc.) as well as a combination of these, such as unions in the private or public sector and part of the flexible sector, then it would once again be an indicator that although important, political, institutional, and economic variables shape but do not determine union behavior. Fourth, by the same token, this does not imply that organizational variables alone determine the outcome. It means that we need to pay more attention to them.

### **Unions in Chile's Mining Economy**<sup>43</sup>

Modernization of the mining industry has many faces, and the traditional image of the large nationalized mining corporation is beginning to fade.<sup>44</sup> There are still the huge state-owned copper, gold, or coal mining companies such as Codeldo and Enami and there are still the equally famous union organizations such as the FTC, formerly known as the *Confederación de Trabajadores del Cobre* (CTC), or the *Confederación Minera*.

Yet to the degree to which the state has either sold off parts of its copper companies or is no longer interested in exploring new sites, thus effectively “giving away el cobre” as many unionists fear, new companies, as well as new types of unions and federations or confederations have emerged in the 1990s. Thus, today, copper mining in Chile is just as much a private enterprise as it is public. These new private organizations differ from the “old” public ones in one important way: the employer is often a transnational corporation which, though aware of the heavy symbolic weight copper has in Chile, is much less bound by this legacy. In other words, it is easier for private and oftentimes foreign management to deal with mining unions in exclusive “technical terms” than it is for the state. Thus, cost-effective production, productivity, hiring and firing processes, subcontracting, out-sourcing, collective bargaining, and so forth are all integral parts of the prevailing production strategy in Chile’s private copper industry that is geared toward an internationally competitive position. This is not to say that it is easy for unions to deal with their employer if it is the state. As an employer and producer of copper, the state faces many of the same economic and financial challenges as the private sector, and is therefore also forced to keep production costs under as much control as possible. Moreover, as the state itself relies more and more on private firms to take over part of the production—a practice common for Codelco<sup>45</sup>—subcontracting and part-time or temporary work becomes more frequent, and thus an ever-growing proportion of the total labor force is subject to the same production methods existent in the private sector. Nevertheless, the state is mindful of copper’s historic place and therefore more likely to accommodate union demands in collective bargaining. It puts up less resistance in the face of workers’ desires to create a union, and it is more likely to require some type of wage policy commitment (*declaracion de remuneraciones*) from companies it hires to take over parts of the production (though it does not always enforce or control these guidelines) (Agacino, Gonzalez, Rojas 1998).

During the 1990s, mining workers in the private sector as well as those workers employed by companies subcontracted by the state have attempted to organize. Despite additional hurdles these new union organizations face, such as having to rely on temporary workers, a scattered work force employed in several locations, and great variance in skill levels of workers, there have been important successes, and new unions

such as SINAMI (*Sindicato Nacional de Montaje Industrial*), SITECO (*Sindicato Inter-empresa de Construcción*, or the *Federación Nacional de Trabajadores Contratistas*) are now part of the new landscape in Chile's mining (Agacino, Gonzalez, and Rojas 1998; own interviews with Chuquicamata miners during 1992). These organizations have also been successful in realizing many of their demands.<sup>46</sup>

The new development in Chile's mining economy shows that old and new live in close proximity. The "old world" is one where the state is the predominant employer and where unions or federations have a long relationship with the state, and perhaps with management in charge of the company. Most workers here enjoy a permanent contract and good employment protection and the union has a long tradition of collective bargaining and strikes. Importantly, by resisting (further) privatization, the union also demonstrates that it wants this old world to survive. For that reason, most unions are part of a federation or confederation, and are likely affiliated to CUT. Union members tend to be familiar with each other, for years they have worked side by side in the same company, they reside in the same community, and they go to the same pub. In short, the old is a well-structured place with a long history. In contrast, the "new world" is one of insecurity, where many workers are temporarily employed and often subcontracted. They move frequently from one location to another, often earn less money, face tougher collective bargaining, and their contracts are less enforced. Though possible in theory, in practice, workers in this world have little chance of being able to move into the old world. Though equally structured, the worker in the new world is often less familiar with the employer, and often sees and works with new colleagues. Unlike many of the old world unions, these new unions have only recently created or joined a federation, or even CUT. In short, the new world is unfamiliar and tends to remain so unless workers decide to unionize. Therefore, unions in the old world, enjoying a superior structural position, as well as more established social-organizational networks, should rightly be considered "stronger" than their counterparts in the new world. These differences should be reflected in the type of strategies chosen. Yet this is not readily apparent. Both old and new world unions seemingly employ the same *methods of resistance* (collective bargaining, strikes, efforts to recruit members, creation of more unions, affiliation to a federation). So, in

what do these unions differ, precisely? If both types of union use the same method, how is it possible to speak of distinct strategies?

A useful distinction in terms of strategies between “old mining” and “new mining” would be one that takes into account the similarity of resistance methods (strikes, negotiation, and so on) as well as the difference in opportunity structure. This may be reflected in the unions’ respective decisions of “when to pick a fight” or even “which fight to pick.” Thus, structural aspects are likely to influence the quantity of the conflicts (i.e., timing, frequency and duration, financing of strikes, etc.) and their character (the key issue at stake: wages, working conditions, benefits, vacation, health care, etc.) but they are less likely to influence the quality of the conflicts. Both unions, regardless of their position, use available means, or create them, to make the best of it. In both cases, given conditions must be carefully and collectively assessed *before* any decision whether to strike or not is taken. Therefore, an essential process that precedes the union’s choice of when and what fight to pick, is its need to draw from, or to mobilize, collective resources that in turn allow the organization “to enter the ring and fight.” Consequently, the “ability to pick a fight,” and then know “how to fight” is a resource that must be developed by both unions. These union leaders are concerned about the future of Chile’s copper and the increasing consumption level of rank and file (often aggravated by companies’ incentive bonuses, yet also often accompanied by financial indebtedness). All workers experience firsthand the isolation from their families, the desolate life in remote mining towns, and last but not least the tremendous physical hardship of mining work itself. In many of Chile’s mining facilities, working conditions and work practices may become increasingly heterogeneous, but the organizational challenge and social life of unions remain rather similar. This is especially the case when it comes to organizational requirements to challenge these new production processes. A requirement that has remained constant for both old and new unions is to know “how to fight.”

It is difficult to determine which union strategy is more likely to achieve the desired outcome. In some cases, moderation and cooperation with employers proved more fruitful than outright confronting and threats or strikes. In some cases, strikes were an effective weapon, particularly so if institutional arrangements permitted the union to

bargain collectively and thereby engage the employer in a “real” negotiation (which is the case in manufacturing and mining, but not in agriculture). But ultimately there is no recipe for a successful strategy. There are, however, a number of important ingredients for strategies of strong and combative unions. These include:<sup>47</sup> First, a union concerned about the training and skills of its rank and file; a union interested in constantly recruiting new members to the organization; a union interested in the active participation of all members in union affairs. These aspects facilitate the creation of a team spirit and solidarity.

Second, the structural transformation of Chile’s economy enables many employers to impose tough working conditions on its labor force (“the Olympics of production,” Stillerman 1997: 22) and new challenges (subcontracting, relocation, productivity incentives, faster work) constantly define the rhythm of work. These conditions have multiple effects on the labor force, ranging from uncertainty over employment security, hope for better wages and social mobility, desire to participate in an increasingly consumption-oriented society (world), the breakdown of social networks, an increasingly individualized and individualizing world, pressure to do a good job and to comply with productivity quotas, and so on. A strong union is aware of the fact that it needs to provide answers or alternatives to these scenarios. All union leaders (including nearly all Communist leaders) recognize this and know that the clock cannot be turned back, which is why many frequently lament the disappearance of the “good old world” but nevertheless also try to make the best of given conditions.

Third, unions draw additional resources from a variety of places, which include the organizational network (federations, etc.), the community where workers reside, social clubs, civic organizations, and political parties. This often occurs in complex ways, depending on the particular mix. Some unions prefer to seek affiliation to CUT, others don’t (as seen in the example of miners and agriculture unions), some unions have strong political affiliations, others prefer to leave party politics aside, and most have managed and learned to put politicization of union affairs under control. A recurring element here is the sharing of experiences, information, and advice. In short, the workplace is seen not as a world apart but as one place in the more encompassing “life world” of workers in which unions attempt to make sense of the world they live in, in their own words.

Fourth, many unions have learned over the years to combine the previous elements into a “potent recipe for action.” This may express itself in many ways, such as their collective decision making, or collective bargaining itself, the continuation of a strike, how much wage readjustment should be asked, attempts to change the relation to the employer or management, and so on. Therefore, unions build a sort of collective memory, which is often difficult for the outsider to see (e.g., unions do not easily forget members they lost due to dismissal). Many of the experiences discussed previously indicate that union strategies reflect an “organizational position taking” in order to assess goals and means. Given that this recipe includes rational as well as irrational elements (i.e., memories, hopes, fears) one sometimes finds results that are not readily compatible. Strike rates or survey data on labor management relations are just two examples. We have seen that during the 1990s the strike levels were rather low. This was attributed in the first place to the legal limitations imposed on unions to go through with a strike. While this is certainly the case, what needs to be added now is unions’ ability to live with their difficulty to demand better wages, better working conditions, and so on. Hence considering strike as an ineffective weapon (the apparent “labor peace”) must be distinguished from arguing that unions do not have the ability to come up with effective strategies within a limited institutional space. If one were to be equated with the other, what would explain the growth of rank-and-file membership throughout the decade?

Fifth, the strategies available to unions are often the result of resources leaders and rank and file have created over the years, sometimes with the support of affiliated organizations. The unions’ ability to tap into these resources is a social process that involves primarily the union, but often expands beyond the organization to include other actors. Economic, political, and institutional variables are taken into account in the design of strategies that attempt to respond to, change, or maintain a given environment.

The experiences described above speak to the need for further and more systematic research across economic sectors on the type of resources union organizations are able to build in democratic Chile. Some questions that could guide such research include: What is the nature of these resources and what is the source of variation in the union’s decision to favor one over the other endogenous variable?

## V. COMPARATIVE AND THEORETICAL CONSIDERATIONS

The Chilean experience of labor movement activities in the period of re-democratization adds valuable comparative insights to other cases, particularly Brazil and Spain. I argued elsewhere (Frank 1995) that the labor movement contributed to the return to democracy in Chile. The Brazilian case is quite similar to the Chilean in the way the labor movement affected the transition.<sup>48</sup> First, activism emerged slowly during the dictatorship, and attempts at greater union autonomy landed a first major victory with the right to collective bargaining in the late 1970s. Similar to the Chilean case, the reactivation focused on union-specific demands, such as collective bargaining and wages, union elections, recognition of shop-floor representation (or factory commissions), and<sup>49</sup> health care issues, and not, as one might have expected, on big issues such as democracy. Certainly unions also demanded that, but their more urgently and more frequently expressed demands for labor reform and representation at the shop floor are perhaps a result of labor's perception of the more immediate social concern as compared to a more abstract political concern.

Second, reactivation of grassroots activism facilitated massive mobilizations and strikes in the late 1970s and early 1980s. This is similar to the Chilean case, where in 1983 miners began to stage the first massive strikes. In Brazil "ABC" workers and their unions were at the forefront of mobilizations (in 1980, 120,000 workers showed up for the May 1 demonstration) demanding, among other things, greater democratic freedom at the shop floor (e.g., free representation of factory committees), in addition to the more political demand for a return to democracy. Hence at the turn of the decade, the Brazilian unions had built a strong labor movement ready to fight on two fronts: within the factory and on the streets. This activism had thus unleashed novelties of unprecedented scale in Brazil: in 1979 the labor movement created the PT, in 1983 the CUT, and in 1986 the CGT. The creation of a new national organization such as the Brazilian CUT is a different experience from the Chilean case, since in one way or another, CUT had survived the Pinochet regime, if only by another name and under different temporary organizations (CNS, CNT). Yet the similarity in both cases is that at that time (late 1970s early 1980s in Brazil, and early to mid 1980s in Chile) these labor movements had drawn

important lessons with regard to the need to create strong and autonomous organizations capable of articulating specific demands related to the economy, labor laws, and most importantly, the workplace.

Third, the creation of PT in 1979 is thus in some ways only a “strategic side product” of a new labor movement that by that time had become convinced that further success depended on the continued strengthening of grassroots organization, organizational linking to intermediate (community)-level organization, as well as the top national organization. Hence, the idea around 1980 to create a new CUT. No party such as the PT emerged in Chile, although a few leaders favored the idea. There was, however, a similar process in Chile to the degree to which labor movement activism allowed for or necessitated the consolidation of a dynamic movement into a national organization. The creation of CUT in Brazil in 1983 was based on reasons comparable to those that led to the creation of the new CUT in 1988. Both top national organizations are perhaps more the consequence of a re-energized labor movement rather than the cause of labor movement revival (and subsequent opposition activities).

Fourth, while still in transition to democracy, both the Brazilian (since 1980, roughly) and the Chilean labor movement (since 1983) pursued a dual strategy of political and organizational tasks. Fifth, similar to the Chilean case, Brazilian unions pursued a new relationship to political parties. This is particularly interesting in the Brazilian case because the movement seemingly managed to create a new political party while at the same time obtaining autonomy from it. Undoubtedly, this has something to do with the nature of the PT, which from the beginning was committed to shop-floor autonomy. This is somewhat different in the Chilean case, because CUT has not been very successful in establishing greater autonomy from political parties. The Concertación parties may have paid less attention to CUT than in the past (due in part to the existence of the supraparty government), but less frequent contacts between CUT and political parties did not automatically translate into autonomy from parties. Again, CUT’s inability or unwillingness to give up reliance on party input was an important factor in the outcome described in earlier sections.

Sixth, plant-level reactivation in Brazil also included a rapprochement of sorts between unions and employers, a novelty in a country that had a long history of

corporatism. This is not necessarily the Chilean experience, where there was, and in many ways still is, no improvement in the relation between employers and unions. But in both cases, unions learned how to negotiate with employers. There is yet another important parallel. In both cases, conflict between labor and capital is perhaps recognized for the first time, and labor and capital are granted their legitimate interests. In Chile, the (majority of the) working class aspired to install a classless society. In Brazil, the labor movement depended on the corporatist state, which perhaps equally claimed to be able to eradicate class conflicts. Hence the AM in Chile is indeed a symbolic and historic milestone (even if little practical results ensued), and it set an entirely new tone to labor–capital relations, which has had a tremendous stabilizing effect on re-democratization, regardless, I repeat, of the concrete outcome. In Brazil, the recognition of shop-floor negotiations outside the corporatist structure resembles the AM agreements in Chile and that has had an equally strong and legitimizing effect on the industrial relations system. Hence it is not the case that conflicts would disappear through these “agreements on fundamentals,” rather, they are confined to a legitimate sphere that is collective bargaining.

Seventh, the very pursuit of the organizational as well as political tasks resulted in a democratization of union practices in Chile and Brazil. This had important consequences for labor movement strategies in democracy. In both cases, labor movements have become better organized, better linked to the intermediate level, and have become more responsive to rank-and-file needs.

The Spanish<sup>50</sup> transition to democracy has elements present in both the Chilean and Brazilian cases. The reactivation of plant-level unions also came about within authoritarian structures. Similar to the Chilean and Brazilian cases, it led to a democratization of union practices within the labor movement. And a more authentic worker representation was instrumental in creating a stronger labor movement, which in turn shaped the return to democracy. A comparison of the Spanish and Chilean cases also shows that in both cases, plant-level moderation for the sake of political stability in the transition and consolidation was a result of unions’ ability to link organizational behavior to the political reality. Yet unions’ “moderation” was not a simple adaptation of economic demands to the possibilities of the political transition, let alone an

abandonment of economic demands of rank and file. By making use of organizational resources (developed over the course of the dictatorship), unions in both countries managed to devise adequate strategies necessary for both organizational and political tasks, that is, the continued strengthening of the labor movement as well as contributing to the installation of democracy. Workplace reality and the larger political context are linked, and the experience of the Spanish and Chilean cases shows that the existence of democracy within the plant is just as important as democracy in the streets, and labor movements are capable and willing to dedicate resources and develop strategic responses to support such regimes (i.e., industrial relations systems and democracy).

As to the experience of the Brazilian labor movement in democracy, the record sheet is mixed. Unions were able to obtain victories by exerting some influence over the writing of the new Constitution in 1988 and the partial reform of the labor code in the 1990s. These changes included those in the public sector (who can now unionize and strike), a reduction of the work week, and greater liberty to form unions without authorization from the Labor ministry, to name a few.<sup>51</sup> Since the mid 1980s, CUT has been able to consolidate its position as the most powerful national organization, once again reflected in its ability to stage large strikes or its influence over the writing of the new Constitution. In addition, due to PT's proximity to CUT, the labor movement has been able to maintain a rather significant presence in the country's political arena, perhaps less in terms of PT's electoral strength but its ability to repeatedly nominate a strong presidential candidate (Lula). Much of the success of the Brazilian labor movement resides in its ability to maintain autonomous and representative organizations willing to pressure, negotiate, or mobilize and strike when necessary. In general, CUT as well as sectoral organizations have not hesitated to take a confrontational position toward the government or employers, and unions were also capable of creating alliances with other social movements.

Similar to the Chilean case, the Brazilian labor movement was not as successful as it hoped to be in terms of bringing about further changes in the labor legislation.<sup>52</sup> However, that being the case, the Brazilian labor movement was comparatively more successful than the Chilean in shaping the outcome of legislative reform. This is in the first place explained by Brazil's CUT, which pressured successfully for some

modifications to be included in the 1988 Constitution and for subsequent changes of the labor code. Hence the Brazilian labor reform may have moved into a more “liberal” direction, while the Chilean legislation remains by and large “flexible” (see Cook 1998: 329–31).

Resurgence of shop-floor activism occurred often around collective bargaining, despite the severe legal limitations imposed on labor movements by the dictatorship. This was often combined with calls for greater union autonomy. This reactivation, gradually leading to a consolidation of the national movement and to strong linkages to intermediate organizations, was pivotal for the emergence of mass-scale opposition movements that ultimately contributed to the exit of the authoritarian regimes. The great accomplishment of labor movements in transitions to democracy is ultimately the ability to create and supply organizational resources for nascent opposition movements. This points to the complex way in which labor movements translate specific economic demands into political calls for democracy. These experiences show that the political process of transition does not come about in a mechanistic way from labor movement activism to political opposition movement. Often, the opposition movement’s political presence cannot be adequately explained without also examining the social process taking place at the same time, or sometimes even preceding it, and originating within a pivotal player of opposition movements, that is, the labor movements.<sup>53</sup> Once the transition has ended and new democratic regimes assume power, labor movements continue to rely on organizational resources in their attempts to represent workers’ interests.

The reality labor movements faced in Latin America’s democracies of the 1980s and 1990s was multilayered and quite new: neoliberal economic policies conducted by democratic governments, a state no longer interested in re-creating old models of development such as corporatism (Brazil, Spain) or political bargaining (Chile); and new relations to political parties. Today, these labor movements themselves are no longer the same. They have become more democratic, better organized, have a better idea of union autonomy and hence also demand it. The strategies adopted by unions to represent their interests in these new scenarios make use of a number of resources, including the lessons learned from the experiences during the transition, the dictatorship, and the political

regimes preceding these. Most importantly, in democracy they have learned more about themselves. They rely more on their own organization, they focus more on rank-and-file needs, they are aware of the need to train the labor force, they appreciate community relations, they are better at collective bargaining, they know how to assert their rights, they recognize the need to co-exist with employers, to negotiate and pressure, to confront and strike when necessary, and to continue the demand for better labor laws.

The examination of these cases highlights the need to pay closer attention to labor movements themselves. Clearly, and as repeatedly mentioned, the economic, political, and institutional contexts are important variables shaping labor movement activities, responses, strategies, and so forth. However, one of the striking aspects that comes out of this discussion is that often, the political and even legal context is only of relative importance to labor movements. In other words, in order to understand how labor movements develop strategies and responses, a specific focus on the transition and consolidation phase does not tell us all that much more because there may be an underlying constant that shapes labor movement strategies above and beyond the particular political regime in which these strategies take place. Of course, this is not to say that a reform of a labor legislation such as the Chilean does not take on special relevance for unions when this takes place in democracy. It does, and therefore a major goal of the labor movement in democracy is indeed the removal of all authoritarian elements in that labor legislation. Hence, quite rationally, CUT will dedicate a major part of its efforts to see these changes implemented. Likewise, plant-level unions expect their employers to behave differently in democracy than during the dictatorship and they also expect them to comply with some of the changes made to the old labor laws that favor the unions (such as protection from dismissal during strikes). Hence, quite naturally, these new conditions influence unions' assessment of their situation and thus their strategies for how to respond. However, the fact that all this happens in a democracy does not make it a whole lot easier for unions to create the necessary resources. This requirement is by and large the same in democracy, during the transition, or under the dictatorship. There is reason to believe that these requirements also existed prior to the dictatorship but the unions did not know how to fully meet them. Or, to put it in different words, the union was socialized to refer to alternative methods of collective action to attempt to solve this

problem. Hence in Chile, unions approached political parties, thereby politicizing what was essentially most of the time an issue between labor and capital and not an issue between capital and political parties, the government, or even an issue for the legislature. It did happen this way, however, which is why social conflicts quite frequently spilled over into the political arena, and why, likewise, political conflicts within the legislature quite frequently found their way to the workplace. Today, the Brazilian and Chilean labor movements are less incapacitated (to use an earlier notion) and more emancipated.

The Chilean case also informs us that labor legislation is an important factor in the industrial relations system and that as long as labor unions suffer from a power imbalance that favors employers, several major objectives of the democratic governments will remain elusive goals. During the 1990s, the economy grew at a steady rate, and while real wages also grew, so did income inequality. Hence the much repeated promise of “growth with equity” has yet to materialize. To the degree employers remain adamantly opposed to further reforms of the labor legislation, their behavior is detrimental to their own ambition to create a more competitive economy, to increase productivity, to be able to produce new products. Today, Chile needs more cooperation in the workplace and a labor force skilled, trained, and capable of participation in ever more sophisticated production processes. Unions have recognized these needs for a while now and the government is making efforts in the right direction by informing employers of the benefits such a change in direction can provide.

Yet above and beyond the current and future challenges of the Chilean economy, the question remains, How important is the labor legislation for the labor movement? It is important for unions because a better law will give them more protection, tools to improve remunerations, working conditions, and the like. A new labor legislation is unlikely to produce a new labor movement, new demands, more strikes, or new strategies. In Brazil, Spain, and Chile, unions used a limited legal space to devise strategies that would allow them to defend workers’ interests. Hence, collective bargaining became important in all three cases. The question is, did unions become stronger (i.e., better-organized, more cohesive organization, more focused on specific demands, more capable of making specific demands, etc.) because of restrictive labor laws? This study has attempted to provide an answer to this question. Yet, rather than

making an argument for causality (repressive labor laws create strong labor movements) it may be useful to once again consider the relative effect labor legislation has on unions' ability to function. To be sure, the law creates a context in which labor activities take place, yet the activities themselves are first and foremost a product of labor movement activities that have as one reference point, labor legislation. Hence, even the best labor laws can not deliver better wages if unions do not know how to bargain, or how to convince the rank and file that they are more likely to make gains as a united group than as individuals. So similar to transitions and consolidation phases, the labor legislation is important but only *relatively* so in explaining union responses. Thus, the Chilean case provides ample evidence to argue that we may not (yet) fully understand the precise implications of labor laws and labor reforms for labor movement activities and strategies during periods of authoritarian rule, as well as during periods of re-democratization. In other words, there is considerable *uncertainty*. Further research will be necessary to learn more about the behavior and perception of labor movements. We know that political processes such as transitions and consolidations have a big impact on labor movements, and organizational processes taking place within labor movements can, in turn, also shape the transition and subsequent consolidation phase of re-democratization processes. This study attempts to show that labor movement strategies and union responses are ultimately the result of complex social processes that take place primarily within the organizational confines of labor unions. Future research should also be dedicated to enhancing our understanding of these organizational processes. Union leaders and rank and file need to constantly build and recreate organizational resources. The methods they employ are not always rational, more often a mix of reason and emotion, and often unions make right and wrong decisions. Looking at Chile's CUT, perhaps too many wrong decisions contributed to the disappointing results at the end of the 1990s. Perhaps CUT should have focused much more on building a strong organization, and on drawing strength from within its own ranks. In its appeal to have a fairer industrial relations system, it may have forgotten how to build one, and in so doing forgot a few other things.

More than 70 years ago, S. Perlman wrote that a Theory of the Labor Movement should include a theory of the "psychology of the laboring man (in order to) discover what is really on labor's mind, and to (understand) its customs and practices" (1928:

237). He then went on to argue that an indispensable task of unions is to create a sense of collective identity among rank and file. This is necessary because of the union's "natural" goals: to obtain better wages, job control, and to get a handle on collective bargaining. These notions are commonplace, yet on second thought, they imply more than a superficial reading may reveal. For instance, the idea of strong collective bargaining quite literally means that through this instrument, the union bargains its "liberty," in other words, what the vote is for the citizen is collective bargaining for the workers. Moreover, the idea of job control entails not just the union's ability to allow the worker to keep his or her job, or to have a say in the production process, but to make decisions free of interference from other agents that exert influence over the union. Perlman here was talking about political parties. He was convinced that "when left alone" unions knew what was best for them. This admittedly conservative view (because it rejects Socialist, Communist, and even Social Democratic influence) allows the union to focus on more "corporate" interests, such as wages and benefits. Perlman also believed that unions need to create solidarity structures that tie the individual worker into the organization. Finally, Perlman believed that this type of industrial action had a future in so far as it was sustainable across economic sectors or over time as modernization and technical change became more prevalent. It is imperative, however, that modernization also entails a 'democratizing' character. Not in the sense of "creating further inequalities by majority principle" but by establishing true "parity" among social actors. And the degree to which unions and employers become "socialized" to this type of industrial relations, exploitation and other "social experiments" are no longer necessary. Modernization entails little risks in this "model": workers' "true" ideology is once again embedded in their daily life experiences, their workplace, their organization, and their collective action. Instead of conflict, participation, cooperation, and a strong civil society are the bedrock of development.

Much of what Perlman said can be applied to the experience of the Chilean and perhaps other labor movements during the past decade. To the degree that Chile's CUT failed or is in crisis, Perlman's "consciousness of poverty" is quite applicable. Toward the end of the decade, the top leadership of CUT had lost considerable legitimacy, its political machinations had led the organization into a dead end, plant-level unions and

federations stopped affiliating with CUT, it was unclear who presided over the organization, there were deep divisions between the Concertación and PC sectors, and several of the leaders exhibited what Perlman described as (the worker's) state of mind that is "convinced by experience that he is living in a world of limited opportunity" while others around (him) are seemingly seeing the same world with quite different eyes. Hence, while the new Chilean governments "saw" democracy being "consolidated," the economy producing "growth with equity." While employers "saw" that nothing was wrong with the current industrial relations system, CUT leaders "saw" only defeat and abandonment. The CUT leadership faces enormous challenges if it is to revert this course, which in many ways was chosen by its own leaders. The experience of many plant-level unions and intermediate organizations was quite different. Once the Pinochet regime was defeated, the labor movement focused on building its own new "project," thereby ending a long honeymoon of party-union relations, which was ready for a divorce, anyway. Chilean labor organizations became another "corporate actor" of sorts: focusing on gaining benefits for its members, creating solidarity structures by increasing membership and by increasing sectoral affiliation to federations and confederations, or by staging repeated successful strikes and mobilizations in the case of public-sector unions. The new economic, political, and (not so new) institutional reality of democratic Chile, Brazil, and Spain forced unions to come to terms with modernization. A decisive element of their strategies was the building of strong and autonomous organizations, rooted in workers' daily life, but drawing ideas from historic experiences, and by applying that strength directly to the workplace (instead of, as in the past, to the political arena or the state).

Confronted by aggressive waves of globalization, states and even presumably labor-friendly governments in Europe and Latin America face ever more difficult choices when navigating their countries (and their societal models) into "survival niches" while maintaining a rhetoric of the promises of modernization. If in addition to that, the "old allies" of workers, that is, labor parties, have little or nothing to offer in terms of alternative directions, we should expect labor movements in these continents to be on the defensive, facing a rather bleak future. Yet Perlman and Zwing, the German sociologist referred to in the last chapter of Perlman's book, when writing about what were arguably

equally uncertain times at the beginning of the 20<sup>th</sup> century, were rather optimistic about the future of labor unions in part because they were impressed by the successes of US labor unions, which were nonpolitical and “exceptionally” aware of the need to have a “home-grown philosophy” (1928: 272) on their own. These scenarios raise interesting theoretical questions for the Chilean and Latin American cases: with governments and Center and Left political parties firmly embracing neoliberal modernization, will labor movements in these countries move toward the US type? What are some of the trade-offs these movements might face if they did? What will happen to the historic models labor movements pursued for the greater part of the 20<sup>th</sup> century? Unlike Perlman’s scenario (i.e., that parity leads to a socialization of industrial relations, which in turn leads to better participation of labor and cooperation with employers: in short, modernization of the economy, stabilization of democracy, and thus real development), the Chilean experience of the 1990s is in many ways incomplete. This is not to imply that all unions have done their homework, but there are indications that the labor movement has contributed far more than employers in approaching this goal, and that, though arguably willing, the government still has to do quite some work to accomplish what it said it would do ten years ago. If the Chilean labor movement has become moderate (as compared to revolutionary) throughout these years, it is not because the government or employers have been very cooperative, or because employers for the most part considered unions truly equal, but because moderation has become a new method of collective action. This does not imply unions’ unwillingness to fight. To the contrary, it means a careful engagement in a competitive battle for progress and development.

### Endnotes

<sup>1</sup> Unless otherwise stated, I shall make liberal use of notions such as labor, labor organizations, labor movement, etc. Clearly, these are not all the same. Elsewhere (1995) I have given this considerable care and distinguished between plant-level leaders, intermediate-level leaders of federations and confederations, leaders of the top national organization, and rank and file.

<sup>2</sup> In this paper, I avoid the notion of ‘consolidation of democracy.’ O’Donnell’s (1996) ideas are pathbreaking in this area.

<sup>3</sup> Frank (1995). Other work has been influential as well. The two most important are, for the Spanish case, Fishman (1990), and for the Brazilian case, Keck (1989, 1989a).

<sup>4</sup> For reasons of space, this article does not include a discussion of the economic context and its influence on labor movement activities. It can be found in Frank (2000).

<sup>5</sup> See A. Angell (1972) and S. Valenzuela (1976). The missing party here is the Communist Party (PC). While voter support is at approximately 3–5%, the PC maintains a very strong presence within CUT and it is the only party that has been able to increase its presence in the labor movement since the return to democracy.

<sup>6</sup> It will become evident later in this paper that my use of this ambiguous notion is intentional.

<sup>7</sup> The original plan of the incoming government *and* CUT had been to first attempt a reform through negotiations between labor and employers (basically CUT and CPC). As this approach ran into difficulties, the government simply took the reform to Congress.

<sup>8</sup> S. Valenzuela has provided the most useful, explicit, and detailed research agenda in his analysis “Labor Movements in Transitions to Democracy: A Framework for Analysis” (1989). Obviously, many of Valenzuela’s variables inform my understanding of labor movement strategies. However, Valenzuela’s analysis, following the O’Donnell/Schmitter transitions argument (1986), is mostly limited to the examination of labor movement strategies with regards to one issue: restraint of mobilization. In this sense, the analysis has a bias toward the political and thus looks at labor movement strategies from the “outside in.” It is also more often top-down, rather than bottom-up, i.e., he focuses more on national leadership instead of local leaders. This is not to say, however, that he ignores this important dimension of labor movement activity.

<sup>9</sup> A more elaborate discussion on reforms to labor legislations in Latin America can be found in Cook (1998).

<sup>10</sup> For a more detailed analysis of the new labor laws, see Frank (1995).

<sup>11</sup> The following is based on Lopez (1995) and Frías (1998).

<sup>12</sup> The law does not force employers to negotiate with each other, only with their respective unions. See Lopez (1995: 101).

<sup>13</sup> For example, flexible contracts (e.g., subcontracting) without suspension of collective bargaining rights, flexible working hours with guaranteed proportional remuneration, minimum and maximum hours. See Lopez (1995: 106).

<sup>14</sup> As this text goes to print, the Lagos government recently announced (9/8/2000) that its decision to push for a “compromise legislation” (perhaps in part a reflection of its worries about increasing unemployment figures) would not include the possibility for interenterprise collective bargaining and it would maintain the employer’s right to replace striking workers.

<sup>15</sup> Data are from Frías (1998).

<sup>16</sup> Initial readjustments vary across economic sector. Statistics by the *Dirección del Trabajo* (1998a) show a mixed record for 1997–98. In some sectors, such as manufacturing, the average increase was about 0.10%, but in several other sectors, including mining, initial readjustments decreased a full percentage point when compared to the previous readjustment.

<sup>17</sup> A national survey conducted by the DT in 1992–93 found that 63.8% of interviewed plant-level leaders believed there is no adequate legislation to protect employment or to protect unions against (‘disloyal’) employer practices; 55.8% responded that strike is not an effective weapon (DT 1995: 45, 53).

<sup>18</sup> In my survey among 300 plant-level leaders (Frank 1995), approximately 45% believed that the reforms signified some progress for unions, and 33% thought they were not good enough to create more possibilities for union activities. Eleven percent responded that the reforms were a total disappointment.

<sup>19</sup> See *Reflexión y Liberación* (1996: 12).

<sup>20</sup> This is well documented in an excellent article by Allamand (1999).

<sup>21</sup> This is more fully developed in Frank (1995).

<sup>22</sup> Confidential interview with official in the Labor Ministry, 1992.

<sup>23</sup> The DC as the dominant centrist party did not come about before 1957, and for that time period it is better to speak of conflicts between Center and Left “camps.” The role of the PR as the dominant centrist party, prior to its replacement by the DC, is important. See S. Valenzuela (1995) on the history of the party system in Chile.

<sup>24</sup> I do not ignore the effect that the electoral laws had on the need to maintain the coalition and to align candidates’ specific proposals with those of the Concertación.

<sup>25</sup> See the public opinion surveys conducted by Marta Lagos and Carlos Huneeus of CERC and Corporación Tiempo 2000.

<sup>26</sup> See, for example, the agreement between Arrate and Senator Thayer on amendments to the labor reform. In my view, these changes were nothing new. Instead, CUT's proposals, numbering 37, were in fact quite new, yet these were ignored by the government. See Frías (1998: 42–55).

<sup>27</sup> I noticed this bias once again at the recent LASA Congress in Miami.

<sup>28</sup> It was, however, to employers who feared that the historic alliance of centrist and leftist unions and the labor movement would bring the country back to 1973.

<sup>29</sup> This notion does not quite hit it. What I have in mind here is, because of the legal and social implications of the concept, the German idea of "Entmündigung," i.e., to deprive somebody of a chance to express himself.

<sup>30</sup> The new CUT, which replaced the "única" with "unitaria" in its acronym, was not founded before 1988. Between 1973, the year the old CUT was dissolved, and 1988, several national organizations existed (such as the *Comando Nacional de Trabajadores* [CNT]). They had, by and large, the same leadership. The dictatorship years are documented in Campero and Valenzuela (1981), Falabella (1980), Barrera and Valenzuela (1986), and Frank (1995).

<sup>31</sup> One of the crucial events in the opposition process was the ability of Communist and Christian Democratic union leaders to create a coalition leadership in the mining sector as early as in 1985–86. A united labor movement was subsequently instrumental in putting pressure on political parties to do the same. See Frank (1995).

<sup>32</sup> Everybody knew that the plebiscite was going to happen, yet between 1980 (if not earlier) and April 1988, political parties were unable to put their differences aside for the greater welfare of a victory over Pinochet. The agreement to create a coalition was finally reached in the spring of 1988, which left them little time to prepare for the plebiscite.

<sup>33</sup> This notion is Foxley's.

<sup>34</sup> I noticed this already in 1991–92 during many interviews with CUT's Consejo Ejecutivo. The CUT elections of 1996 are a case in point. I also think that, given their politicized views, Socialists within CUT were bothered that Frei, instead of Lagos, became the second Concertación candidate and president.

<sup>35</sup> This was the impression I got in a series of interviews with the top leadership also during 1992. By December 1988–January 1999, leaders often spoke of "identity crisis" or absence of "*fuerza propia*."

<sup>36</sup> I thank Mario Alburquerque and Hermann Schink for clarifying this for me.

<sup>37</sup> Skepticism from this group toward the top leadership began already in 1991. These leaders produced valuable documents and publications and, in short, engaged in constructive criticism throughout the decade without leaving CUT. This does not absolve them entirely from responsibility, however.

<sup>38</sup> The demands of the teachers (*Colegio de Profesores*) included a revision of the *Estatuto Docente* so that education would once again be administered by a central authority, the Ministry of Education. The Pinochet regime decentralized education with the effect that local municipalities obtained partial jurisdiction (e.g., finance, promotion, social security, curricula). See Reca (1996).

<sup>39</sup> See Frías (1998: 33). In addition to better salaries, the teachers also demanded "permanent talks." In other words, while negotiating they maintained their threats and, if necessary, did not hesitate to interrupt talks with national strikes.

<sup>40</sup> The Aylwin administration recognized from the beginning that there was a debt to public employees that it had inherited from the Pinochet regime. Hence it was more a question of how much ought to be paid back.

<sup>41</sup> It is not clear how realistic such threats really are. It is unlikely CUT would ever go so far as to call upon its members to vote in general elections for parties outside the Concertación. It is also unlikely that CUT would instruct its members to vote in union elections for parties that are represented in CUT but not part of the Concertación. What is possible, however, is that CUT could have moved closer to the PC's position, thereby pressuring the government in several ways. Keep in mind that the only party that has consistently increased rank-and-file support within CUT is the PC. It is now once again more strongly represented than the DC, bringing it back to its historic position prior to 1973. A move to the left would in all likelihood have enjoyed broad rank-and-file support and would have put CUT in a much better bargaining position vis-à-vis the government. This strategic (and not only political) decision would also have improved relations among the top CUT leaders. In short, it would have opened up a lot of possibilities.

<sup>42</sup> In many interviews with public-sector union leaders, one of the first things mentioned was that CUT had “failed in democracy” above all because it was “too political.” Cabrera told me that CUT pressured *Confenats* to avoid illegal strikes (interview December 1998). As to the Communists in *Anef* and the *Colegio de Profesores*, in both unions Christian Democrats are vice-presidents and a large number of rank and file are also Christian Democrats.

<sup>43</sup> Most of the following discussion is based on case studies and my own research. The arbitrariness in the sample is in part a result of space constraints (a discussion of agricultural and manufacturing unions is included in Frank 2000), in part it is intentional because my objective was to demonstrate similar strategies across different economic sectors. I am not arguing that all mining, agriculture, or metalworkers’ unions followed the same strategies, nor do I imply that all unions were successful in one way or another. Many may indeed do poorly and accomplish fairly little. Instead, I try to show how some unions in these sectors managed to devise successful strategies, what these were, and what implications this union behavior may have for the argument of this study. More systematic research, combining survey, case studies, and in-depth interviewing is necessary.

<sup>44</sup> Much of the information on new developments in mining is borrowed from Agacino, Gonzalez, and Rojas (1998), and de Laire (1999).

<sup>45</sup> Particularly the set-up and maintenance of the huge infrastructure surrounding the mines.

<sup>46</sup> In one case the union won a concession from the employer to fly workers home and return them to work via airplane. This shortened the time workers would spend on bus traveling to their distant homes. See de Laire (1999).

<sup>47</sup> The discussion of the following section includes conclusions drawn from the analyses of agricultural and manufacturing unions as well, which, as mentioned, were excluded from this text due to space limitations.

<sup>48</sup> I borrow once again from Keck (1989a) and Moreira Alves (1989).

<sup>49</sup> The emergence of factory commissions is also discussed in Bülow (2000).

<sup>50</sup> Here I refer to Fishman’s study (1990).

<sup>51</sup> See Keck (1992) and Bülow (2000) for more detailed discussion.

<sup>52</sup> For the Brazilian case, see Cook (1998), Bülow (2000), Bensusan (2000).

<sup>53</sup> Fishman (1990) and Frank (1995) discuss these processes by focusing on unions’ ability to “moderate” union demands during re-democratization.

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