



## **Argentina's labour movement and trade policy: the case of CTA within Mercosur during the Kirchners' governments**

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**Abstract:** This essay discusses the role and actions taken by the Argentine Workers' Congress (CTA in Spanish) in the formulation of Argentina's foreign trade policy during the last decade. The project looks into the activity and lobby of CTA in the context of South American integration projects, predominantly the South Common Market (Mercosur henceforth). The analysis presents the actions taken by the confederation within the framework of the government, looking at the different spaces of debate opened by both the Néstor Kirchner (2003-2007) and Cristina Fernández (2007-2011) administrations. It also analyses the activity of CTA outside the government, in the context of the Confederation of Trade Unions of the Southern Cone (CCSCS). The paper examines the different strategies utilised by the labour movement, in trying to create a counter hegemonic movement that can challenge the predominant neoliberal, trade-oriented, perspective of economic integration agreements like Mercosur. There are two fundamental arguments presented in this paper. First is that the trade union movement managed to create a double-movement, a reaction, to neoliberal hegemony in the post-2001 period that was channelled towards regional integration in the context of Mercosur. The second argument is that the double-movement did not expand into a counter-hegemony that could produce a significant change in the main pillars of Mercosur as a trade regime.

### **Introduction**

This paper debates the role and actions taken by the Argentine Workers' Congress (CTA in Spanish) in the formulation of Argentina's foreign policy during the post-2001 crisis. Specifically, the paper looks into the activity and lobby of CTA in the context of South American integration projects, predominantly the South Common Market (Mercosur henceforth). The analysis presents two key frameworks. First, it describes the actions taken by the confederation within the framework of the government, looking at the different spaces of debate opened by both the Néstor Kirchner (2003-2007) and Cristina Fernández (2007-2011) administrations. Second, it analyses the activity of CTA outside the government, in the context of the Coordinator of Trade Unions of the Southern Cone (CCSCS hereafter), the only institution that incorporates the labour movement from Mercosur countries. The combination of both these frameworks of analysis provides with an overall perspective of the actions, proposals and perspectives of CTA regarding Argentina's most relevant trade policy since the return to democratic governance in 1983, after a period of dictatorial regimes.

The changing nature of Argentina's political landscape in the period after the severe financial crisis of 2001, allowed for the inclusion of a wide variety of social movements within the sphere of government action. CTA is one the actors who gained relevance during the first years of the Kirchner government. CTA is an alternative confederation of trade unions, born out of the struggle of the 1990s against neoliberal policies and the corporatist perspective expressed by the main confederation, General Labour Congress (CGT). Since the government of Néstor Kirchner, the confederation supported some of the most relevant policies taken by the government, and has been involved in government policies. The inclusion of CTA within government decision-making was not completely institutionalized or lineal through both the governments of Kirchner and later Fernández de Kirchner. The analysis of this paper focuses on the specifics of the union-government interaction during the administrations with regards to the Mercosur integration project, and the changing nature of that interaction.

In the orbit of Mercosur the analysis focuses on the CCSCS, as an organisation outside of the governments, through which the South American trade unions coordinate their strategies of participation and lobby in the integration process. CTA has been an active member of CCSCS, especially in the last ten years, in which it has attempted to promote a more 'social' Mercosur. The analysis of CCSCS and the actions of CTA within it is critical to understand the strategies from *outside* government spaces that CTA has taken to influence trade policy. Through participating in spaces that do not depend on the government, CTA gains autonomy from the decisions of the state, increasing the capacity to channel the demands beyond a specific relationship.

The context of this paper is the increasing awareness in political scientists of the strategies used by trade unions and other social movements to influence trade policy, since this historically has been narrowly negotiated by governments. This is what some scholars have deemed a 'democratic deficit' on the global governance process. Among the most significant cases of studies in the issue are the labour actions around the European Union (EU) and the North American Free Trade Area (NAFTA), but few cases have explored in depth the strategies used by labour to intervene within Mercosur's decision-making process (see Godio 2004; Klein 2000; Portela de Castro 2007). This paper revisits also the recent debates (Munck, 2006, 2010; Burawoy, 2010; Webster, 2010; Waterman, 2011) on the uses of Karl Polanyi's 'double-movement' (Polanyi, 1957) tied with Gramscian notions of counter-hegemonic movements

(Gramsci, 1970) as applicable to the reaction of the labour movement, transnational for most of them, to the process of neoliberal globalisation.

Gramsci and Polanyi analysed reactions to specific moments of crisis and the construction of those reactions by groups in society. In his main work, *The Great Transformation* (1957), Polanyi was preoccupied with the expansion of the so-called ‘self-regulating’ market, and the reactions of society to it. He argued that the commoditisation of three fundamental elements of society—land, labour and money—was the essential step that led to a reaction from society against the free market (Munck 2006: 136). This movement forward by capital, to conquer every possible space in society, was responded by a movement from society. This is the basic pillar of ‘the great transformation’, the ‘double-movement’. This concept of a ‘double-movement’ is a fundamental tool for understanding the changes in Argentina in the post-2001 period, when the country turned from a being the poster child of neoliberalism (Carranza, 2005) to implementing a neo-developmental model with state intervention in strategic areas of the economy. Argentine society produced a ‘double-movement’ against neoliberalism. However, Polanyi’s argument does not suffice since it is not specific on the dynamics of that double-movement. Gramsci’s analysis focuses on the movement of social groups, and specifically the proletariat, against the State, which represent the dominant social and economic groups. Polanyi sees ‘society’, without necessarily specifying in the proletariat or the working-class, as challenging the market (Burawoy 2003: 198). In both, the reaction is against a dominant power, which one sees in the economic forces (the market) and in the political space? (the State). They can be seen as complementing each other, since Polanyi referred to ‘society’ and Gramsci filled in that gap by placing political parties, trade unions, media organisations and education as fundamental pillars of that ‘society’ (Burawoy: 206). In this paper, the theoretical frameworks provided by Gramsci and Polanyi contribute to explaining the increasing role of the labour movement within the Kirchners’ governments as a constructed reaction to the 1990s neoliberal stage that excluded and weakened labour. However, both theoretical frameworks are placed in contrast to the extension of the gains made by CTA at the Mercosur level. The predominant argument is that the reaction created against neoliberalism, a ‘double-movement’, was not deepened into a counter-hegemony that could shake the pillars of Mercosur. Even in the period of leftist governments, Mercosur remained the same as in the 1990s that is a trade-oriented, asymmetrical, bureaucratic integration process.

This paper is divided in four sections. Section one outlines the history and development of CTA as an alternative trade union in Argentina. Section two analyzes the Kirchner administration from the perspective of government policy towards Mercosur. Section three analyses the relationship between CTA and the Kirchners' governments with regards to Mercosur. Section four presents a conclusion.

### **CTA: Confronting neoliberalism**

Despite its short history (it was formed in 1991), the Argentine Worker's Congress (CTA henceforth) has managed in the last two decade to gain political and social relevance in the labour movement, and to confront a traditional and powerful confederation, the CGT (General Labour Congress). The CTA is a product of several different elements, but among the most relevant is the struggle against neoliberal policies implemented in Argentina since the early 1990s. In the midst of economic reforms the Menem administration undertook only six months after promising the complete opposite during the electoral campaign, the labour movement was going through a process of internal confrontation between sectors that supported the reforms and those that confronted it.

The support provided to Menem's structural reforms by the CGT during the 1990s was the tipping point for the breakup. As argued by Etchemendy (2005: 63), there were divisions among groups supporting and groups opposing the reforms inside the union movement. However, the dominant unions were part of the reform coalition. The most dominant union movement seemed to have one clear goal in the process of marketisation and liberalization: to preserve a non-competitive corporatist institutional order (Etchemendy 2005: 64) in the labour movement. Peronist union support for government initiatives came through benefiting certain unions and its leaders through the following mechanisms: maintaining corporatist labour structure; preserving the role of unions in administering the health-care system; granting unions a privilege position in the private pension funds market; and lastly granting unions a share of privatisation (Etchemendy 2005: 74). The support for the reforms as well as the benefits of these four points was mainly achieved through compliance in the leadership of the main unions, and some of the rank and file delegates. The administration of these compensations provided by the government, such as the pension plans and the health care system, was in the hands of the main leaders, who attained increasing economic and bargaining power both with regards to the government, but also inside the union and the workplace. Decisions taken "from

above” in the unions were hardly challenged by shop floor workers due to the increasing control over resources that the leaders had (Etchemendy, 2005: 79).

The project of CTA was essentially about confronting neoliberalism. CTA was created in 1991 not solely to confront the policies undertaken by the government, but also to lead a new way of “political construction” (Martucelli and Svampa 1997: 282), reforming the labour movement itself from a ‘factory-bias’ movement created in the 1950s to one that incorporates new players into the movement. It was of course also a response to a crisis of labour throughout the world at that time. An interesting characteristic of CTA during this time is that, opposite to most labour movements around the world, due to the capacity to incorporate historically marginalised sectors from the working-class, CTA actually grew in numbers and capacity during the neoliberal years (Palomino 2005: 23), to numbering over one million members, predominantly public employees, with the State Employees Union (ATE) and the teachers confederation (CTERA) as the backbone of the organization.

CTA confronted the model of ‘corporatist’, also known as ‘business’ trade unionism practiced historically by the CGT. Corporatist trade unions are subordinated by state policies, and they were predominant in Latin America during populist regimes (de la Garza Toledo, 2001: 10). CTA is closer related to a class-based labour movement, which tries to influence state policies, more than on specific labour-related policies (de la Garza Toledo 2001: 10). This is a new paradigm in Argentina also because it is the first relevant trade union movement that declares itself autonomous from the state, and from political parties. Historically, labour in Argentina had strong connections with the State, especially under general Peron in the 1940s and 1950s, and with the Peronist party. In this aspect CTA presented a novelty, by being a labour movement autonomous from other political structures.

### *CTA and Mercosur*

During the 1990s, when the integration process was in the midst of a neoliberal period, the spaces within government structure for participating were absent for CTA. The only available resource for participation was the CCSCS.

The CCSCS has been subject to heated debates between the trade unions that are an integral part of it. In its origin, the main confederation representing Argentina was the CGT, which

exercised the monopoly of representing workers in the national, regional and international sphere. CGT had veto power over all the other participating trade unions, regarding the possible inclusions of new members. Since the formation of CTA from 1992 onwards, it participated in the CCSCS as an observer, with participation in the discussions but no vote at the decision-making stages.

The entrance of CTA as a full member to the CCSCS introduced two main elements (). First, it was the realisation of a situation that was already taking place, but was not officially recognised until then. CTA had close partnership with CUT, from Brazil and the PIT-CNT from Uruguay. Both organizations were, and still are, pillars of the *Coordinadora*, and historically related better with CTA than with the CGT. The second important element is that the CGT changed its outlook towards international relations.

Among the main achievements of the CCSCS at the time, and with relevant inputs from the CTA, were the creation of a Socio-Economic Consultative Forum (FCES) in 1994, a Socio-Labour Declaration of Rights in 1998, and the formation of the Socio-Labour Commission (Carrau 2008). Despite the relevance of achieving some degree of participation, the ‘labour-friendly’ institutions remained secondary for Mercosur, which continued to be dominated by large capital and the ministries of foreign affairs and finance.

## **Section 2. The Kirchner administrations**

Néstor Kirchner was elected President in May 2003. Kirchner was an ‘outsider’ from national politics, despite having been Governor of the southern province of Santa Cruz for almost a decade (Svampa 2008a: 82). Kirchner had the support of Duhalde and a sector of the Peronist party, but he did not have its own structure, and therefore he approached those sectors of society that did not feel represented by traditional parties (Gaudin 2005: 16). The initial years of the Kirchner administration presented a honeymoon between the government and important leftist forces that had opposed neoliberal reforms (see Gaudin 2005; Svampa 2008b). Kirchner’s administration presented a strong anti-neoliberal rhetoric, which was not necessarily put into practice, but it had a positive impact on the forces that had led the demonstrations in December 2001 (Natanson 2011).

The Kirchner administration was a product of the mix between classical Peronist rhetoric and the consequences of the 2001 crisis. The massive mobilisation of citizens that took place from December 2001 onwards was a clear signal to the government on the roads to be taken (Adamovsky 2011: 4-5). The rebellion placed the state, and the government, in an urgent need to increase social spending, and to move from conservative neo-liberalism to a neo-developmentalism (Godio 2004: 128) that characterises the Kirchner administration to this day. The revitalisation of state presence is one of the main policies promoted throughout the Kirchner administrations. The State was re-launched as a leading actor in the economic sphere of the country, even though in some key areas of the economy it still remains irrelevant (especially the mining and oil industries). There are relevant policies taken both on the political and economic side. Economically, the administration promoted a firm employment policy, which created over five million jobs from 2003 until 2011, unemployment fell from twenty per cent in 2002 to nine per cent in 2007 (Levitsky and Murillo 2008: 17) and just over seven per cent currently (Natanson 2011). Furthermore, informality has also lost significant ground, from an all-time high in 2002 of fifty-five per cent, to the current, still significant, thirty four per cent (CIFRA-CTA 2012). Due to the policies of social spending, especially since 2009 with the implementation of the largest cash transfer program in the world, the *Asignación Universal por Hijo* (AUH), poverty levels have gone down drastically from over sixty per cent at the time of the crisis to just over twenty per cent (Natanson 2011) The GDP growth of Argentina during the Kirchner years has been of over 8 percent on average, which is one of the highest in the world at the moment. These achievements are the main foundations for the re-election into office of Cristina Kirchner in the recent presidential elections of October 2011 (Natanson 2011).

### *The agenda towards Mercosur*

Even though Kirchner was initially close to CTA's demands during the 1990s, and it incorporated CTA within its government structure, the formal recognition never came and eventually the union fell apart from the government (Svampa 2011: 13). The CTA has been the only labour movement to call for general strikes against the Kirchner government (Senen Gonzalez and Haidar 2011: 239), but these general strikes had not had a massive effect. Moreover, CTA voted consistently, until the last one in 2011, against the proposed minimum wages within the sphere of the Minimum Wage Council. However, and this is a key element of the labour debate, the CTA is weaker today under a relatively pro-labour government than what

is used to be during the 1990s in a neoliberal context. In this sense, the revitalisation of the labour movement, as Etchemendy defends (Etchemendy 2011a, 2011b), did come through the role of the more traditional side of labour, the CGT, and not from CTA as expected after the 2001 crisis.

The Kirchners' administrations placed Mercosur at the core of their foreign policy, and especially through agreements with Brazil. From 2003 onwards, the agenda of Mercosur for the next eight years was set by a bilateral agreement between Lula and Kirchner, and Duhalde in his transition government<sup>1</sup>, once they took office. The basis of the agreement were the following: consensus on the major regional-level decisions, political cooperation, inclusion of political and social items in Mercosur's agenda, fully implement the Treaty of Asunción and move closer to a customs unions, coordination in international forums (Bizzozero 2003: 134). The agenda agreed upon, and the close personal relationship between the two main leaders of the bloc, made everyone believed that this 're-launching' of Mercosur could finally move the bloc forward. Not only that, the expectation was that the bloc could move beyond being a trade-based agreement and finally implement a deep integration process; one of the original objectives.

As outlined by Quijano (2011), the main premises of the 'relaunching' were not fulfilled, almost ten years after the Lula-Kirchner agreement. The main points that represented the new integration can be summarized in six elements. *First*, a trade-improvement agenda, which was partially satisfied through increases in overall nominal trade (although decreasing in proportion to total trade of each country) and the signing of Protocol on Services in Uruguay in 2005 (Quijano 2011: 103). *Second*, an ad-hoc commission on Productive Integration was created. This commission intends to promote, among other issues, the production integration and promotion of trade of Small and Middle size Enterprises (SME henceforth), and provide financing for these purposes. The commission was a pillar in the creation of the Mercosur's Structural Convergence Fund (FOCEM, *Fondo de Convergencia Estructural del Mercosur*), created in 2006 and oriented to providing funding for different productive enterprises, mainly in the SME sector (Quijano 2011: 104-105). However, at present, FOCEM only has 100 million dollars compromised for production-oriented projects. *Third*, Mercosur attempted to

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<sup>1</sup> During Eduardo Duhalde's transitional government (January 2002-May 2003) the most relevant economic policies towards stabilizing the country were put in place. Duhalde characterized the relationship with Brazil as a 'privilege relationship' (Caetano 2011: 41) and as a sign of continuity he was Kirchner's Permanent Representative for Mercosur during the first two years in power (2003-2005).



deal with the issue of asymmetries. This was partially done through the creation of the FOCEM, but also through granting special concessions for the smallest members in the commercial negotiations with other blocs (Quijano 2011: 106). The asymmetries problematic remains, and this can be perceived by listening to either Uruguay's or Paraguay's negotiations in any of the current summits. *Fourth*, new institutional arrangements were incorporated in order to provide more institutional structure. Among the most relevant, the Municipalities' Consultive Forum (Mercociudades), a Revision Tribunal, a Social Institute, and the revitalization of the Mercosur Parliament (expected to be established by 2014) (Quijano 2011: 109-110). From these institutions, the Mercosur Social, discussed in section four, intended to be the most relevant, but it remained sidelined by the trade-oriented policy. *Fifth*, expansion towards new members has been included, specifically the case of Venezuela, which applied to become a full member in 2005 (and the case is still pending approval in the Paraguayan senate) (Quijano 2011: 110-112). *Sixth*, the bloc re-started the negotiations with other blocs, trying to bring back a consistent external agenda. The negotiations with the European Union were at the top of these priorities (Quijano 2011: 112), but have been stalled since the economic crisis aggravated and the negotiations did not move forward presenting a new agenda.

Mercosur under the Kirchners and other leftists governments has gone through a process of constant *announcement* of changes in the integration process, but overall the process has not moved significantly further. The arrival of the left governments produced an expectation that the process would be different, and especially the governments themselves formally announced a plan to have a Social Mercosur, and even a Productive Mercosur (Vázquez 2011). However, almost a decade after the assumption of the new governments, and with the continuation of these parties in power, did not mean that the process moved forward, as explained for each of the main premises of the initial (2003) agreements.

Mercosur remains a trade-oriented integration process that has advanced little on productive, political and social integration.. The closeness and ideological affinity of the governments that integrate Mercosur at the moment have not represented a deep-rooted, advancement in an integration process that challenges the free trade-oriented idea under which Mercosur was created. The demands by the smaller members—Paraguay and Uruguay—remain the same as in the 1990s, while the competition and jealousy between Argentina and Brazil also remain similar. This is not to say that the process is exactly the same as ten years back. It has changed, particularly in proposals like the FOCEM and the regional parliament. However, they do not

address the core of the integration process, and do not propose a real alternative to the free trade model.

### **Section 3. CTA, Mercosur and the Argentine government (2003-2011)**

The Kirchners' administrations, as explained earlier on in this paper, had a 'labour friendly' policy throughout its eight years in power (Etchemendy 2011a, 2011b). According to this perspective, ratified by the number of collective agreements and the recovery of negotiations promoted by the government, the Kirchners' administrations granted the labour movement impressive benefits, and they have recovered most of the lost ground during the 1990s with the neoliberal reforms. The Kirchners' administrations reinforced the role of the labour movement in participating of economic decision-making, at least regarding employment and wage levels, by promoting four relevant policies: collective bargaining at the private and state level, the Minimum Wage Council, the National Commission on Agrarian Employment and the National Teachers Agreement (Etchemendy 2011b: 16). CTA was an active participant in all of these four negotiations.

The real and influential participation, created at the national level, did not correspond to an equal role for the labour movement and for CTA at the Mercosur negotiation level. This is not to say that no spaces were opened for the active participation of labour, but these spaces, were not relevant to the destinies of Mercosur. Here, we refer to two main instruments: first, the opening of spaces within the foreign affairs ministry, by creating the Civil Society Consultative Council (*Consejo Consultivo de la Sociedad Civil*); second, through the promotion of the so-called *Mercosur Social*, an idea originated in the trade unions and carried out by the government.

The Consultative Council created by the Ministry of Foreign Affairs of Argentina incorporates civil society into the debates that are carried in the area of foreign relations. The Council is targeted to discussing Mercosur's policies, therefore becoming a fundamental space for integrating civil society into the integration process. It is meant to 'strengthen the positions of government policies by including a consultation process with civil society organizations' (Ministry of Foreign Affairs).<sup>2</sup> The Council coordinates the policies to be taken to Mercosur's

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<sup>2</sup> Minister of Foreign Affairs website, accessed 20-02-2012.

Social Forum—*Mercosur Social*—in which all of the civil society of the region gathers, parallel to the Presidential summits.

The Consultative Council has shortfalls that make the space of participation ineffective with regards to the core of integration (). First, the Council is a consultation stage, not a decision-making one; therefore all the decisions and agreements made within that framework are not binding for governments to follow. Second, the Council does not have commissions on the main elements of Mercosur, trade and productive integration, and is filled with so-called ‘social items’, such as gender, discrimination, sports, youth, health, etc. This is not to say that these topics are not important, but the idea falls in the same problematic categorisation of all social forums strictly discussing ‘social issues’, while the economic matters are left to ‘experts’. Third, the Council has difficulties in integrating all the opinions and ideas presented by each movement. The council becomes dominated by the sectors who are either closer to the government (opposition movements are not given a space to participate) or those who are better prepared to sustain a debate on integration (a minority). Fourth, the Council is basically used by certain sectors of the social movements to place cadres close to the governments, and not necessarily to produce policies and share the results of the Council discussions with the base. Fifth, the council, and the social summit, overlap with many of the demands and discussions that take place within the framework of the FCES, which is the most formal institution of participation even though it is not open to ‘social movements’ but only to labour and business sectors.

The creation of these spaces for participation was eagerly taken by CTA. During the 1990s and through its work in the *Coordinadora*, CTA was instrumental in creating the forum of the FCES, so that the union movement could have a space where it could express its opinions. FCES is relevant because governments do not partake in the initiative; therefore it remains autonomous and can challenge the policies taken at the Common Market Council (CMC, the most important decision-making institution in Mercosur) meetings much more incisively. The *Mercosur Social* was created and pushed through by the leftist’ governments. The main obstacle is that it does not present an independent voice from the governments’ rhetoric. All of the Mercosur Social Forums that took place from 2006 onwards have presented a similar discourse to that expressed by the governments. Moreover, the majority of the organisations participating are close to governments or even part of it. In the case of Argentina, CTA, the section that later broke off and split the confederation, has integrated with? the government

through national members of parliaments in Kirchner's party but also through the Council for Civil Society of the Ministry of Foreign Affairs. There are members of CTA pro-government side leading the youth commission, and also the main coordination of the forum. (Ministry of Foreign Affairs).<sup>3</sup> This active participation from the pro-government side of CTA made the union one of the leading organisations being incorporated into government structures, and also actively engaging itself in the regional integration process.

The creation of the Mercosur Social came with the period in which Carlos 'Chacho' Alvarez, formerly Argentina's vice-president, was the permanent representative for Mercosur. Alvarez was historically close to CTA's Peronist cadres, and to the organization as a whole. The forum was intended, as underlined by CTA's representative in it, Andres Larisgoitia, to allow civil society to participate in decision-making and also to promote a 'Mercosur identity', through the program '*Somos Mercosur*'. However, actors engaged in the integration process are sceptical of the intensity of participation.<sup>4</sup>

As outlined by Malamud (2005, 2008), Mercosur is dominated by 'Presidential diplomacy'. The decisions taken by the block have historically depended on the presidents themselves, even though the negotiations are carried through by economic and foreign affairs ministries (Malamud 2008: 125). Moreover, the argument put forward by Malamud (2003) is that in being a presidentially-run integration process, it can be considered relatively successful, since it managed to solve the most relevant controversies—on issues like sugar trading, automobiles and tariffs—by engaging Presidents in solving the obstacles. Therefore, even though the negotiating ministries, like foreign affairs, opened up their doors to civil society participation, the main road to influencing the regional integration process has been through the Presidents. In the case of Lula and the labour movement, the fluent and historic relation between them has made that dialogue much easier. As for Kirchner and CTA, foreign policy debates were not predominant in the few meetings between the leadership of the union and the President. The integration process has always being referred in the rhetoric of 'Latin American unity and brotherhood', but few times discussed in detail.<sup>5</sup> At the fundamental stage of negotiation, the national agenda dominated the discussion, while the integration project was left aside.

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<sup>3</sup> Minister of Foreign Affairs website, accessed 20-02-2012.

<sup>4</sup> Interview with Andres Larisgoitia, 29-12-2012.

<sup>5</sup> Interview with Julio Gambina, CTA Economist, 24-01-2012.

CTA's attempt to influence foreign policy was not solely carried out through institutionalised mechanism, as was the case with Mercosur. With other goals, and before the relationship with the government was as close as it later would get, CTA mobilised resources to produce a counter-movement to the trade liberalisation projects promoted by the Free Trade Area of the Americas (FTAA). The CTA was at the forefront of the opposition to this free trade project, since it has a historic leftists position against imperialism, which the FTAA was meant to represent (Saguier 2010; Tussie 2005). The campaign against the FTAA is a clear representation of the transgressive strategies used by the labour movement that succeeded in getting governments 'on their side', instead of the other way around.

## **Conclusion**

In the field of global labour studies there are currently debates regarding the capacity of the labour movement to build 'double-movements' that provide a counter-hegemonic capacity to neoliberal free trade globalisation. While some argued that the dominant labour movement is actually engaging itself in the globalisation debate through participating in the spaces of negotiation, others believe that the real challenge is still to democratise globalisation, not to take part in its 'global governance' framework (Waterman, 2006). The attempt to achieve a 'social clause' within WTO frameworks has indeed failed (Waterman, 2006: 6), and therefore it is necessary to build new strategies that can counter the neoliberal model. Other authors have been more positive to the capacity of labour to influence the process of globalisation (Evans, 2010; Lambert, 2010; Munck, 2010). These set of authors argue that globalisation had negative impacts on labour, but that it has also opened possibilities for social movements to provide a counter-hegemony to the neoliberal economic model. This was only successful when it managed to combine local, national, regional and international struggles under the same banner (Evans 2010: 354). The capacity to connect these different struggles is complex and difficult to reach; the successful cases do not come across easily. Then the question here is: did the CTA, as a case study for labour, managed to create a counter-hegemonic movement, Gramscian-style, in the case of the regional integration process of Mercosur?

CTA's participation within Mercosur has been consistently institutional rather than transgressive. During the 1990s, the integration process did open spaces for the labour movement to participate, but the achievements that could be reached were minimal. The Socio-Labour Commission, and the FCES are relevant gains, however not decisive ones. During the

neoliberal period, the institutional framework opened irrelevant spaces, and therefore led the labour movement to a defensive position. CTA's participation, even though mostly focused on the national arena, was more than relevant, for several reasons. *First*, it incorporated labour through a novel model of organisation, and therefore opened the integration process to more actors than the ones traditionally exposed to it. *Second*, CTA's participation in the CCSCS led the other confederation, the CGT, to pay more attention and also incorporate itself more thoroughly to the integration process. *Third*, it increased the capacity to sit at a negotiating table and contend with the major business and representatives from the government. *Fourth*, through the participation in Mercosur, CTA established historical alliances with other trade unions from the region, especially the CUT from Brazil and the PIT-CNT from Uruguay. This was the space that allowed for CTA's application of its *latinamericanist* ideology. *Fifth*, during the 1990s, the institutional participation of CTA was joined by intense, transgressive, social mobilisation at the national level. This combination of strategies led to improving the contestation and capacity to confront the neoliberal model. This double strategy was lost during the Kirchner administration,

During the Kirchners' administrations, CTA received institutional space to participate in the integration process, this time not only in secondary institutions like the FCES, but rather within the government's own structures. The focus of CTA on institutional participation led to discouraging the transgressive side of contention, which occurs outside of institutional structures.

The CTA and the labour movement in the other countries that integrated governments throughout are also responsible for the stagnation of the integration process in its core fundamentals. CTA confused the national with the regional. That is, the improvements in the national situation produced by the government, led the confederation to support most of the foreign policy initiatives.

### *Counter-hegemony or double-movement?*

The capacity to create a counter-hegemonic movement to neoliberal globalization was actually larger during the 1990s and early 2000s than in the period of the Kirchner administrations. With the beginning of this government, CTA lost two causes it had to mobilise in the 1990s: the economic depression and the political crisis of the State. These two elements, as mentioned in section three, were fundamental constituencies of CTA's mobilisation. The economic

recovery under Kirchner led to the recuperation of traditional organizations, and especially of the CGT's trade unions (as argued by Etchemendy and Collier, 2007). Moreover, there is an undeniable element of the Kirchners administration's policies, that is the recovery of the figure of the State and the promotion of a neo-developmental with strong state intervention economic model. Further, even though the government still did not formally recognise it, it opened up multiple spaces of negotiation and participation in which CTA entered. This led, beyond the break-up of the confederation between a pro-Kirchner and an anti-Kirchner tendency, to a disorientation of the movement as a whole. This disorientation was transferred to the Mercosur level, and the government opened spaces even though it did not seriously consider the recommendations of labour.

During the 1990s, and more so after the 2001 economic crisis, social movements in Argentina created what can be consider a 'historic bloc' that attempted to build a counter-hegemonic movement to neoliberal globalisation, as expressed in the governments of the region and in the Mercosur integration process. A return to Gramsci's own words is critical to understanding what could have failed. Considering the 2001 social upheaval as a spontaneous movement of the masses, then:

“an economic crisis determines the popular discontent in the subaltern classes and spontaneous movements of the masses, on one side, and, on the other, determines also complots by reactionary groups who take advantage of the objective weakness of the government to try a coup d'état. Among the key reasons why these coups take place there is also the need to include the renunciation of responsible groups to give conscious direction to the spontaneous movements and therefore convert them into a positive political factor” (Gramsci, 1970: 312).

During the 2001 economic crisis, as with the mobilisation of CTA during the 1990s, subaltern groups within Argentine society (unemployed, informal, poor workers) began to be organised. The social upheaval of that year was the final stage of the contestation that took place in the 1990s in the struggle to build a counter-hegemonic movement. However, as in Gramsci's analysis, the political elites responded to that movement by managing a civilian coup (in the face of Peronist leaders like Duhalde, later on unelected president of Argentina for a transitional period) that restored order through giving concessions and co-opting popular demands. As part of this process the CTA was also attracted by those concessions and co-

optation, therefore losing the tread of the counter-hegemonic alternative being built during the 1990s. The renunciation to lead a process led to the co-optation of important sectors of the leadership into government structures. It basically entered in a crisis that consists of old ideas dying, the leading classes losing the consent of the majority, therefore just ‘dominating’, but not being able to create something new. This is the case with Mercosur, which entered a significant crisis not substantially resolved under the Kirchners’ administrations.

The question is then, has anything actually changed? This is when Polanyi’s theoretical tool of the ‘double-movement’ becomes practical. The participation of CTA and creation of contestation to the neoliberal model did challenge it. Mercosur under the left-wing governments, just like Argentina under the Kirchners, is not the same as in the 1990s. Aspects have been changed, and the outlook presented by the leadership seems to be different. This situation was possible due to a process that we can equate to Polanyi’s ‘double-movement’. During the 1990s, Argentina and the other Mercosur states all went through processes of questioning the neoliberal model, and in the case of Argentina this contestation exploded in December 2001. The lack of radical—counter-hegemonic—change from the old structures implies that society defended itself against market forces, but it return to a situation that it was already familiar, that of a developmentalist State that protects from the worst effects of capitalist free trade. Therefore the overall process produced a ‘double-movement’ against the market, but it did not manage to challenge the existing liberal capitalist economic outlook that it is still systematically in place.



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