To Mariana, who knows why;
to Catalina and Teresa, who will;
and to Tecla, who won’t.
Contents

List of Tables ix

List of Abbreviations xi

CHAPTER ONE
Introduction 1

CHAPTER TWO
Developing the Analytical Framework 7

CHAPTER THREE
Research Strategies and Methodologies 29

CHAPTER FOUR
Privatisation as Counter-Mobilisation 45

CHAPTER FIVE
The Driving-forces of Privatisation in the UK and Argentina 63

CHAPTER SIX
Comparative Industrial Relations and Mobilisation Theory 75

CHAPTER SEVEN
The Anti-Privatisation Campaigns in the Light of Mobilisation Theory 95
List of Tables

Table 1  Detail of Case-Studies  35
Table 2  Distribution of Interviews among Trade Unions  37
Table 3  Main Primary Sources  39
Table 4  Proceeds from Privatisation, 1990–6 (in US$ millions)  56
Table 5  Proceeds from Privatisation, 1979–90 (in £ millions)  57
Table 6  Peronist MPs with Trade Union Background  116
Table 7  Percentages of Positive Image of Trade Unions and Privatisation Policy (Opinion Polls)  124
Table 8  Mass and Lay Reps Meetings in LyF MDP and LyF CF  132
Table 9  Job Loss in the Electricity Industry between 1990–1 and 1995–6 (United Kingdom)  138
Table 10  Job Loss over the First Year of Privatisation (Argentina)  140
Table 11  Introduction of Company Agreements  171
Table 12  Evolution of Trade Unions Claims Via CIAPs  190
List of Abbreviations

AEEU Amalgamated Engineering and Electrical Union
AEU Amalgamated Engineering Union
AFJP Aseguradora de Fondos de Jubilaciones y Pensiones
APEX Association of Professional, Executive, Clerical and Computer Staff
ART Aseguradora de Riesgos de Trabajo
BEC Branch Executive Committees
BIRF Banco Internacional de Reconstrucción y Fomento
CCT Convenio Colectivo de Trabajo
CEGB Central Electricity Generating Board
CGA Comisión General Administrativa
CGD Cuerpo General de Delegados
CGT Central General de Trabajadores
CIAP Comisión Interna Auto-composición del Personal
CTA Central de Trabajadores de la Argentina
DEBA Dirección de Energía de la Provincia de Buenos Aires
DESTUC Divisional Electricity Supply Trade Union Councils
EDELAP Empresa Distribuidora y Comercializadora La Plata
EDENOR Empresa Distribuidora y Comercializadora Norte
EDESUR Empresa Distribuidora y Comercializadora Sur
EdF Electricité de France
EETPU Electrical, Electronic, Telecommunications and Plumbers Union
EMA Engineers’ and Manager’s Association
EPEA Electrical Power Engineers’ Association
ESEBA Empresa Social de la Energía de la Provincia de Buenos Aires
ESI electricity supply industry
ESOP Employee Stock Ownership Plan
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESTUC</td>
<td>Electricity Supply Trade Unions Council</td>
</tr>
<tr>
<td>FATLyF</td>
<td>Federación Argentina de Trabajadores de Luz y Fuerza</td>
</tr>
<tr>
<td>FeNTOS</td>
<td>Federación Nacional de Trabajadores de Obras Sanitarias</td>
</tr>
<tr>
<td>FeTERA</td>
<td>Federación de Trabajadores de la Energía de la República Argentina</td>
</tr>
<tr>
<td>FTO</td>
<td>Full-time Officer</td>
</tr>
<tr>
<td>FUSE</td>
<td>Federation of Unions Supplying Electricity</td>
</tr>
<tr>
<td>GMBATU</td>
<td>General, Municipal, Boilermakers and Allied Trade Union</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IPCTT</td>
<td>Internacional de Personal de Correo, Telégrafos y Teléfono</td>
</tr>
<tr>
<td>LyF CF</td>
<td>Luz y Fuerza Capital Federal</td>
</tr>
<tr>
<td>LyF MDP</td>
<td>Luz y Fuerza Mar del Plata</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporations</td>
</tr>
<tr>
<td>NALGO</td>
<td>National and Local Government Officers’ Association</td>
</tr>
<tr>
<td>NEC</td>
<td>National Executive Council</td>
</tr>
<tr>
<td>NGC</td>
<td>National Grid Company</td>
</tr>
<tr>
<td>NJB</td>
<td>National Joint Board</td>
</tr>
<tr>
<td>NJC</td>
<td>National Joint Council</td>
</tr>
<tr>
<td>NJIC</td>
<td>National Joint Industrial Council</td>
</tr>
<tr>
<td>NJMC</td>
<td>National Joint Managerial and Higher Executive Grades Committee</td>
</tr>
<tr>
<td>NORWEB</td>
<td>North West Electricity Board</td>
</tr>
<tr>
<td>PAG</td>
<td>Professional and Administrative Grade</td>
</tr>
<tr>
<td>PJ</td>
<td>Partido Justicialista</td>
</tr>
<tr>
<td>PPP</td>
<td>Programa de Propiedad Participada</td>
</tr>
<tr>
<td>PRP</td>
<td>performance related pay</td>
</tr>
<tr>
<td>PSBR</td>
<td>Public Sector Borrowing Requirement</td>
</tr>
<tr>
<td>REC</td>
<td>Regional Electricity Company</td>
</tr>
<tr>
<td>SEEB</td>
<td>South Eastern Electricity Board</td>
</tr>
<tr>
<td>SEGBA</td>
<td>Servicios Eléctricos del Gran Buenos Aires</td>
</tr>
<tr>
<td>SOE</td>
<td>state-owned enterprise</td>
</tr>
<tr>
<td>STB</td>
<td>single table bargaining</td>
</tr>
<tr>
<td>Sutecba</td>
<td>Sindicato Único de Trabajadores del Estado de la Ciudad de Buenos Aires</td>
</tr>
<tr>
<td>SWALEC</td>
<td>South Wales Electricity</td>
</tr>
<tr>
<td>SWEB</td>
<td>South Western Electricity Board</td>
</tr>
<tr>
<td>TEIS</td>
<td>Tarifa Eléctrica de Interés Social</td>
</tr>
<tr>
<td>TGWU</td>
<td>Transport and General Workers’ Union</td>
</tr>
<tr>
<td>TTB</td>
<td>two-table bargaining</td>
</tr>
<tr>
<td>TUC</td>
<td>Trade Union Congress</td>
</tr>
<tr>
<td>UOCRA</td>
<td>Unión Obrera de la Construcción de la República Argentina</td>
</tr>
<tr>
<td>UOM</td>
<td>Unión Obrera Metalúrgica</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>YCF</td>
<td>Yacimientos Carboníferos Fiscales</td>
</tr>
</tbody>
</table>
This book has two main objectives. On the one hand, it aims to explore, empirically, the relationships between privatisation and workers’ collectivism. On the other, it is intended as a test of the utility of mobilisation theory for such purposes. As to the former, the research focuses on the privatisation of the electricity supply industry (ESI) in two countries, the United Kingdom (UK) and Argentina, and more specifically, on how privatisation conditioned trade unions’ ability to act and how ESI unions have effectively responded to the privatisation challenge. As for the latter, due to differences in the national contexts, the comparative approach compels the analysis to pay attention to intermediate variables that influence the empirical manifestation of the categories of mobilisation theory; in turn, the scope of the study means to incorporate multiple levels of analysis, whereas most works have confined the theory to the micro-level.

The research arose at a point of thematic convergence in the diverse scholarly literature. It comprised studies on the rationale and driving-forces behind the development of privatisation worldwide, and in particular about the privatisation programmes in the UK and in Argentina; the relationships between privatisation and organised labour; and lastly, the use of mobilisation theory in the field of labour studies. The forthcoming chapters review these strands in the literature, where appropriate. Still, a few introductory remarks are necessary to situate the research.

From a mobilisation perspective, the main deficit of the vast mainstream literature on privatisation worldwide is its tendency to approach privatisation as a technical response to an economic problem (Dinerstein 2001). Nevertheless, many scholars have stressed that privatisations were not technically inevitable, but politically driven as part of a wider strategy for overcoming obstacles to capital accumulation (Cook and Murphy 2002;
In this sense, privatisation is at the heart of a particular phase of capitalist counter-mobilisation. Indeed, for mobilisation theory, privatisation may be viewed as a counter-mobilising force in itself, and hence highly disruptive for organised labour. Chapters Four and Five will discuss this perspective, concomitantly justifying the empirical focus of the book.

As for the relationships between privatisation and labour, scholars concentrate mostly on the impact of privatisation on job loss, industrial relations issues and collective bargaining (Báez-Camargo 2002; Cook and Murphy 2002; Colling and Ferner 1995; Luca 1998; Ferner and Colling 1991; 1993a; 1993b; O’Connell Davidson 1993; Hall 2000, 2005; Murillo 2001; Ogden 1993; Pendleton and Winterton 1993; Pripstein Posusney and Cook 2002; Riethof 2002; Van der Hoeven and Sziraczki 1997; Wallis 2000; among many others). Chapter Three addresses this literature, insofar as it relates to the aims of this research. This book, instead, aims to study how this type of change (and others) conditions workers’ collectivism, a topic rather neglected in the literature.

Lastly, mobilisation theory, as promoted by Kelly (1998), has been applied mainly in the field of labour studies to analyse and conceptualise union revitalisation. In this line of research, mobilisation theory plays different roles. In the main, it contributes, together with insights from other theoretical frameworks, to the conceptualisation of partial aspects of the process of union revitalisation. In this vein, it is loosely applied to the analysis of the structure of opportunities afforded by the state and the institutional environment, the politics of coalition building and the key role of union strategies (Baccaro, Harman and Turner 2003; Frege and Kelly 2003, 2004; Heery, Kelly and Waddington 2003; Heery et al. 2003; Kelly 2005). In the cases to which it is strictly applied, the focus shifts to discrete events; for instance, organising campaigns (Kelly and Badigannavar 2001), or struggles around the statutory recognition process (Moore 2004). Besides this strand, the categories offered by mobilisation theory have also prompted a variety of empirical enquiries. This in particular happened with leadership (Darlington 2001; Green et al. 2000; Metochi 2002), injustice (Atzeni 2003; Brown Johnson and Jarley 2004) and mobilisation (Atzeni 2005).

Almost all these works share a preference, particularly when they draw heavily on mobilisation theory, for microanalytical levels. This suggests that, as George Gall (2000) stressed in his review of the book Rethinking Industrial Relations, there is still a lack of intellectual engagement with the theoretical framework developed by Kelly at meso- and macroanalytical levels. This research is partly intended as a step toward balancing this deficiency.

The core idea of the research is, thus, that a focus on the consequences of privatisation on organised labour is appropriate to link both levels of the mobilisation theory as outlined by Kelly (1998): the long-run account of the alternating periods of workers’ mobilisation and capital counter-mobilisation and the set of explanatory categories for the analysis of collective action in the medium- and short-term: opportunity-to-act (or opportunity structure), mobilisation / counter-mobilisation, organisation, interest definition, and collective action.

The research conceptualises privatisation as not only a part of but also in itself a process of counter-mobilisation, which decreased the opportunity for trade unions to engage in collective action. Additionally it links variability in trade unions’ strategies in a context of capital and state counter-mobilisation, not only with differences in the opportunity structure, but also with union organisational capabilities and the dynamics of interest definition.

**Outline of the Book**

The argument of the book unfolds by gradually building the theoretical and empirical foundations (Chapters Two to Six), which frames the case-study research (Chapters Seven to Ten).

Chapter Two discusses mobilisation theory. While this chapter recognises its potential for the study of workers’ collectivism, it states that the micro-level framework adopted by Kelly to account for interest definition is
actors, the analysis turns, then, to union organisational features, leadership styles and decision-making processes.

Chapters Eight and Nine address two crucial aspects of the countermobilising content of privatisation: firstly, by analysing how monetary incentives were mobilised to prevent workers’ collectivism; secondly, by considering how the fragmentation of collective bargaining brought about changes in workers’ capacity to engage in collective actions.

Lastly, Chapter Ten examines the impact of privatisation upon the organisational structures and processes of decision-making of ESI unions, pointing to how the growth of sectionalism and the decline of workers’ participation in decision-making has threaten the mobilising capacity of organised labour since privatisation.

The book closes with a summary of the main arguments and findings of the research.
Mobilisation theory, as adapted by John Kelly for the field of industrial relations, appears as a powerful framework for the analysis of workers' collectivism (Kelly 1998) when the insights developed within the social movements and collective action traditions are followed. His formula, which draws upon long wave theory, combines a long-term account of the alternating periods of workers’ mobilisation and capital counter-mobilisation with a set of explanatory categories for the analysis of collective action in the medium- and short-term (opportunity-to-act, mobilisation, organisation, interest, collective action). Therefore its application suits, in principle, the empirical aim of the research: analysis of how ESI privatisation conditioned trade unions’ ability to act by targeting vital dimensions of workers’ collectivism.

However, any theoretical transposition entails a call for prudence, for theories often have blemishes. In addition, the comparative framework in which mobilisation theory is applied adds complexity to the entire theoretical endeavour. So, after explaining why mobilisation theory is more appropriate for this study than standard comparative approaches, the following sections will first address certain weaknesses of mobilisation theory with regard to answering the research questions before arguing that some of these shortcomings underpin the micro-level framework adopted by Kelly to account for the category interest. Therefore the analytical framework of the research is outlined on the basis of the elements of Kelly’s model, which are highly relevant to the aims of the book; however an alternative approach to interest definition is followed, which emphasises collective dimensions rather than individual experiences and subjective perceptions.
Mobilisation Theory in Comparative Perspective

Within the practice of sociology, there exists a shared understanding of the advantages of comparison that highlights its role in promoting deprovincialisation, and in revealing both the systematic nature of variations and the broad similarities. According to Crow, these variations and similarities facilitate the identification of what is generally true about a number of cases (Crow 1997). In this shared understanding, it is also stressed, as Durkheim put it, that 'only comparison affords explanation' (Durkheim 1970: 41). Comparative historical analysis has been recently defined as placing the emphasis on three specific points: 'a concern with causal analysis, the exploration of temporal processes, and the use of systematic and contextualised comparison' (Mahoney and Rueschemeyer 2003: 15).

Within the field of industrial relations, Hyman has praised the comparative approach on similar grounds (Hyman 1994a). For him, cross-national comparison forces the observer to address critically what is narrowly accepted as unproblematic within the individual national context, that is, what is otherwise taken for granted is shown to be contingent and, perhaps, exceptional. As a result, and Hyman says always, the researcher is compelled to revise the assumptions about the nature and meaning of the key institutions of industrial relations (companies, trade unions, employers associations, collective bargaining, labour law, and so forth). Thus, comparison would offer a more rigorous test for causal explanations developed in individual countries by forcing the researcher to refine the explanatory propositions in order to make them genuinely applicable as general – rather than single-context – theories.

Hence, it is not surprising that the comparative method had early appeal in the field of industrial relations studies and, more recently, within the research agenda of human resources management.

Originally, conventional comparative approaches in the field tended to focus on the formal institutions and legal structures of either the industrial relations system – à la Dunlop (1958), or the collective bargaining system – à la Clegg (1976). The aims of the researchers in those studies were, usually, the construction of typologies, the contrast of diverse systems of regulation and the understanding of the basic relations between the actors. Still, during the 1980s, authors like Adams (1981) and Sisson (1987) sought to develop the collective bargaining approach in an international comparative perspective by focusing on the role of employers as a key variable explaining divergence.

The 1990s, in turn, would renew the interest of the debates about the likelihood of convergence or divergence in the evolution of the national industrial relations systems, famously first developed by the book Industrialism and Industrial Man (Kerr et al. 1960). But this time, this renewed interest in the evolution of employment relations worldwide arose as a consequence of forces unleashed by globalisation, mainly, the increased international competition and the diffusion new production technologies (Bamber and Lansbury 1993; Bamber, Lansbury and Wiles 2004; Bean 1994; Eaton 2000).

However, despite advocacies of convergence, most comparative studies painted a picture of continuing diversity among the national systems of industrial regulation, while recognising common challenges due to the introduction of new product and informational technologies, industrial restructuring, and managerial pressures towards flexibilisation and decentralisation (Bamber, Lansbury and Wiles 2004; Ferner and Hyman 1998; Locke and Thelen 1995; Ruysseveldt 1995). The MIT project, for instance, was a key force within this trend of research. Scholars like Thomas Kochan and Harry Katz played an important role by stressing the relevance of the strategic choices among the different actors in order to understand how global forces interact with national situations (Katz 1997; Katz and Kochan 2004; Kochan, Katz and McKersie 1987). In addition, the role of nationally specific institutional factors in explaining persistent variation in industrial relations across countries was also typically emphasised by those criticising the convergence theses. Lastly, the literature, which began to pay attention to the international diffusion of employment and human resources management policies due to the global expansion of the Multinational Corporations (MNCs), accentuated the role of not only legal and institutional aspects but also different cultural frameworks (Ferner 1997).
Several scholars commence to feel uneasy about the development of the comparative approach in the field. For instance, Richard Locke and Kathleen Thelen developed an early and convincing critique of the conventional approach, which emphasised that the explanatory power of the conventional model is undermined by three basic assertions. Firstly, conventional comparative analyses often portray external pressures as ‘equally pervasive or intense to all national economies’ (Locke and Thelen 1995: 340). Secondly, these scholars argued that ‘traditional analyses often obscure stark differences in starting-points and hence the significance of the changes for the various national industrial relations systems’ (idem). Finally, they underlined that traditional studies assume that same practices have ‘the same meaning or valence across the various countries’ (idem). By contrast, drawing upon institutionalist and political constructionist analyses, Locke and Thelen put forward an alternative, more contextualised approach, to explain ‘why the same international forces have set in motion fundamentally different substantive conflicts in different contexts’ (Locke and Thelen 1995: 343). Their main finding was that the specific interactions between institutions and actors’ identities, particularly traditional trade union identities, are key to understanding cross-national variations.

Others scholars have attempted to replace the conventional cross-national comparative approach with a more international perspective to account for how globalising forces work and affect the relationships between capital and labour nationally (Bamber and Lansbury 1993; Bamber, Lansbury and Wiles 2004; Bean 1994; Eaton 2000). However, these studies have failed to overcome the conventional approach, in which, characteristically, the institutions and practices of two or more countries are described and systematically analysed. At best, some aspects are isolated and analysed transnationally within this trend – for instance the role of the European Work Councils, the impact of the EU social mandates or the influence of corporate international management – but none of those studies really free themselves from the country-by-country approach at key points of the argument (see Easton 2000, Chapter Five, for example).

In short, this introduction, albeit schematically, helps the reader understand why conventional approaches are inappropriate for a book whose aim is not to construct typologies, contrast systems of regulation or address basic relations between actors, but to focus on the dynamics of unions’ responses to change. This is precisely the main focus of mobilisation theory. Indeed, unlike other recent comparative studies on union strategies in which the mobilisation theory is only loosely applied (Frege and Kelly 2003, 2004; Frege, Heery and Turner 2004), a systematic comparison following a mobilising perspective allows for the different stages of mobilisation to be conceptualised and studied within specific contexts.

If it can be argued that this study does partly follow the conventional approach insofar as it examines a similar development, the privatisation of ESI, the explanation of variation in the national responses following mobilisation theory goes beyond the analysis of the alternative institutional arrangements, and hence, surpasses the conventional model. Indeed, like the contextualised comparisons advanced by Locke and Thelen (1995), mobilisation theory also gives a place to the mediating role played by institutions through the categories opportunity-to-act and organisation. Furthermore it puts forward a more sophisticated apparatus to account for trade unions’ agency – through the categories organisation and interest definition – which is one of the main objectives of this research. Here mobilisation theory also outperforms Locke and Thelen’s emphasis on actors’ identities.

In sum, given the focus of mobilisation theory on the dynamics of collective action, it reveals itself as an appropriate framework when accounting for trade unions’ responses to change. As a result, it is fruitful to develop the model from a comparative perspective. Whether or not the advantages of comparison are still advocated by scholars from some very different fields of social research, the conventional comparative approach in the field of industrial relations and human resources management has lost its previous appeal for those scholars interested in the analysis of trade unions’ agency. Yet the theoretical development of mobilisation theory for a comparative study requires an appropriate methodological design. This latter aspect will be discussed in the next chapter.
Collective Action and Social Movements: Theoretical Insights and Theoretical Shortcomings

Collective action and social movement traditions are rich in theoretical elaborations. A full account of this wealth is not only out of the reach of this chapter, but also meaningless for the purposes of this study. Instead, the examination of some controversial views, sharing these trends in thought, is crucial to any consideration of the prospects for their successful theoretical transposition to the field of labour studies.

The basic questions are: what do these theoretical traditions stand for? Do they focus on identical or dissimilar objects of study? What connotations do the answers to the aforementioned questions have for the study of unionised workers?

In general, modern theories of contentious collective action and social movements have intended to bridge the gap between accounts of structural change and explanations of collective action (Klandermans et al. 1988). By the 1980s, a common research agenda had emerged as the outcome of successive reactions to structuralism (McAdam, Tarrow and Tilly 2001). It comprised four main areas of interest: resource mobilisation, the political processes, the repertoires of contention, and claim framing. Yet, two main concerns permeated this agenda as a whole: why do individuals join contentious collective action and what are the social-psychological processes involved?

The story behind this theoretical development is complex. It includes at least two processes. On the one hand, the social sciences have been colonised by individualistic assumptions taken from neoclassical models of economic thought. As Tarrow complains, ‘in the trace of microeconomics, the problem for collective action came to be not how classes struggle and State rules, but how collective action is even possible among individuals guided by narrow self-interest’ (Tarrow 1994: 15). Then, having in mind those individual and rationalistic assumptions, Tarrow goes on within this theoretical tradition, ‘political scientists and sociologists have begun their analysis of social movements from the puzzle that collective action is difficult to bring about [despite] in so many situations and against so many odds, collective action does occur, often on the part of people with few resources and little permanent power’ (Tarrow 1994: 7).

On the other hand, this scientific search comprises at the same time a theoretical endeavour opposing individualistic tendencies, which looks for social-psychological mechanisms, instead of individual rational calculations, but keeps assuming the problem of collective action is one of aggregation. Ironically, in so doing, scholars retrieved during the 1980s the notions traditional within the field until the 1960s and the 1970s, when macro political and structural accounts of social movements, particularly resource mobilisation theory, and also the so-called political process analysis (McAdam, Tarrow and Tilly 2001), came to replace older social-psychological conceptions and push back individualistic assumptions (McAdam 1988).

Indeed, some formulations combined both perspectives. Characteristically, Klandermans (1984: 584) made the explicit case for the renewal of social-psychological approaches to expectancy-value theory, a typical rational-choice framework, which posits the problem in terms of costs and benefits. This renewal, irrespective of rationalistic assumptions, buttressed the contention that what is at issue is not merely the presence or absence of grievances, but the manner in which grievances are interpreted and the generation and diffusion of those interpretations (Snow et al. 1986: 466). This conclusion prompted a cascade of models addressing this problem, in tandem with different terms to describe the shared meanings that inspire collective action (McAdam 1988; Gamson 1992; Klandermans 1984; Snow et al. 1986; Snow and Benford 1988).

What about the object of study of these intellectual schools? Certainly, despite obvious overlap, there is a difference in scope. While some scholars consider, under the heading contentious collective action, any form of action held by a group of individuals based on common purposes against elites, opponents, authorities, and so forth; the social movement tradition, specifically, has narrowed their concerns to the kind of collective challenges that arose during the 1960s and 1970s, mainly in Western Europe and the United States.

In the case of contentious collective action, theory building rests upon a violent abstraction that reduces the importance of the enduring
To summarise, individualistic and social-psychological standpoints explaining collective action and either violent abstraction from social structures and historical circumstances, or indifference with regard to the specificities of the institutions and dynamics of the labour movement, are all weak points of social mobilisation theories that pose risks when attempting their transposition to the field of labour studies. It is now time to assess whether any of these theoretical blemishes found their way into Kelly’s analysis.

Interest Definition According to Kelly

Kelly states that ‘the fulcrum of the model is interests and the ways in which people [...] come to define them’ (Kelly 1998: 25); thus it is worth explaining why this research does not follow this crucial part of the model when approaching the problem of interest definition.

Kelly offers a balanced theoretical framework for the study of workers’ collectivism by taking insights from different sources. Crude versions of the aforementioned weak points will neither be found in his theoretical presentation nor in his empirical work. In accordance with his own Marxist background, and having as a starting-point Tilly’s (1978) aged but exceptional discussion of mobilisation theory, his prime concerns are the institutions and dynamics of the labour movement and the enduring social relationships that structure interaction. Additional proofs of his rejection of individualistic and rational-choice assumptions are his discussion of long wave theory and the work of Mancur Olson (1971).

Still, Kelly’s framework to account for interest definition actually rests on individualistic assumptions, and hence is not adequate for the object of study of this book. Although Kelly rebalances the argument by engaging in worthy discussions of some of the social processes involved, a methodological risk remains. This becomes apparent when the origin of collective action is continually portrayed as an aggregation of individuals social relationships that structure interaction. This is to isolate behavioural regularities, or to look for similar mechanisms and processes behind different forms of contention (social movements, revolutions, strike waves, nationalism, or otherwise). As for the subjective aspect, different structural constraints tend to be homogenised, reduced and classified under the general term grievance. The truism that people must experience subjectively a grievance first in order to act is reinforced and dominates the research agenda.

In the case of collective challenges that arose during the 1960s and 1970s, the same concern has spread widely as well, but not at the expense of historical perspectives and social structures. However, while collective action traditions do include organised labour, the mainstream of social movement approaches focuses on social movements other than labour, particularly those emerging within the countercultural and emancipatory currents in the 1960s and 1970s (Rucht 1988). Theory building within this trend was grounded in the study of, firstly, the students and civil rights movements, then the environmental and women’s movements, and finally the peace, anti-nuclear, neighbourhood movements and the like (Klandermans and Tarrow 1988; Klandermans et al. 1988; Rucht 1988). Organised labour was not the soil in which most social mobilisation frameworks grew. Subsequently, many scholars tended to assimilate ‘other forms of contention to prevailing explanations of social movements’ (McAdam, Tarrow and Tilly 2001: 14), whereas others explicitly separated trade unions from the new movements due to what they saw as their salient features: formal and bureaucratic organisation, hierarchical structures, and top-down management (Waterman 1998). The institutionalisation of the interactions between workers and employers along with the routinisation of conflict patterns were among the factors calling for demarcation between old and new movements. On the research agenda of this trend, given the type of objects under study, the very processes of building an organisation and engaging in collective action often overlap theoretically, damaging their appeal for those in the field of labour studies. Typically, the starting-point is individual subjectivity (awareness of grievances), and then, through organisation to collective action.
to say that there is already a strong sense of a collective identity. Therefore, the methodological preference here is to start from the irreducibility of collective action and trade unions’ power to an aggregation of individuals’ properties, the preponderance of social processes enacted by people but independent of them, and the existence of real workers and institutions acting within discrete social relations governed by a systemic logic (Fracchia and Lewontin 2005). In order to explain workers’ collective responses to privatisation, this book will pursue contextual analyses of the impact of the latter upon the opportunity-to-act and trade unions’ organisational features and of the social processes by which the interaction of the multiple dimensions of workers’ interests unfolds and concrete demands and courses of collective action crystallise.

The Analytical Framework:
Power Relations and Organised Labour

Mobilisation theory helps us to understand how workers (and their organisations) deal (or fail to deal) with multiple interests, define collective demands, mobilise organisational and power resources, and translate them into collective actions according to the opportunity-to-act. Its advantage rests upon its flexibility: it identifies factors which are critical to the presence or absence of collective action and, for that reason, makes theoretically informed explanations of specific empirical outcomes possible. The theory’s actual outline is contingent on whether one stresses individual and social-psychological variables, or understands it as a theoretical enquiry about power relations. If the latter, scholars working in these traditions approach the analysis of power and power relations through the categories mobilisation and opportunity-to-act, and so does Kelly.

The categories mobilisation and opportunity-to-act were developed through theoretical efforts directed towards outperforming social-psychological explanations of collective action (McAdam 1988). In the case of
resource mobilisation theory, most authors underline that grievances are ubiquitous in society, and hence, it is the availability of resources that is the crucial dimension to the explanation of collective action, that is, the degree of mobilisation (Jenkins 1983; McCarthy and Zald 1977). In the political process approach, instead, scholars emphasise that ‘the answer should be searched in the variations in political structures and the workings of the political process’ (Tarrow 1994: 18), that is, in the political opportunity structure (Eisinger 1973).

Mobilisation, then, refers to the amount and degree of collective control, not only over the resources needed for action (Tilly 1978; Kelly 1998), but also over social processes, interactions and practices that enable it. However, it is, to certain extent, a function and a qualification of the other categories of mobilisation theory. In other words it could be said to be a function of the opportunity to increase the amount of resources, the control over them, or both as well as a qualification of the ability to make them available for collective action. Likewise, the category organisation is of primary importance when analysing a process of mobilisation – particularly, in the field of labour studies – as has been shown by the extensive debates about bureaucratisation (Kelly 1988), for organisational features often shape the workers’ ability to exercise collective power. An organisation may be needed to frame the workers’ willingness-to-act. Indeed, the ability to exercise collective power is intimately linked to whether collective social processes, which allow the interplay of workers’ multi-faceted interests, find a place within a workplace or an organisation.

Etzioni (1968) and Tilly (1978) argued that any process of mobilisation entails, by definition, demobilisation; that is, a decline in either assets or control over resources – and social processes, interactions, practices – by other actors. Kelly shows that these conflicting movements tend to be cyclical, particularly within the field of industrial relations, and that these cycles ‘are a normal and familiar feature of capitalist economies [in which] employers and the State typically embark on a wide ranging series of counter-mobilisations against organised labour to restore both their profitability and their control of the labour process’ (Kelly 1998: 128). In these phases, ‘both the organization and mobilization of workers are eroded and the ideologies of the labour movement are subjected to assault from a variety of sources’ (Kelly 1998: 130). Accordingly, a decline of workers’ collectivism is to be expected – or at least of its most visible expressions – since counter-mobilisation strategies often target its crucial dimensions: the opportunity-to-act, workers’ organisations and the social processes of interest definition. As a result, in such a cycle, workers’ mobilisation can only be defensive: initially to oppose the attack; later on, if the assault could not be stopped, to break the state of demobilisation brought about by it. The important point is that in both cases, mobilisation depends upon the aforementioned categories: opportunity-to-act, organisation and interest definition.

As discussed in Chapter Four, privatisation is arguably the most salient aspect of one of those cycles of counter-mobilisation. Hence, this study privileges as its starting point the impact of ESI privatisation upon the opportunity-to-act, workers’ organisation and the process of interest definition in order to subsequently evaluate the prospects of mobilisation.

Opportunity-to-act ‘concerns the [power] relationship between a group and the world around it’ (Tilly 1978: 7), whereas organisation and interest definition refer to the internal structure of a group. Organisation relates to aspects that affect the capacity for collective action; interest definition to subjective and structural causal powers that, through the mediation of certain social processes, compel workers to act (Isaac 1987; Lukes 2005; Sayer 1992).

Accordingly, if one accepts that privatisation has been, not only a part of, but also in itself, a process of counter-mobilisation, then it should have entailed a decline of workers’ collectivism, and it should have severely decreased the opportunity for trade unions to engage in collective action. Yet variability in trade unions’ strategies within this context, particularly when these strategies included collective action, should be explained by differences not only in the opportunity structure, but also in organisation and the dynamics by which workers process their interests and define their strategies.

So far, the discussion has referred to but not defined the notion of power. It is now time to sketch the meaning of power as applied here, before examining in detail the notions of opportunity-to-act, organisation and interest definition in order to demarcate the empirical enquiry of this research.
A Definition of the Concept of Power

Most categories of mobilisation theory concern power relations (Kelly 1998; Tilly 1978); yet disagreements over the notion of power abound. Lukes, in the re-edition of his classic study, expresses it bluntly: ‘There are endless debates [...] which show no sign of imminent resolution, and there is not even agreement about whether all this disagreement matters’ (Lukes 2005: 61). So this section avoids engaging in such endless debates; instead, it makes a brief positive case for the use of Jeffrey Isaac’s (1987) realist perspective of power and Steven Lukes’ (2005) three-dimensional view.

On the one hand, the realist perspective defines social power as ‘those capacities to act possessed by social agents in virtue of enduring relations in which they participate’ (Isaac 1987: 80). While it locates agency at the heart of power, in its exercise, it crucially ‘places power at the center of agency, as a property of human agents that makes their activity possible’ (Isaac 1987: 76). Thus, power is defined as a permanent capacity to act which is rooted in the social structure, in other words a necessary property that is independent of its exercise on particular occasions and its contingent effects. It refers to the things an agent might do. This approach is relevant, for it is this understanding of power that underlies the notion of opportunity structure.

On the other hand, the three-dimensional view stresses that power is a capacity and not only in its exercise. This view focuses on power as domination, particularly in its third dimension, incorporating ‘into the analysis of power relations the question of the control over the agenda of politics and the ways in which potential issues are kept out of the political process’ (Lukes 2005: 25). It examines how willing compliance to domination is secured (Lukes 2005: 7, 10, 110), and engages in a straight defence of power as ‘concealment of people’s “real interests”’ (Lukes 2005: 12). The analysis of power relations when addressing changes in the opportunity structure due to privatisation will be based on this three-dimensional understanding of power.

Opportunity-to-Act

As stated earlier, opportunity-to-act ‘concerns the relationship between a group and the world around it’ (Tilly 1978: 7). In the field of industrial relations, it is a category that must go beyond the sphere of interactions between workers and management, towards the analysis of power relations in a wider field of enquiry, which comprises the study of governmental policies and capitalists’ strategies. This category is therefore a critical dimension when analysing a process of state and capital counter-mobilisation. While at its base lies a realist understanding of power as capacity, opportunity-to-act includes an examination of the contextual conditions that constrain its exercise. It refers to the relations of power as they are historically determined by the general balance of forces between contenders at industrial and political level and the policies and actions performed by employers and the state (Kelly 1998); this includes the consideration of union’s sources and resources of power as discussed below.

The empirical analysis of power relations within the field of labour studies has already been based on analytical models developed across the three dimensions discussed by Lukes (2005): a) the capacity of a party in conflict with another to persuade or force the other to adopt a course of action other than the one it originally intended; b) the capacity of a party to control the agenda of interactions such as meetings, and determine which issues are kept on or off the agenda in the face of opposition; and c) the capacity of a party to secure assent to its objectives by another group because of the successful diffusion of a hegemonic ideology.

Those labour scholars who applied this model have stressed its usefulness in evaluating power relations given its relative simplicity, relational character and its focus on behavioural outcomes (Batstone et al. 1978; Frege and Kelly 2004; Kelly and Heery 1994; but see Edwards 2006 for a recent critique).

Literature about union power oscillates between the overlapping notions of sources and resources of power (Batstone 1988; Kelly and Heery 1994; Martin 1992, 1999; Varman and Bhatnagar 1999). It is possible to argue
that the notion of sources of power concerns the structural determinant
of power (Varman and Bhattacharya 1999); whereas the resources of power
are the assets, money, legislation, rules, support, allies or organisational
resources an actor may mobilise to achieve an aim (Kelly and Heery 1994).
However, this distinction is far from obvious in most cases.

Nevertheless, Batstone underlines three sources of power as analyti-
cally important to the field of labour studies: the ability to disrupt pro-
duction, the state of the labour market and the scope of political influence
(Batstone 1988: 223).

While privatisation affected all these sources, its principal and imme-
diate impact was on the scope of trade union’s political influence and,
therefore, on the political resources of power mobilised by trade unions:
statutory requirements regarding the industrial relations in the public
industries, legal frameworks, national energy policies, relationships with
political parties, frequency of contacts with governments and potential
allies, amongst others.

Kelly and Heery are inclined to use the notion of power resources
(Kelly and Heery 1994). In their classification, some resources are organisa-
tional and these are discussed below. Others resources correspond to unions’
external relationships with management, government, other unions and the
general public; all aspects which were influenced, or distorted by privatisa-
tion. Concerning management, Kelly and Heery highlight the importance
for union activities of first, agreement and support from management, and
second, procedural and other collective agreements reached between the
union and the employer. As for the government, the key aspects are its
intervention in disputes and conflicts by means of legislation. Lastly, Kelly
and Heery draw attention to two sources of support: other trade unions
and their members, and public opinion. Beyond the usefulness of this
demarcation, the point to note is the relationship between the impact of
privatisation upon trade unions’ (re)sources of power, and hence, on their
opportunity-to-act collectively.

To conclude, if Tilly (1978) is right, competition decreases work-
ers’ chances of gaining and controlling power resources collectively; it
reduces the opportunity for collective action to arise. Furthermore, he
maintains that competition is detrimental for workers’ mobilisation, but
would enhance the opportunities for capital’s counter-mobilisation by
increasing its chances of accumulating and controlling assets. Lebowitz
(2003) gives fresh support to this view by identifying competition with
capital’s logic of accumulation. He argues that when workers’ actions are
framed under the logic of competition, they express the dynamic force of
the political economy of capital, and therefore, are self-defeating for the
working class as a whole. In this argument, trade unions are instances of
a combination that reduces competition between individual workers and
which therefore is an expression of the political economy of the working
class. However competition among trade unions may, for instance, recre-
ate capital logic at new levels. As this study illuminates, these insights are
important, since privatisation indirectly fostered competition within trade
union ranks; on the one hand, privatisation spurred inter-union compe-
tition while on the other hand, it promoted changes which favoured the
growth of sectionalism.

The Organisation of Workers

While opportunity-to-act alludes to external relationships, the category
organisation ‘refers to the structure of a group, and in particular those
aspects which affect its capacity for collective action’ (Kelly 1998: 25). It is
closely related to the ability of workers to combine and mobilise resources
for the imposition of defensive or offensive sanctions upon the employer.
Batstone (1988) identified three main factors which affect the organisa-
tional strength and the extent of union influence: membership density,
scope of representation (or inclusiveness, see Kelly 1998), and organisa-
tional sophistication.

Labour scholars have often seen a certain degree of membership den-
sity as a basic aspect, which is a necessary but insufficient condition for
mobilisation and collective action. It is taken as a sign of workers’ identifica-
tion with a union and, perhaps, even of potential support. It is assumed to
heighten the representative role of unions’ officials in negotiations and to make threats of industrial action and sanctions more convincing. Moreover, an increase, or decrease, in membership has direct consequences upon the financial resources of a trade union.

The scope of representation has similar implications although it adds a subtle distinction. While a trade union might cover close to the entire constituency of eligible people, it might still mean a small proportion of the whole workforce of a given industry or workplace. The corollary is that even a high density might not be enough when a key group remains unorganised or organised by others. Therefore, membership density, scope of representation and the dynamics of the labour process combine in diverse ways, increasing or decreasing trade unions’ ability to act.

Finally, organisational sophistication is expected to be adequate for a union’s scope and inclusiveness. According to Batstone (1988), a proper organisational structure has to allow strategy, co-ordination, representation of sectional interests and organisational resources to plan action. Key to evaluating organisational sophistication would be the balance between centralisation and decentralisation of power within trade unions (Kelly 1998), which is often related to spatial dimensions as well as interactions between full-time officers, shop stewards, lay representatives and activists.

As secondary organisers, trade unions’ structures are often constrained by industrial structures, ownership and bargaining arrangements (Muller-Jentsch 1985; Offe and Wiesenthal 1985). For those reasons, privatisation challenged and imposed trenchant pressures upon these three factors, directly or indirectly. Therefore the study needs to explore how trade unions responded to the privatising context in which, for instance, job losses cut not only into membership but also through redundancy packages into the skills, knowledge and expertise of their officialdom; outsourcing and personal contracts reduced the scope of representation; and fragmentation in ownership and bargaining structures seems to have made strategy, co-ordination, representation of sectional interests and distribution of organisational resources more difficult.

Interest Definition

As with the concept of power, controversies around the notion of interest abound, and hence any theoretical and methodological choice will often be contentious. It is what Walter Gallie has called an ‘essentially contested concept [which] inevitably involve[s] endless disputes about their proper uses on the part of their users’ (quoted by Lukes 2005: 30). Additionally, as Lukes recognises: ‘to engage in such disputes is itself to engage in politics’ (Lukes 2005: 30). Then a better approach seems to be that the analysis accepts diversity and political connotations, explains the rationality of the choice and, again, avoids engaging in meaningless debates.

In this regard, Kelly criticises the prevalent casual empiricism within labour studies, expressed in the tendency to identify workers’ interests with the contents of collective bargaining. He concludes that, in this field, a ‘rigorous analytical treatment of interests is quite simply non-existent’ (Kelly 1998: 6). In fact, discussions have always oscillated between either taking wants or preferences as the only realm worthy of examination as the only realm worthy of examination (Armstrong et al. 1981) or deducing objective interests from agents’ structural position disregarding their actual pursuit or recognition by the agent (Edwards 1986). Indeed, Edwards suggested years ago that any reference to interests should simply be abandoned, and, instead, reliance should be placed on the analysis of how objective conditions encourage the growth of some preferences and not others among workers (Edwards 1986: 28).

Yet Kelly has insisted on the utility of the category interest, insofar as it is anchored in a theory of exploitation, and in the recognition of multiple levels of analysis along with the complexity of workers’ interests under capitalism (Kelly 1998: 8). These latter qualifications are relevant because if they are ignored, it is impossible to sort out the paradoxes alluded to by scholars: if the conceptualisation of the category interest is reduced to what workers can obtain by bargaining or at least, what they actually demand (a highly empiricist way of defining interest), what happens when there are changes in what they demand or obtain (Kelly 1998)? If the focus rests, exclusively, on what workers do rather than what they say, how can the gap between both levels be conceptualised (Edwards 1986)? If it is solely
stressed that demands are contingent products of social construction, how can losing sight of the structural antagonism as a crucial determinant of class identities under capitalism be avoided (Isaac 1987)? However, as stated above, in Rethinking Industrial Relations, Kelly overemphasises the link between individual subjectivity – the individual perception of injustice – and interest definition. In this book the emphasis will be on the social processes by which collective demands and ways of action are defined. This standpoint lies in the conviction that Kelly’s discussion seems too narrow a platform for the exploration of responses to privatisation policies of well-established organisations of workers.

This is, after all, a rather conventional approach in the field. Labour scholars (Edwards 1986, Hyman 1975, 1989; Kelly 1998, Offe and Wiesenthal 1985; Pizzorno 1978) have traditionally argued that the empirical manifestation of workers’ interests is constantly trapped between workers’ collectives and particular needs due to the fragmentation, subordination and exploitation of the working-class; and hence that workers’ interests can only be advanced insofar as they are to a certain extent collectively reworked. In short, labour scholars have insisted that workers’ expressed interests are socially constructed through a set of social practices. This is true, however, with the caveat that under the heading of interest, most labour scholars refer to concrete demands (generally the contents of bargaining) and methods of pursuing them (actions, policies and strategies). The essential point is that it is possible to argue that demands (not only those of collective bargaining) and ways of action are brought about by the social processes with which multiple and sometimes conflicting interests are collectively dealt.

In the main, two social processes have been identified as vital for spurring the collective reworking of conflicting and diverse interests in order to define demands and courses of action: a dialogical democracy (Offe and Wiesenthal 1985; Smith 2001; Hyman 1989) and an appropriate leadership (Batstone et al. 1978; Darlington 2001; Fantasia 1988).

A dialogical democracy implies effective, democratic and participatory channels of communication, debate and collective decision beyond the usual electoral procedures (Gall 2003; Hyman 1989; Kelly 1998; Offe and Wiesenthal 1985). It can be assessed empirically, on the one hand, by the type and frequency of meetings, ballots, assemblies, that form the mechanisms of debate and decision-making of the organisation; and on the other hand, by a qualitative analysis of the flow and type of information used as inputs in this process, and how the latter typically unfolds.

Concerning leadership, several scholars have shown how leaders and activists play a crucial role in the process of collectivisation (Barker et al. 2001; Fosh 1993; Darlington 2001; Gall 2003; Kelly 1998; Smith 2001). As Darlington summarises, these leaders help, first, to construct a sense of grievance amongst workers, attributing blame onto employers and/or the state rather than to uncontrollable economic forces or events. Second, they promote a sense of group or social identity, which encourages workers to become aware of their common interests in opposition of those of employers. Third, they urge workers to engage in collective action, a process of persuasion that is assumed to be essential because of the costs of such action and of the experience of many people with its different forms and consequences. Fourth, they legitimate such collective action in the face of employers’ counter-mobilising arguments that it is illegitimate (Darlington 2001: 2).

In sum, the aim of explaining how trade unions came to define concrete demands and strategies in the face of privatisation requires the study of the social processes by which workers mediate the opportunity structure. This includes the analysis of the impact of privatisation upon the decision-making process and workers’ participation, the analysis of the mediating role of the different leadership styles, and whether trade unions’ choices softened or reinforced the negatives of the opportunity structure.

Conclusion

Mobilisation theory is a powerful instrument for studying how privatisation conditioned workers’ collectivism and how trade unions responded to this challenge. The main advantage of mobilisation theory lies in its scope and flexibility. On the one hand, it offers a cyclical and long-term account
of conflicting movements of capital and labour. On the other, it identifies certain dimensions, which are critical to the presence or absence of collective action, and for that reason, makes theoretically informed explanations of specific empirical outcomes possible. It provides too, a set of categories for this endeavour: opportunity-to-act, mobilisation, collective action, organisation, interest definition.

This chapter discusses the operationalisation of each of these categories. It advances an understanding of opportunity structure in terms of power relations and identifies crucial aspects of the category organisation. It also explains why the framework developed by Kelly to discuss the category interest seems too narrow a platform for exploration of the responses to privatisation policies of well-established organisations of workers involved in a long history of interactions with governments and managers. Thus, the chapter suggests a different, though quite conventional approach, whose focus is on social processes such as leadership and decision-making.

To conclude, the long-run perspective of mobilisation theory permits the postulation that ESI privatisation programmes were counter-mobilisation events, as shall be discussed in detail in Chapter Four. Hence it may be further postulated that these programmes were processes that affected the dimensions of workers’ collectivism as a whole: the opportunity for trade unions to engage in collective action, their organisations and the social interactions by which interests, demands and ways of action are defined. However, in this context of tough external conditions, variability in trade unions’ strategies should be explained by mobilisation theory as well, in part, by variability in the categories organisation and interest, as defined above.

Chapter Three

Research Strategies and Methodologies

Although personal choices, opportunities and preferences have an important role in shaping the methodological design of any research, the appropriateness of the strategies and methods adopted has to be evaluated taking into account the object of study, the availability of or the possibility of producing data, and its temporal feasibility (Oyen 1990). Thus, it is possible to claim that research strategies and methods are justified and strengthened if:

a) they are consistent with the aims of the research and the object under study;

b) they are related to a specific methodological tradition in the field of study under consideration;

c) they are feasible in terms of data availability;

d) they are scientific and rigorous in terms of data collection and analysis.

The case-study approach and the comparative method are the two strategies chosen to carry out the research. Bearing in mind the aforementioned criteria, it is necessary to consider whether or not they are pertinent to the research project.
The Aims of the Research and the Object under Study

The empirical aim of this research is to study the relationships between privatisation and workers’ collectivism. Why privatisation? Because, as shall be discussed in Chapters Four and Five, the sale of public companies has been a key aspect of the cycle of state and capital counter-mobilisation, which began in the 1970s. This implies the study of how and why ESI privatisation conditioned trade unions’ ability to engage in collective action, and also the study of trade unions’ concrete responses. The theoretical objective is to test the potential of mobilisation theory for carrying out such a task within a comparative perspective. The case-study method appears appropriate, since the research is driven by explanatory questions with a focus on a small number of cases from the UK and Argentina in order to gather detailed qualitative data.

Why these two countries? From the late 1970s until the mid-1990s, these two countries experienced far-reaching processes of employer and state counter-mobilisation against labour, whose main distinguishing feature was the privatisation of public enterprises, arguably the greatest privatising processes ever witnessed in the Americas and Western Europe. This feature may give us a positive basis for comparison, for both countries experienced the decline of the most visible forms of worker collectivism during the same period. Yet, there are important differences too, which provide bases for testing mobilisation theory in different contexts. These differences not only include these countries’ institutional backgrounds, in terms of politics and industrial relations, but also their world market position and the policy forces driving privatisation. While the UK is a G8 economy and is recognised as a privatising pioneer, Argentina has an altogether different position in the world economic order, and has undertaken privatisation later and in different circumstances. In Argentina this policy was largely the outcome of external pressures from international aid donors and banking agencies, such as World Bank (the WB) and the International Monetary Fund (the IMF) (Dinerstein 2001; Thwaites Rey 1994, 2003).
and worker collectivism, taking as a general framework the explanatory variables developed by mobilisation theory (Kelly 1998; Tilly 1978), matches most of Poole’s (1986) criteria for conducting comparative studies in the field of industrial relations. These are: to concentrate on the effects brought about by social structures and processes, to carry out a multidisciplinary approach, to focus on explanatory variables instead of descriptive ones and to introduce a historical perspective. Indeed, most studies applying mobilisation theory have a narrow focus and almost all are based on a single country. Hence the value of comparison lies in extending the generality of mobilisation theory, that is, in enabling the pinning down of a range of intermediate variables and their diverse impacts.

Methodological Traditions in the Field of Industrial Relations

Both strategies, the case-study approach and the comparative method, have been widely used in studies of labour and industrial relations. On the one hand, there is a long tradition of case-study research in these fields. It ranges from the classical ethnographic case-studies (Batstone et al. 1977, 1978; Beynon 1984; Edwards and Scullion 1982) to the common use of this approach in analysing, for instance, the effects of privatisations upon industrial relations and labour conditions (O’Connell Davidson 1993; Pendleton and Winterton 1993) and in testing and advancing general or theoretical propositions (Crouch 1994; Darlington 2001; Gall 2003; Kelly and Willman 2004; Smith 2001). On the other hand, the importance of the role of comparative studies in the development of the discipline of industrial relations is also well-established. Scholars have often underlined the capabilities of comparative studies for the acquisition of a greater insight into one’s own country and the development of explanatory theory (Bamber and Lansbury 1993; Bamber, Lansbury and Wiles 2004; Bean 1994; Ferner 1988; Hyman 1994a), and have usually attempted to combine both approaches (Clegg 1976; Edwards 1986; Hyman and Ferner 1994).

As Hammersley and Gomm (2000) remind us, there is no standard way of applying the label case-study. It is important to specify some of its critical features. These authors consider that a case-study approach broadly distinguishes itself by focusing on a small number of cases, gathering a large amount of detailed qualitative rather than quantitative data for each, and studying preferably ongoing processes. This research matches all these criteria. Regarding theory, while they formally recognise exceptions, these scholars point out a lack of concern with theoretical and empirical generalisations. However this is not inevitably the case. Yin (1994), for instance, offers a different though similar picture. He also understands a case-study to be an empirical enquiry of contemporary phenomena, but in which context become explanatorily meaningful and in which the researcher has no control over the events. This author stresses the desirability of theory development as the previous step of any case-study in order to guide data collection and analysis. Also according to Yin (1994), there is another factor that may increase the appeal of this approach, and this is the sort of research question the researcher seeks to answer. When explanatory questions such as how and why are the driving forces of the enquiry, case-study emerges as an advantageous strategy.

Comparison, in turn, is a classical approach of socio-historical research that brings into play both convergence and divergence analyses for identification of patterns of similarities and diversity (Hyman 1994b; Mahoney and Rueschemeyer 2003; Oyen 1990; Ragin 1994; Teune 1990). However, it is argued that within the range of qualitative methods ‘the distinctiveness of the comparative approach is clearest in studies that focus on diversity’ (Ragin 1994: 105). Some authors suggest that this research strategy has become even more important in the current period of increasing internationalisation (Bamber and Lansbury 1993); in this way, the globalisation of problems and processes is identified as a driving force towards comparative studies (Oyen 1990). Privatisation has become a global process which has posed similar problems, although in highly different institutional contexts, for the ability of workers to act collectively.
Contrary to the vacillation referred to above on the theoretical potential of case-study research, the basic features of the comparative method ‘make it a good strategy for advancing theory. These features include its use of flexible frames, its explicit focus on the causes of diversity, and its emphasis on the systematic analysis of similarities and differences in the effort to specify how diversity is patterned’ (Ragin 1994: 111). Hence, the placement of a set of case-studies within a comparative perspective may help to balance any misgivings about the contribution of the research design to theory development. Additionally, when pursuing qualitative comparisons, this strategy usually demands a limited number of cases in order to achieve familiarity, for knowledge of cases is conceived of as a goal in itself in mainstream academic practice.

Data Availability, Collection and Analysis: The Methodological Design

With regard to the data availability and collection, and bearing in mind that privatisation is a recent phenomenon, access to data benefits from the use of multiple sources of mainly qualitative evidence which are basically documentation, archival records and interviews. Yet, a more fruitful examination of these aspects, availability, collection and analysis of data, demands the presentation of the details of the methodological design.

The methodological design of this book comprises a systematic analysis and comparison of empirical evidence taken from five case-studies: the impact of privatisation upon and the responses to it of five trade unions in two countries (three unions in the UK and two in Argentina; Table 1). Chapters Seven to Ten organise findings according to certain relevant topics with regard to the trade unions’ choices, the counter-mobilising factors embedded in the process of privatisation and the impact of the later on organisational and agency type variables.
Following a well-established practice within cross-national comparative studies, the design holds the industry factor constant (Bean 1994; Ferner 1988). Thus, the research focuses on the privatisation of one industry, which, in turn, allows a better appreciation of changes in market and industrial structures due to privatisation. National variability in the degree of fragmentation, restructuring, and boundary redefinitions of the ESI, and in the forms and intensity of capital competition, concentration and integration, are, in this regard, crucial, given that these industrial and market factors have a determining effect on trade unions’ (re)sources of power. A comparative study of the process of privatisation of the industry and of the immediate evolutionary aftermath may highlight variations which influence differently the dynamics of counter-mobilisation and the very possibility of workers’ collectivism.

Similarly, divergences in the British and the Argentinian Industrial relations systems are to be analysed insofar as they affect patterns of power resource allocation. The research pays particular attention to factors that have determined dissimilar correlations between the political and industrial dimensions of trade unions’ (re)resources of power.

As for data collection, this has been completed by holding interviews and by extracting material from archival documents. The principal subjects of the interviews were trade union officials who had experienced the process of privatisation; in particular, national and regional/branch union officials with negotiating and political responsibilities, but also workplace representatives. In Argentina, given the organisational structures of trade unions, there are no regional officials. The choices made have pursued a balance between different levels of officialdom and between different unions. The rationale for the selection of interviewees for the higher levels has been their first-hand knowledge about the process of privatisation. All national and regional/branch union officials have had, at the moment of privatisation, negotiation and political responsibilities. Concerning workplace representatives, interviews have been directed towards obtaining information on the recent evolution of collective bargaining, grievances and conflicts, workplace structures of representation, rank and file participation, and the mechanism of decision-making at shop-floor level.

As the aim of the research is to determine how privatisation impacted upon trade union ability to engage in collective action, the design does not attempt to limit the enquiry to geographical boundaries or particular firms. On the contrary, the survey of diversity has provided positive insight.

A total of fifty-three interviews have been carried out: forty-seven in-depth unstructured and semi-structured interviews, conditioned by the research objectives and the status of the informants, and six focus groups with workplace representatives. The distribution of the fifty-three interviews appears in Table 2:

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Amicus</th>
<th>Prospect</th>
<th>Unison</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National officer</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Regional/Branch officer</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Lay reps</td>
<td>3</td>
<td></td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Focus groups</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>8</td>
<td>10</td>
<td>29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Luz y Fuerza CF</th>
<th>Luz y Fuerza MDP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union officers</td>
<td>5</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Lay reps</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Focus groups</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>13</td>
<td>24</td>
</tr>
</tbody>
</table>
The selection of respondents is intended to balance the representation of different market segments. In the case of the UK, in order to control regional peculiarities, the research design has limited interviews of regional officers and lay representatives to the London region and the Midlands. In both countries, access to lower levels of the officialdom has often been negotiated through contacts with officers at unions’ headquarters.

The information collected by this technique has been complemented by data taken from primary and secondary sources. Indeed, the extensive use of historical and written documentation is a distinctive feature of the book. Recent mainstream research on human resources management and industrial relations tends to focus on interviews and questionnaires, and to downplay the historical material built around issues such as privatisation. In this book, by contrast and given the historical perspective adopted by the research, both methods of data collection have been of equal importance and have supported each other. Typically, the interviews have been enriched by the information collected from the primary sources. In mainstream research, data triangulation is usually carried out by holding interviews with people who are expected to hold different views about a given topic. An alternative to this procedure is to use qualitatively different sources. With this in mind, written material has proved to be useful not only in checking data reliability but also in filling information gaps.

The survey, the critique and the analysis of primary sources are very time-consuming tasks. As a result, the organisation of the fieldwork to survey primary sources related to different privatisation processes and five trade unions has been a crucial challenge. The vast array of documentation produced during the period by public authorities, trade unions and other relevant actors compels the researcher to be selective. It follows that the first methodological decision regarding data collection was to prioritise trade unions’ sources, for the two axes of the research were how privatisation conditioned trade unions’ ability to act and how ESI unions effectively responded to that challenge. However, given the role of the Argentinian government in the process of dismantling the institutions of industrial relations in the public sector before privatisation (see Chapter Six), the survey, in this case, was extended to relevant documentation produced by the Ministry of Economy (Campaño and Caruso 1991; Campaño et al. 1991; Daireaux et al. 1990; Ministerio de Economía 1990a, 1990b, 1990c) and the Ministry of Labour (Ministerio de Trabajo 1990).

Nevertheless, the main sources of the research were trade unions’ journals, annual reports (the so-called Memoria y Balance in Argentina) and conference reports (see Table 3).

Table 3: Main Primary Sources

<table>
<thead>
<tr>
<th>Trade union</th>
<th>Main sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>EETPU</td>
<td>– Contact (journal)</td>
</tr>
<tr>
<td></td>
<td>– Shop Stewards Quarterly Review</td>
</tr>
<tr>
<td></td>
<td>– Biennial Delegate Conferences</td>
</tr>
<tr>
<td></td>
<td>– National Conferences for the ESI</td>
</tr>
<tr>
<td>AEEU</td>
<td>– AEEU (journal)</td>
</tr>
<tr>
<td></td>
<td>– Annual Reports</td>
</tr>
<tr>
<td>Amicus</td>
<td>– Annual Reports</td>
</tr>
<tr>
<td>EPEA</td>
<td>– EPE Electrical Power Engineer (journal)</td>
</tr>
<tr>
<td></td>
<td>– Privatization news (newsletter)</td>
</tr>
<tr>
<td></td>
<td>– Agenda of the Delegate Conferences</td>
</tr>
<tr>
<td></td>
<td>– Annual Reports</td>
</tr>
<tr>
<td>EMA</td>
<td>– EMA Newsletter</td>
</tr>
<tr>
<td></td>
<td>– Annual Reports</td>
</tr>
<tr>
<td>Prospect</td>
<td>– Annual Reports</td>
</tr>
<tr>
<td>NALGO</td>
<td>– NALGO News (journal)</td>
</tr>
<tr>
<td></td>
<td>– Focus (journal)</td>
</tr>
<tr>
<td></td>
<td>– Annual Reports</td>
</tr>
<tr>
<td></td>
<td>– Electricity Branch Circulars 1989–90</td>
</tr>
<tr>
<td>Unison</td>
<td>– Energy Service Group Conferences</td>
</tr>
<tr>
<td></td>
<td>– Annual Reports</td>
</tr>
<tr>
<td>TUC</td>
<td>– Annual Reports</td>
</tr>
<tr>
<td>Luz y Fuerza CF</td>
<td>– Dinamis (journal)</td>
</tr>
<tr>
<td></td>
<td>– Memoria y Balance (Annual Reports)</td>
</tr>
<tr>
<td>Luz y Fuerza MDP</td>
<td>– 8 de Octubre (journal)</td>
</tr>
<tr>
<td></td>
<td>– Memoria y Balance (Annual Reports)</td>
</tr>
</tbody>
</table>
In each case-study, the year taken as the starting-point of the survey was the year in which the privatisation plan was announced. Then, chronologically appropriate reading contributed to the identification of changes in trade unions’ policies, critical events and the different phases of trade unions’ strategies. In addition, trade unions’ journals and reports referred to – and even published – relevant written materials which addressed privatisation issues, thereby orienting the fieldwork towards particular documents. For that reason, during this survey of primary sources a great deal of effort went into locating specific publications and documentation (for instance: EPEA 1986; FATLyF 1992; FUSE 1987; LyF MDP 1994b, 1997, 1998; NALGO 1988c, 1989a, 1989b; NOP 1989, 1991; TUC 1989b, 1989c; Unison 1996a, 1996b; among others).

The accuracy and objectiveness of the primary sources collected during the fieldwork were constant concerns. Documents are often difficult to interpret and demand a high level of scrutiny. Still, primary sources usually offer new input for historical questions and this research was not an exception. While most interviewees were able to give detailed information about certain events and topics, the same respondents tended to ignore other dimensions of the process of trade unions’ strategies in the face of privatisation. In this regard, written sources contributed to redressing the balance in the analysis. For instance, aspects like the different forms taken by the politics of money (see Chapter Eight), the contradictory evolution of the structures of collective bargaining (see Chapter Nine) or the scope and timing of unions’ organisational changes (see Chapter Ten) could have hardly been studied in absence of written evidence. Interviews proved essential when obtaining information about other facets like inter-unions tensions within single table bargaining (see Chapter Nine) or the rise of sectionalism (see Chapter Ten). Yet, as a stylistic strategy, the narrative of the findings was supported, whenever possible, with quotations taken from interviews. The purpose was to facilitate a more attractive exposition.

A critical problem was where and how to obtain these sources. Two paths were followed. On the one hand, the search began with visits to well-known repositories of primary sources about the history of trade unions. On the other, interviewees were questioned about the type of documentation kept by the organisation they belonged to. In fact, the method of carrying out the fieldwork with regard to the survey of written documents was different in both countries.

In the UK, interviewees manifested that their trade unions did not have policies on documentation storage. Partly due to the process of mergers undergone by ESI unions, past records had been lost or given to public institutions. In this regard, the most important collections of trade unions’ documents were the Trades Union Congress Library Collections at the London Metropolitan University and the Modern Records Centre at the University of Warwick. Therefore, it was possible to find in these places, particularly in the former, complete collections of trade unions’ journals, annual reports and other relevant documentation.

Instead, in Argentina, both trade unions have collections of the journals published by their organisation and other relevant sources in their headquarters. Thus, access to their archives was negotiated simultaneously with access to carry out interviews with union officials. The libraries of the Ministry of Economy (Ministerio de Economía) and Ministry of Labour (Ministerio de Trabajo) were two important repositories of official documentation. The former was particularly useful, as primary sources – previously unused by scholars but critical to the study of how the government designed its policies against public unions to ease the process of privatisation – were found during the survey (see Chapters Six, Seven and Nine).

In sum, the written materials collected were crucial to achieving accuracy in the historical reconstruction of the process of privatisation and how trade unions responded to it. They were of primary importance in dating particular changes in trade unions’ policies and in identifying certain patterns in, for instance, the evolution of collective bargaining or the counter-mobilisation strategies. In short, these materials were essential for the research, as they provided accuracy where interviews offered diffuse information.

Quantitative data has been collected and processed when appropriate. Some trade union resources affected by privatisation are measurable. For instance, if the main focus of interest is the evolution of organisational resources, variables such as membership, union density, or number of lay representatives and union officers, are quantifiable and apt for analysis along time series. This is also the case with monetary resources. The same
can be said about some kinds of collective actions. Strikes, overtime bans, go-slowss, works-to-rule, petitions and collective appeals are suitable for quantification. In fact, these types of quantitative data there have formed the basis of the debate on trade unions’ power decline. However, if several trade unions’ resources may be translated into quantifiable variables, their use and mobilisation may not. Thus, quantitative data was often subordinated to qualitative data. Furthermore, as it was impossible to obtain similar and complete series of data, its use has been very limited and of secondary importance.

Scope and Limits

Any methodological design which takes as a research strategy the case-study approach may face concerns about the generalisation of findings. An author such as Stake (2000) has restricted the scope of case-study research to illuminate what is particularly in-depth and unique. Simons (1996) downplays this aspect by arguing that the tension between what is particular, and what is patterned and regular, underlies any social research. She has pointed out the paradox of case-study research: its strength in generating both unique and universal understanding by use of an in-depth focus and a holistic perspective. Yet, Simons maintains that the advantage of a case-study approach remains its ability to deal with uniqueness and particularities.

By contrast, other scholars stress that a case-study approach does not preclude generalisation; but beyond this elemental agreement, very different positions are taken. Generally, those who support a classic view of social science, in which research aims to generalise findings to diverse populations and times, often insist on the need of a proper design, from sampling in multi-case studies to appropriate thick descriptions for further comparisons. Yin (1994) opposes this view and suggests another understanding based on what he calls analytical generalisation. From this point of view, research designs should not pursue a sampling logic. A case-study approach must avoid statistical generalisation. It is in relation to previous theoretical developments and rival theories that findings should be considered. Finally, some scholars have questioned the traditional meaning of generalisation (Lincoln and Guba 2000; Schofield 2000). They put their efforts into reworking the notion of generalisation in order to enhance the chance of speaking beyond the immediate concerns of their case-studies.

Thus generalisation remains problematic for any methodology built upon a case-study strategy. For this reason, the research neither pursues straightforward generalisations from empirical findings nor pretends to establish universal patterns. Indeed, following the insights of the ontological understanding advanced by critical realism (Ackroyd and Fleetwood 2000; Edwards 2005; Fleetwood 1999; Roberts 1999, 2001; Sayer 1992), our approach starts by identifying serious reservations about the possibility of identifying regular patterns of events in contexts of openness. Yet, what the design does attempt is to test the potential of mobilisation theory to offer comparative and theoretically informed explanations of trade unions’ ability to engage in collective action in social contexts characterised by a counter-mobilisation wave. In short, while the enquiry recognises the complexities of generalisation, it also recognises that to ask how far the findings are likely to apply in other circumstances is a task that needs to be undertaken.

Another potential source of concern relates to the rationale for a comparative analysis. Mobilisation theory, as rethought by Kelly for application to organised labour, is still in its infancy. As already mentioned, Gall (2000) stressed the lack of intellectual engagement with the theoretical framework developed by Kelly, especially at meso- and macroanalytical levels. This remains the case, for the theory has often been applied to short-term events (Atzenni 2005; Brown Johnson and Jarley 2004; Darlington 2001; Gall 2000; Kelly and Badigannavar 2003; Kelly and Willman 2004; Moore 2004). This gap, together with the surprising scarcity of studies about how privatisation conditioned trade union strategic capacity, reinforces the case for the investigation of mobilisation theory in a comparative context marked by state and capital counter-mobilisation. Indeed, once meso- and macro-levels are incorporated into the analysis, the diversity in
Chapter Three

industrial and institutional intermediate variables, which partly determine the opportunity-to-act and the allocation of power resources, proves to be a promising avenue for the evaluation of the potential of mobilisation theory. Likewise, variability in leadership styles, decision-making dynamics and types of organisation serves the purpose of examining how far workers’ collectivism depends, in the midst of adverse external conditions on organisational processes and capabilities. In this sense, the virtue of comparing dissimilar cases, as regards the institutional context, is that any patterns of similarity that might be found are likely to exhibit processes with a high degree of generality in relation to workers’ (de)mobilisation around privatisation.

Conclusion

For assessment of the adequacy of the methodology, this chapter discusses the research strategies and methodological design, and some areas of potential concern, which stem from these choices. The fundamental conclusion to be drawn from this discussion is that the methodological decisions that underpin this study have the aim to enhance the explanatory potential of mobilisation theory. In this sense, the scope and multiple levels of analysis is thought to be essential for the researcher to pay attention, on the one hand, to the strategic interaction of the contenders, and on the other, to the ability of the actors to modify the opportunity structure through their strategic choices, and in this way, to open or foreclose specific paths of action.

Chapter Four

Privatisation as Counter-Mobilisation

Chapter Two sets out the analytical framework of the research from a mobilisation perspective. This theoretical starting-point has some advantages. It positions any shift in labour-capital relations in historical perspective, and in this sense, overcomes the ahistorical character of most studies of union organisations (Kelly and Heery 1994: 23). It provides a model for the long-term as well as a related theory of collective action for the short-term (mobilisation theory and its pool of categories). Furthermore, by combining empirical evidence of long waves and the categories of mobilisation, it allows the analysis to transcend the scope of workplace and industrial relations institutions in order to explain workers’ collectivism. In this regard, Kelly’s proposal matches Hyman’s statement: ‘the phenomena of industrial relations cannot be understood simply in their own terms. Industrial relations cannot adequately be comprehended as a relatively autonomous “sub-system” of society upon which political and economic forces impinge only exogenously’ (Hyman 1994c: 171).

The analytical framework postulates that the process of privatisation is a counter-mobilising force; Chapters Four and Five intend to substantiate this claim. Therefore, after illustrating the various meanings of the term privatisation, this chapter provides diverse arguments asserting its counter-mobilising content. In so doing, it shows, first, that the labour movement had invested in the preceding regime, as trade unions considered public ownership vital to organised labour gains. Then, drawing on Marxist political economy, it develops a theoretical argument about privatisation increasing the scope of operation of private capital. After this, from a mobilisation perspective, it addresses, theoretically and empirically, the relationship between privatisation and appropriation of resources. Finally, there is a review of the literature on the relationships between
privatisation and labour, and particularly on the detrimental impact of the former on the latter.

On the Meaning and Origins of Privatisation

Once one becomes immersed in the literature, privatisation reveals itself as an unexpectedly fuzzy term; different sorts of policies have been deployed using this label. As Bishop and Kay pointed out in their approach to the UK’s experience, ‘since 1979, “privatisation” has become an umbrella term covering a number of British government microeconomic policies. In addition to the sale of publicly owned enterprise with which it is normally associated, privatization has included policies of deregulation, liberalization and franchising’ (Bishop and Kay 1989: 643). Such usage focuses on the involvement of market forces in ensuring greater competition, economic efficiency, and the reduction of the role of the state in the regulation, production and provision of goods and services; that is, privatisation is associated with deregulation and liberalisation. This is the normal usage of the term privatisation in most works (Austin et al. 1986; Bishop and Kay 1989; Clarke 1993; Heald and Steel 1991; Wiltshire 1987). While this broad definition might be appropriate as a way of depicting a general approach towards economic policy rather than a policy in itself, it might be misleading for certain analytical purposes. Therefore another trend has stressed that the liquidation of publicly owned assets, the sale of minority public-shares of private enterprises, governmental measures towards liberalisation, deregulation of economic activities and the introduction of patterns of behaviour taken from the private sector into public sector enterprises, cannot be considered as instances of privatisation (Bienen and Waterbury 1989; Gupta 2000; Walle 1989).

For authors like Ramanadham, privatisation ‘represents marketization of enterprise operations and can be sought through three options – ownership changes, organizational changes and operational changes’ (Ramanadham 1993: 2). Such views reduce the concept of privatisation to its practical and political meaning by referring to a wide range of actions taken following the end of the 1970s by governments to reduce the role of the state and to encourage market forces. But, it still comprises many different policies.

In opposition to broad definitions, then, Ramamurti confines the term to the ‘divestiture of these enterprises which state owns and operates itself’ (Ramamurti 1992a: 1); that is, the ‘sale of all or part of a government’s equity in state-owned enterprises (SOEs) to the private sector, or the placing of SOEs under private management through leasing and management contracts’ (Ramamurti 1992b: 228). Walle expresses the same idea in a slightly different manner: ‘the transfer of ownership or control of an enterprise from the government to the private sector, with particular reference to assets sales’ (Walle 1989: 601; also Molz 1990). These narrow definitions of privatisation seem to be more useful analytically than broader ones.

Yet, some scholars claim that in this type of definition an important ambiguity persists: that the percentage of the equity sold by the state to private capital remains unspecified. Beesley and Littlechild (1988) and Weyman-Jones (1993), for instance, have stressed that the sale should represent at least 50 per cent of the shares of the former public enterprises (including mixed enterprises); though they restrict privatisation to just this aspect. On the contrary, concession of control is often considered as an aspect of privatisation in the narrow definitions so far.

In short, following broad formulations, some studies include in privatisation the relaxation or abolition of monopoly powers that prevent private sector firms entering markets previously exclusively supplied by the public sector (Wiltshire 1987). Others, instead, prefer to apply the term market liberalisation (Weyman-Jones 1993), when referring to permission and facilitation of competitive new entrants to the marketplace. Similarly, deregulation – and not privatisation – seems for others to be a
For the purposes of this book, the main deficit of mainstream approaches to privatisation is not their lack of a common use of the term, or a shared understanding of the origins of privatisation, but their tendency to conceive of privatisation as an administrative measure, that is, as a technical response to an economic problem (Dinerstein 2001). As a result, previous studies seek to evaluate whether privatisation – whatever its operational definition – achieved the declared aims. Whereas it might be important to find gaps between promises and realisations, this approach misses the political and counter-mobilising dimensions of privatisation, for ‘as the 1997 [the WB] Report highlights, the current wave of privatization and deregulation is a political program, the result of a strategy designed to serve one set of interests as opposed to another’ (Cook and Murphy 2002: 1). Accordingly, many scholars stress that privatisations were not technically inevitable but were part of a strategy in which the role of institutions like the IMF and the WB in designing, promoting and implementing the programmes was critical for their proliferation worldwide (Cook and Murphy 2002; Dinerstein 2001; Thwaites Rey 1994, 2003). Yet, if the picture in the UK is free from the direct interference of the international actors mentioned above, it is no less true that privatisation has also served certain interests as opposed to others in that country. Indeed, diverse accounts make it clear that the agenda for privatisation, especially in the UK but also elsewhere, was partly motivated, overtly and ideologically, towards freeing up markets by rolling back the constraining impact of organised labour on the opportunities for private capital, as shall be discussed in more detail in Chapter Five.

An Historical Argument:
Privatisation and the Politics of the Labour Movements (I)

It seems pertinent to begin the substantiation of the counter-mobilising content of privatisation by stressing that privatisation halted a long term and widespread aspiration of the labour movement for the consolidation of state

better term to use when speaking of the removal or relaxation of restrictions on procedures, pricing, and output and investment decisions of both public and private industries. Empirically, however, these aspects usually appear together, because it is distinctive of privatisation programmes to seek market liberalisation and deregulation in an effort to increase competition, reduce the state activity and free market forces at every level. Yet, this is not always the case as different combinations of privatisation, liberalisation and deregulation are always possible. This is an important distinction in the case of public utilities when new regulatory institutions and policies are put in place. Denationalisation (Gupta 2000) refers to the sale of public assets and shares, regardless of the proportion sold. The term commercialism (Ferner 1988) refers to the action of extending the legal norms that regulate private sector activities to state enterprises working on commercial bases, as an attempt to find a set of objectives and criteria which act as market proxies in the public sector. Now empirically, all these policies have been combined in different ways, and even a strict definition of terms will fail to overcome conceptual and empirical overlaps. It is still worth differentiating between different (or potentially different) processes and policies that have been diversely applied. Moreover, when studying the privatisation of public utilities in a comparative perspective, each of these separate processes might carry consequences for labour that are of a different order and magnitude.

In summary, despite definitional subtleties, all these reforms are intended to reduce the extent of regulated or co-ordinated market activity and, concomitantly, to expand opportunities for accumulation.

As for the origins of privatisation, there are many and diverse explanations, which usually consist of some combination of multiple motives. The few who offer a common and general reason for worldwide privatisation emphasise either the fiscal deficit (Christiansen 1989: 597; Gupta 2000: 19) or the governmental dissatisfaction with the performance of public enterprises (Walle 1989). Beyond general statements, these explanations often add secondary reasons, differentiating between developed countries (DC) and less developed countries (LDC) as shall be shown in the next chapter, or find out particular objectives following specific circumstances.
privatisation as counter-mobilisation

post-war period, and worked to overcome objections to nationalisation by appealing to wider public opinion, propagandising it as a good for British society. To this end, in 194,k the TUC declared that public corporation boards should be appointed by the Ministers concerned, supporting in this way the Morrisonian solution of no organised interest representation. This was the pattern of nationalisation policy and there was neither workers’ control nor trade union representation as such on any body responsible for managing nationalised industries (Cole 1953; Pendleton and Winterton 1993). The Morrisonian Corporation had, by statutory obligation, joint consultation and centralised negotiation procedures with the participation of all representative bodies; that strengthened the trade unions’ position and won their support. Although the Morrisonian model was brought into question by some trade unions by the mid-1980s, the commitment to either public ownership or its revitalisation through the notion of social ownership was firm within the ranks of the British labour movement (EETPU 1987; TUC 1984, 1986, 1988).

In Argentina there was no similar long-term commitment to public ownership by the labour movement, at least not explicitly. As the composition of its working-class was an outcome of migratory trends, Argentina’s multinational outlook rendered governments and the state alien to workers’ aspirations, mainly because foreigners were denied political rights and were often repressed (Falcón and Monserrat 2000; Godio 1987). Distrust of governments increased the appeal within labour ranks of anti-state ideologies such as anarchism and revolutionary syndicalism (Del Campo 1986; Suriano 1990). The labour movement in Argentina never experienced events of exceptional governmental controls and takeovers of industry due to war exigencies, which were crucial in the UK to shaping the evolution of workers’ demands regarding nationalisation and to making them a practical issue. Gradually, however, by the end of the 1920s, some key trade unions had begun to negotiate with governments, asking for state intervention through legislation and arbitration in labour disputes, and engaging in a sort of incipient political exchange, but still without including public ownership among their objectives (Falcón and Monserrat 2000). The rise of Peronism in the mid-1940s would be the turning point. Its programme of nationalisation and public ownership of key industries as part of a developmental,
industrialist and anti-imperialist project found the support of a growing Peronised and nationalised labour movement, which appropriated state ownership as their own political and nationalistic objective (Cordone 1993). This trend continued well after the fall of the government at hands of a military coup in 1955, as is shown by the political programmes of 1962 (the so-called Programa de Huerta Grande) and 1968 (Programa del 1º de Mayo de la CGT de los Argentinos), backed by trade unions, in which amidst acute episodes of open class struggles, radicalised leaderships of the labour movement explicitly asked for wide nationalisations as preliminary steps towards a national version of socialism (James 1988).

The democratic transition in Argentina during the 1980s witnessed strong trade union opposition to any attempt to privatise state enterprises, and this political demand was included in most of the thirteen national strikes launched by the Central General de Trabajadores (CGT) between 1984 and 1988, though now completely stripped of any revolutionary connotation. LyF CF, for instance, the electrical trade union of Buenos Aires, demanded, from its origins in 1943, the nationalisation of the industry. This aim was partially fulfilled by the creation of a national enterprise, Agua y Energía Eléctrica in 1947, but the main private companies continued their operations. In 1961, the government planned, as a temporary solution against private monopoly powers, a nearly complete nationalisation of the industry but with the intention of re-privatising it soon after. However, LyF CF aborted this intention and was even able to obtain a short but intense participation in enterprise management between 1973 and 1976, with a view to developing trade unions’ management in the public sector. Again, a military coup put a complete and violent stop to this erasing the experience gained. The collective agreement (CCT) negotiated in 1975 by the electrical union was, perhaps, the most advanced ever in Argentina and Latin America from the point of view of social protection to labour, and it was regarded by other public unions as a model to imitate. In short, state control over the industry was the political position of the electrical trade union throughout the period until its re-privatisation in 1993.

Consequently, whether under the ideological wisdom of Fabianism, socialism, anti-imperialism, nationalism or otherwise, both labour movements favoured public ownership, a political aim which was later on reinforced by the good rates of pay and good terms and conditions obtained in the state industries. The argument is not that nationalisations were brought about by the struggles of the labour movement – if this could be a plausible argument for the UK, it is clearly not for Argentina – but simply that nationalisation was amongst, or became a part of, trade unions’ long-term political objectives. It is not surprising, then, that privatisation plans were always opposed at the outset by trade unions, though not necessarily by direct industrial action, while the private sector enthusiastically pushed for their implementation. Thus, privatisation came to reverse a well-established preference of organised labour for the extension of public ownership.

A Theoretical Argument:
The Enhancement of Market Discipline (II)

Marx’s critique of the political economy of capital is well-known (Marx 1973, 1977). He begins with the most simple category to be found in capitalism, the commodity, which is placed in the abstract realm of ‘capital in general’ (Rosdolsky 1977), in which capital’s development is shown in its specific characteristics as a self-valorisation process, and there is no place for surface phenomena such as competition among capitals. Marx considered it methodologically necessary first to grasp the inner nature of capital in order to understand the behaviour and movement of many capitals subsequently (Arthur 2004; Lebowitz 2003). However, Marx often stressed that capital really exists – ‘necessarily expresses itself’ – as individual capitals, as capitals in competition: ‘the immanent laws of capitalist production manifest themselves in the external movement of the individual capitals, assert themselves as the coercive laws of competition’ (Marx 1977: 433). For him, competition ‘is nothing more than the way in which the many capitals force the inherent determinants of capital upon one another and upon themselves’ (Marx 1973: 651). In short, the inner nature of capital development needs the action of many capitals acting in their self-interest...
defined through a political process which combines diverse economic roles – from supporting private industry to implementing macroeconomic policies – with tasks related to political legitimation (Ferner 1988: 30–1; Goldín 1997). Historically, trade unions took advantage of their ability to participate in this political process. At their peak, right-wing thinkers wisely alluded to this aspect when arguing in favour of privatisation and other neo-liberal policies.

A Theoretic Empirical Argument: The Appropriation of Resources (III)

From the point of view of mobilisation theory, privatisation may be conceptualised as constituting in itself a huge process of appropriation of resources, and therefore, as a process of counter-mobilisation as well. Indeed, the main features of the epoch of market liberalisation, the process of capital internationalisation, the expansion of MNCs and the retreat of the state from the direct control of production and services, are closely tied to worldwide privatisations of public property, which entail an enormous transfer at a global scale of material resources from the public sphere to the private domain: in short, an enormous and direct concentration of wealth, power resources and control over key economic sectors into private hands. That is to say, in either Etzioni’s (1968) or Tilly’s (1978) approach, a process of mobilisation; or, more exactly, within Kelly’s amalgamation of mobilisation and long-wave theories, counter-mobilisation. This latter conceptualisation was independent of whether privatisation was a direct consequence of lobbying from capital or the result of a political decision based more on ideological and macroeconomic reasons.

Some figures may help to give a better idea of the dimensions of these transactions. Table 4 offers data about financial proceeds from privatisation between 1990 and 1996 in Latin America, all the LDCs, OECD countries, Argentina and the UK.
Privatisation as Counter-Mobilisation

Chapter Four

Privatisation, therefore, opened opportunities for private companies and finance capital. Since the international economic crisis of mid-1970s, they have engaged in an anxious search for profitable areas in which to invest: undervalued businesses, and in the case of public utilities, the appropriation of key undervalued energy resources. It is also important to note that Table 4 misses the timing of the British privatisation process, which began earlier and predated incoming worldwide changes. In this process, the Conservative British Government that took office in 1979 ‘embarked on a far-reaching effort that lasted through 1980s and during which nearly all state-owned enterprises in the competitive sector were privatised’ (OECD 1995). Table 5, then, completes the British picture.

Table 4: Proceeds from Privatisation, 1990–6 (in US$ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>All LDCs</th>
<th>Latin America and the Caribbean</th>
<th>Argentina(1)</th>
<th>OECD countries(2)</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>12,658</td>
<td>10,961</td>
<td>891</td>
<td>12,988</td>
<td>4,219</td>
</tr>
<tr>
<td>1991</td>
<td>24,243</td>
<td>18,773</td>
<td>1,892</td>
<td>10,168</td>
<td>5,346</td>
</tr>
<tr>
<td>1992</td>
<td>26,180</td>
<td>15,560</td>
<td>2,654</td>
<td>18,722</td>
<td>7,923</td>
</tr>
<tr>
<td>1993</td>
<td>23,651</td>
<td>10,487</td>
<td>3,823</td>
<td>37,930</td>
<td>8,114</td>
</tr>
<tr>
<td>1994</td>
<td>21,704</td>
<td>8,198</td>
<td>746</td>
<td>55,119</td>
<td>4,612</td>
</tr>
<tr>
<td>1995</td>
<td>21,802</td>
<td>4,615</td>
<td>954</td>
<td>54,439</td>
<td>5,648</td>
</tr>
<tr>
<td>1996</td>
<td>25,775</td>
<td>13,919</td>
<td>272</td>
<td>52,949</td>
<td>2,426</td>
</tr>
<tr>
<td>1990–6</td>
<td>155,413</td>
<td>82,417</td>
<td>11,231</td>
<td>242,305</td>
<td>38,308</td>
</tr>
</tbody>
</table>


(1) These are only cash figures. Debt bonds used in transactions totalled US$17 billion in nominal value (as they were considered), but their actual market value was US$8 billion
(2) Mexico is not included

These figures are even more striking if it is taken into account that privatised companies have often made immediate gains, because public offerings were ordinarily underpriced. Although underpricing is also generally found in private equity offerings, research has shown that, for instance, in the UK and France, privatisations involved ‘an additional discount of around 10 per cent’ (OECD 1995: 9). In Latin America, underpricing was a structural feature of incredible dimensions, to which the use of debt bonds in equity swaps was crucial in a number of cases (Cook and Kirkpatrick 1995). A detailed study of privatisation in Argentina and Brazil has stressed that ‘by accepting debt-equity instruments as a form of payment […] potential investors could make huge savings since the quotation of these equities in the secondary market [during 1990s] was at an all time low’ (Manzetti 1999: 304). Privatisation, therefore, opened opportunities for private companies and finance capital. Since the international economic crisis of mid-1970s, they have engaged in an anxious search for profitable areas in which to invest: undervalued businesses, and in the case of public utilities, the appropriation of key undervalued energy resources. It is also important to note that Table 4 misses the timing of the British privatisation process, which began earlier and predated incoming worldwide changes. In this process, the Conservative British Government that took office in 1979 ‘embarked on a far-reaching effort that lasted through 1980s and during which nearly all state-owned enterprises in the competitive sector were privatised’ (OECD 1995). Table 5, then, completes the British picture.

Table 5: Proceeds from Privatisation, 1979–90 (in £ millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>1,535</td>
<td>18,359</td>
<td>12,180</td>
<td>32,074</td>
</tr>
</tbody>
</table>

Source: Schamis (2002)

Through the appropriation of public resources, privatisation fostered the concentration and integration of key economic sectors into private hands. For example, nine conglomerates in Argentina combined to control oil, telecommunications, electricity, gas, petrochemicals, construction, transportation and banking, aside from other peripheral activities. By this strategy, these capitals have gained economic power, flexibility to respond to economic difficulties, and considerable political influence. If this sort of concentration and capture of the state is alien to the UK, some degree of integration in the utility market is not; utility companies like PowerGen and British Gas (BG), among others, show the increasing importance in Britain of this international economic trend. In short, the appropriation of public assets multiplied the power resources in capital’s hands, strengthened their negotiating position vis-à-vis the parallel fragmentation of labour in a context of growing internationalisation of competition, and reduced the power of governments to manage macroeconomic and microeconomic variables.
Chapter Four

An Empirical Argument:
Evidence of Privatisation as a Counter-Mobilising Force (IV)

The counter-mobilising effects of privatisation on labour cannot be easily isolated from the broader effects of market liberalisation, commercialism, deregulation and productive restructuring which often accompany privatisation programmes (Colling and Ferner 1995; Ferner 1989; Ferner and Colling 1991; 1993a; 1993b; Riethof 2002; Weyman-Jones 1993). However, scholars the world over are generally inclined to associate privatisation with unfavourable developments for industrial relations and organised labour (Báez-Camargo 2002; Cifarelli 1999; Cook and Murphy 2002; Colling and Ferner 1995; Danford, Richardson and Upchurch 2002; Luca 1998; Dinerstein 2001; Duarte 2001; Ferner 1989; Ferner and Colling 1991; 1993a; 1993b; Hall 2000, 2005; O’Connell Davidson 1993; Ogden 1993; Petras and Vieux 1999; Pripstein Posusney and Cook 2002; Riethof 2002; Van der Hoeven and Sziraczki 1997; Wallis 2000). This literature sets the empirical foundations for an understanding of privatisation as a counter-mobilising strategy against the social achievements of the labour movement after the Second World War. Only a few, such as Peter Fairbrother (1994, 1996a, 1996b, 2000), have pointed to potentially positive outcomes for labour. Fairbrother advanced the thesis that organisational restructuring due to privatisation, and the decentralisation that this occasions, would be likely to disrupt bureaucratic controls within unions, stimulating mobilisation at the local level. Yet, even this view has not denied that privatisation, in any event, tends to negatively affect pay, terms and conditions of employment.

It is possible to point with relative confidence, therefore, to the likelihood of job loss (and thus membership loss) due to privatisation, whilst being more agnostic about the consequences for management-union relations. Indeed, some scholars have underlined that privatisation damages workers directly through job loss, which often accompanies restructuring, but also indirectly, since changes in the economic role of the state weakened corporatist structures (Cook and Murphy 2002; Palomino 2005; Riethof 2002; Thwaites Rey 2003). Moreover, decentralisation of bargaining over wages – another common outcome of privatisation – terminates any sort of wage indexation by public authorities, forcing trade unions to adapt and shift the focus of their activities from the state to employers. For instance, in her exhaustive study of privatisation in Brazil, Riethof concludes that ‘fragmentation of the workforce (dismissal and outsourcing), flexibilization of labour relations and transfer of workers to the private sector tend to weaken trade unions’ (Riethof 2002: 232). A similar picture has been drawn for very different countries (Luca 1998; Goldin 1997; Petras and Vieux 1999; Pripstein Posusney and Cook 2002). In addition, state-owned enterprises generally developed a good employer policy that brought better terms and conditions for their workforces (Pendleton and Winterton 1993).

Particularly in Latin America, these firms had a policy that made possible generous secondary working conditions, which included pension funds, disability funds and schooling and training for workers and their families (Báez-Camargo 2002; Luca 1998; Margheritis 1999; Pripstein Posusney and Cook 2002; Riethof 2002; Thwaites Rey 1999; Tomada and Senén González 1998). In broad terms, this general view applies to both the UK and Argentina.

The privatisation of public utilities in the UK has been associated with a set of work practices such as teamwork, employee participation, directed communication channels, corporate culture policies, team briefings, quality circles, employee stock ownership plans (ESOPs) and joint labour-management partnership, all directed at diluting the power of trade unions through the development of participatory machineries (Arrowsmith 2003; Colling and Ferner 1992, 1995; Danford, Richardson and Upchurch 2002; Ferner and Colling 1991, 1993a, 1993b; Katz 1997; Pendleton and...
Winterton 1993). Deregognition, mainly when developing new business units, outsourcing, green field sites and so forth, has been another threat faced by British trade unions as a result of privatisation.

As for the privatised utilities in Argentina, scholars have shown that changes in terms and conditions have adversely affected five main areas: working-time, labour practices, payment structures, employment levels and company-trade union relationships (Brinkmann 1999; Cifarelli 1999; Dinerstein 2001; Duarte 2001; Murillo 2001; Tomada 1999; Tomada and Senén González 1998). In short, empirical research has offered evidence about the counter-mobilising side of the sale of public sector companies from the point of view of labour.

Conclusion

The objective of this chapter is to support the assertion that privatisation was, in itself, a counter-mobilising action against labour; that is, to provide support to the basic foundation upon which this research unfolds. Hence, in order to achieve this aim, different arguments have been deployed.

After addressing the ambivalent meaning of the term privatisation, the chapter embarks on an historical investigation into the politics of labour movements in both countries in order to show that privatisation went against their traditional policies. Yet, since the conceptualisation of privatisation as a counter-mobilising factor cannot rest solely upon historical evidence, further theoretical and empirical arguments are advanced to discuss, from the point of view of the political economy, why privatisation enhances the market discipline; and from the point of view of mobilisation theory, the importance of privatisation to the concentration of power resources in private hands. Finally, the chapter refers to the empirical research that has pointed to the association between the sale of public assets and harmful consequences for organised labour. The essential theoretical point belongs to Marxist political economy and refers to the role of privatisation in fostering competition and the logic of markets on former public industries.

Taking the arguments as a whole, the emerging picture is one in which the relationship between privatisation and workers’ collectivism appears as an appealing field for empirical research. However, the study of this relationship in the UK and Argentina demands an increase in depth of the comparative analysis of privatisation and the institutions of industrial relations so as to include surveys of the sort of intermediate variables which contributed towards shaping the opportunity structure confronted by trade unions in the face of ESI privatisation. Chapters Five and Six are devoted to this task. The following chapter compares the contextual conditions of privatisation by exploring the driving forces and rationales of privatisation in the UK and Argentina.
Chapter Five

The Driving-forces of Privatisation in the UK and Argentina

The preceding chapter mentioned that there is an extended agreement among scholars about the dissimilarity between the driving forces and rationales of privatisation in DCs and LDCs (Bienen and Warterbury 1989; Christiansen 1989; Cook and Kirkpatrick 1995; Cook and Murphy 2002; Dinerstein 2001; Feinberg 1986; Fernández Jilberto and Riethof 2002; Gupta 2000; Herrera 1992; Manzetti 1999; Molz 1990; Nellis and Kikeri 1989; Petras and Vieux 1999; Ramamurti 1992a, 1992b; Riethof 2002; Sánchez Bajo 2002; Walle 1989).

For instance, Christiansen states that even though fiscal deficit (and also inflation) has been a worldwide driving force towards privatisation, in LDCs more serious problems arise due to ‘growing current account imbalances, increasing external debt, unfavourable terms of trade, and rising government budgets deficits’ (Christiansen 1989: 597). Gupta (2000), in turn, also highlights the disparity in context and objectives of DCs’ and LDCs’ privatisation processes. In the former, declining growth rates, rising unemployment, falls in investment and rises in inflation led to privatisation in search of faster growth, higher efficiency and wider competition. In the latter, instead, the debt crisis was the crucial turning point towards privatisation, by which was sought debt reduction, creditworthiness and access to foreign capital and investments.

If the analysis lays stress on the political nature of the global spread of privatisation rather than in the dynamic of market forces (Dinerstein 2001; Thwaits Rey 1994), it needs to identify political actors, apart from country specific economic constraints. Undoubtedly, the IMF and the WB were the most important of those actors, two institutions that became intertwined in the 1980s, together with the right-wing governments that backed
However, beyond this general understanding, it is worth comparing how specific driving-forces and rationales combined in each of the countries under study (the UK, a member of the G8, privatising pioneer and key international player; Argentina, a peripheral economy, where the external pressures were particularly acute), given that different contexts presumably determined different opportunity structures for organised labour.

The United Kingdom

The British programme was the first large-scale privatisation process and it became a blueprint for other countries (Clark 1993; Marsh 1991); for instance, the Argentinian government explicitly followed the British model for certain privatisations. Scholars coincide in recognising that the reduction of the public sector was probably the most salient feature of the political programme of Thatcherism. Spite of its 1979 election Manifesto, in which denationalisation was supposed to be limited to enterprises recently taken into public ownership, by the end of the successive Conservative terms, the public sector had been reduced dramatically. However, unlike Argentina, the privatisation programme in the UK evolved in a piecemeal, incremental way. Launched in October 1979 with the sale of 5 per cent of public shares in British Petroleum, at the end of the first term (1979–83) twelve SOEs were partially or fully privatised (£1,625 million in revenue). During the second term (1983–7) twenty-four firms were sold in part or in whole (£10,983 million in revenue). The third term (1987–91) involved forty operations, among them ten water suppliers and twelve regional electricity companies (£22,514 million in revenue). Thus: “as October 1993, about two-thirds of the UK’s nationalized industries and about 940,000 jobs had been transferred to the private sector” (Miller 1995: 87). Privatisation continued during the following years.

The intention of privatising the ESI in England and Wales was announced early in 1988. According to Ernst (1994), if the sale of the water
supply industry was the most controversial, the sale of the ESI was government’s most complex and troublesome. Weyman-Jones (1993) also underlines its complexity regarding the regulatory framework. Unlike the case of BG, a proposal for radical restructuring of its traditional highly integrated structure was made, involving: vertical separation between generation and transmission; horizontal break-up and liberalisation of generation; a regional structure for distribution and retail supply; and phased liberalisation of retail supply. In accordance with these reforms, in 1990, the 12 Regional Electricity Companies (distribution) (REC), which jointly owned the National Grid Company (transmission) (NGC) were sold off. In 1991, 60 per cent of shares of National Power and PowerGen (generators) were sold off as well.

Apologists for British privatisation have tended to confine the analysis to a binary opposition between public sector evil and private sector panacea, and a list of indicators of the alleged success of privatisation in terms of economic efficiency gains. Others have shown a propensity to reduce its driving-force, often critically, to the preponderance of some ideological beliefs (Swann 1988). However, in order to explain the driving-forces of privatisation in the UK, most scholars have pointed to governmental objectives (Pitelis and Clarke 1993; Marsh 1991; Saunders and Harris 1994; Wiltshire 1987). In this regard, scholars have always listed similar reasons: first, reduction of the involvement of the government in the industry to improve efficiency by fostering competition; second, reduction of the public sector borrowing requirement (PSBR) to improve government finances; third, easing of problems of public sector pay determination by weakening public sector unions; and finally, widening of share ownership, in particular through employee share schemes, gaining simultaneously political advantages.

Among those who are inclined to stress the economic aims, only a few unconditional supporters of privatisation credit the governmental claim that such policy was a piece of microeconomics (to foster competition and efficiency) rather than one of macroeconomics (to achieve fiscal objectives and short-term revenues) (Gupta 2000; Wiltshire 1987). Yet, amongst those who agree about the preponderance of macroeconomic motives, differences of emphasis, though slight, persist. For instance, Christiansen (1989) focuses exclusively on the monetarist aim of cutting the fiscal drain and reducing the public sector deficit, whereas Bienen and Waterbury (1989) stress the search for revenues generated from the sale of public assets.

Moreover, other scholars bring into this discussion a political element: privatisation would have been a way of reducing PSBR without unpopular measures (Clarke 1993; Marsh 1991). The appeal of this view is that it re-introduces a political dimension to the origins of privatisation. According to this, at first, it would just mean avoiding losing support and votes. However, as a result of the unexpected public enthusiasm for the sale of British Telecom (BT) shares, and two years later, for the sale of BG shares, the Conservative government ended up developing a positive ideological wisdom, that is, the building up of popular capitalism. In the Conservative Party’s election manifesto for 1987 such an objective emerges clearly, depicted as the historic transformation of British society through the widespread of share ownership; in John Moore’s words, the birth of a ‘property-owning democracy’. Following John Moore in this vein, Miller adds another side of this policy: ‘wider share ownership has, of course, made renationalization by future Labour governments virtually impossible’ (Miller 1995: 92).

Allusions to political and ideological rationales among the driving-forces of privatisation are also common in the literature. Wiltshire (1987), for example, stresses the role played by the ideology of the New Right, and in particular, its strong anti-unionism. He underlines that ‘the Thatcher faction and later the Thatcher government have always had a noticeably fierce, antagonistic attitude to trade unions, not just to their actions but to their very right to exist’ (Wiltshire 1987: 8). At the beginning of the 1980s, public trade unions, mainly after the winter of discontent of 1978–9, became a main target; hence, Wiltshire emphasises that privatisation was also a powerful anti-union weapon. Many scholars have even argued that anti-unionism was the very driving-force of privatisation in its origins. For instance, Bishop and Kay state that ‘the origins of privatization lies in the desire to diminish the power of public sector trade unions’ (Bishop and Kay 1989: 649), although, later on, this claim is qualified by stressing that it was not a factor of much relevance in the further development of privatisation. Marsh recognises the same objective with regard to public...
sector trade unions: ‘privatization was seen as a means of reducing their size, bargaining power and influence over policy’ (Marsh 1991: 472), and he adds that there is little doubt this was one of ‘the chief initial concerns of the Conservative government’ (Marsh 1991: 472). However, he concludes that contracting-out and anti-union legislation had more harmful effects on trade unions than the change in ownership. Whilst Marsh is correct on the point of simple changes in ownership, this should not obscure the latterly evident fact that change in industrial relations and human resources in the former public enterprises has been very substantial since privatisation. By contrast, Saunders and Harris (1994) do not reject the point, but argue that to tame the unions was not a major reason for privatising. Instead, liberalisation, not privatisation, would have been the original strategy designed to cope with the union threat. In short, it is relevant that the link between privatisation and anti-unionism in the UK experience is a common reference in the literature (see also Bienen and Waterbury 1989; Clark 1993; Ernst 1994; Ferner and Colling 1991; Gupta 2000; Pendleton and McDonald 1994; Swann 1988).

Among the ideological rationales pursuing privatisation, consumerism has also been a relevant force. This could also be connected to counter-mobilisation as regards industrial relations, for one of the key criticisms of public ownership was that it tended to privilege producer concerns over those of consumers (Henney 1987). So the insinuation of the language of markets and choice was a deliberate ploy to weaken the claim of internal stakeholders (employees) over external ones (customers). Contrary to the propaganda in favour of popular capitalism, consumerism was part of the privatisation ideological appeal from the very beginning. That consumers should be rid of the perverse dynamism of nationalised industries, often run in the interest of those who work in them – both managers and workers – was a main argument even before the 1979 election. It remained a principal discursive concern during the first two Conservative governments. Finally, it ended up as an essential component of a more powerful discourse, the aforementioned construction of popular capitalism. As Saunders and Harris (1994) argue, the idea of popular capitalism involved four chief elements: consumer sovereignty, a new popular understanding of capitalism, the breaking of ‘them’ and ‘us’ identities through employee identification with the company’s aims and fortunes and the undermining of collectivist ideologies. Regarding the latter, for Ernst (1994), privatisation occupies a critical place in the challenge to the legitimacy of collectivist solutions to economic and social problems, and therefore to the appeal of socialism. Ernst states that privatisation also constituted a political and ideological challenge to the very spirit of trade unionism as a channel for defining collective demands by processing, collectively, the multiple interests of workers.

Finally, a matter of debate has been whether privatisation in Britain was part of a master and overall strategy or an element of an incremental and tentative policy, therefore without any particular rationale. Those who subscribe to the second option (Bienen and Waterbury 1989; Bishop and Kay 1989; Clarke 1993; Gupta 2000; Marsh 1991; Saunders and Harris 1994) argue: that there was no commitment to privatisation in the 1979 election manifesto of the Conservative Party; that only during the second and third terms such commitment appeared; that such commitment was due to political rather than economic reasons; that even those reasons changed substantially over time; and lastly, that such evolution imprinted privatisation with inconsistencies and contradictions. However, according to Wiltshire, while it seems absurd to argue in favour of a secret and omniscient plan, not least, because there is no evidence of any such plan at all, ‘it should not be thought that the concept is haphazard. Behind it lies a careful strategy guided by a clear and consistent ideology. The destination of the journey is certain even if the route has to be plotted after each leg has been completed’ (Wiltshire 1987: 14). After all, denationalisation, deregulation and liberalisation were old commitments of the Conservatives (as exemplified by the Selsdon Declaration, the Ridley Plan and the lobbying activities at that time of think tanks like the Institute of Economic Affairs and its offshoot, the Centre for Policy Studies founded by Margaret Thatcher in 1974). In this regard, privatisation appears as the fastest and most powerful method for achieving such aims. Moreover, the political environment was propitious for the New Right as an embryo, for the 1976 IMF loan to the UK amidst the sterling crisis forced the Labour Government to introduce deep cuts in public expenditure, which affected the nationalised industries by the establishment of tough financial controls (Bertero 2002; Foreman-
privatisation plans (usually provided by the WB itself) (Dinerstein 2001; Rausch 1993, 1994; Sánchez Bajo 2002).

In four years, Argentina sold thirty-four companies and let concessions for nineteen services and eighty-six areas for petroleum development. According to Alexander and Corti (1993) Argentina’s privatisation program was one of the broadest and most rapid in the Western Hemisphere. By 1993 there had already been 280,509 jobs lost, with a cost to the state of 2,035 million dollars in voluntary redundancy packages, which were financed with public resources and a PERAL. Most SOEs were undervalued and one-third of the amount collected by the government for privatisations, around 18,000 million dollars, corresponded to debt-equity swaps (Azpiazu and Vispo 1994; Dinerstein 2001).

As for the ESI, it underwent significant restructuring prior to privatisation in 1993. It was split into a series of generation and distribution companies. The assets of the former were sold and the latter were given in concession. It was divided into several companies. Generation, considered a competitive activity, was broken up into twenty-five business units that were sold separately to private owners. The transmission, considered a natural monopoly, was given as a concession to only one company in a given area. There are twenty-two main distribution companies; most are under provincial government jurisdiction. Distribution, considered a natural monopoly as well, was given in concession to the three largest distributors: EDENOR (Argentina, France and Spain), EDESUR (Argentina, Chile, USA) and EDELAP (USA and Argentina), which are the main companies in this sector.

As for the driving forces and rationales of privatisation in Argentina, most scholars agree that this policy was the outcome of the international pressure to favour external creditors and alleviate the fiscal deficit in the short-term (Azpiazu and Basualdo 1999; Azpiazu and Vispo 1994; Basualdo 2001, 2006; Cifarelli 1999; Dinerstein 2001; Herrera 1992; Margheritis 1999; Rausch 1993; Thwaites Rey 1999, 2003). As Rausch puts it: ‘the Argentinian privatisation policy has been fiscally driven and has also had a significant role in securing external debt as well as increasing its value in the secondary market […] improving relations with external creditors’ (Rausch 1993: 171). It would be difficult to find a discordant voice on this issue within academia. Indeed, in this context, this international constraint is the most critical difference between Argentina and the UK. Consequently, it is impossible to find in the Argentinian literature the diversity of opinions about the driving forces and rationales of privatisation that are summarised for the British case in the previous section.

Within a context characterised by international conditioning, between 1990 and 1993 the government launched a fast and massive privatisation programme, technically and financially assisted by the IMF, the WB, BIRF (Banco Internacional de Reconstrucción y Fomento) and the IDB, in which debt capitalisation mechanisms were widely applied (Alexander and Corti 1993; Cifarelli 1999; Sánchez 1991). Over the implementation, the programme was backed by a World Bank’s Public Enterprise Reform Adjustment Loan (PERAL) and a World Bank’s Public Enterprise Execution Loan; the former to finance lay-offs, early retirements and enterprise restructuring; the latter to finance technical assistance for the development of tailor-made

Argentina

As for the driving forces and rationales of privatisation in Argentina, most scholars agree that this policy was the outcome of the international pressure to favour external creditors and alleviate the fiscal deficit in the short-term (Azpiazu and Basualdo 1999; Azpiazu and Vispo 1994; Basualdo 2001, 2006; Cifarelli 1999; Dinerstein 2001; Herrera 1992; Margheritis 1999; Rausch 1993; Thwaites Rey 1999, 2003). As Rausch puts it: ‘the Argentinian privatisation policy has been fiscally driven and has also had a significant role in securing external debt as well as increasing its value in the secondary market […] improving relations with external creditors’ (Rausch 1993: 171). It would be difficult to find a discordant voice on this issue within academia. Indeed, in this context, this international constraint is the most critical difference between Argentina and the UK. Consequently, it is impossible to find in the Argentinian literature the diversity of opinions about the driving forces and rationales of privatisation that are summarised for the British case in the previous section.

Within a context characterised by international conditioning, between 1990 and 1993 the government launched a fast and massive privatisation programme, technically and financially assisted by the IMF, the WB, BIRF (Banco Internacional de Reconstrucción y Fomento) and the IDB, in which debt capitalisation mechanisms were widely applied (Alexander and Corti 1993; Cifarelli 1999; Sánchez 1991). Over the implementation, the programme was backed by a World Bank’s Public Enterprise Reform Adjustment Loan (PERAL) and a World Bank’s Public Enterprise Execution Loan; the former to finance lay-offs, early retirements and enterprise restructuring; the latter to finance technical assistance for the development of tailor-made...
Lastly, it may be worth mentioning that, if neither a proper rationale nor exactly a driving-force, the role of the hyperinflation spiral of 1989 is often stressed in the literature as an essential condition, for scholars having diverse perspectives agree that this crisis helped to overcome resistance within civil society, particularly that of trade unions (Dinerstein 2001; Duarte 2001; Hill and Abdala 1993; Rausch 1993; Rofman and Romero 1997). This event brought forward the change of government personnel and paved the way for a wide programme of reforms in which privatisation was decisive. Trade unions found themselves suddenly trapped. The vast majority of trade unions were openly against privatisation, but they did not want to be blamed in front of the population for being responsible for a new hyperinflation crisis, so most unions declined to take industrial action.

Conclusion

By reviewing the literature, this chapter confirms the difference between the driving-forces and rationales of privatisation for DCs and LDCs. The character of Britain as pioneer amplifies the gap between both experiences. While the privatisation programme in the UK evolved in a piecemeal, incremental way, in Argentina privatisation unfolded with astonishing speed. Moreover, while in the former the process was endogenously driven, in the latter, the exogenous constraints posed by international financial institutions were crucial. There were important contextual differences as well, the main one being the deep economic crisis which conditioned the orientations of the political actors in Argentina, including the trade unions.

For organised labour, these differences contributed towards shaping differently their respective opportunity structures. For British ESI unions, privatisation was a foreseeable event, and hence, they had prepared themselves for this possibility to some extent. When privatisation was finally announced the process took enough time to allow unions to engage in
campaigns and lobby. In Argentina, privatisation came as a great shock for LyF CF, whereas it was a foreseeable event for LyF MDP. This difference proved to have implications for their respective strategic choices as analysed in future chapters.

Lastly, the opportunities for Argentinian trade unions to oppose the programme of privatisation were limited by the role played by international financial institutions, which exercised all sorts of pressures upon the national government in the midst of an acute economic crisis, and provided resources and technical assistance to implement the recommended policy.

Chapter Six

Comparative Industrial Relations and Mobilisation Theory

Industrial relations institutions are in themselves the shaping forces of the opportunity structure, for they have a determining effect on trade unions' (re)sources of power, in both their political and industrial dimensions. Their comparative study highlights variations, which may influence in different ways the forms of counter-mobilisation and workers' collective action.

The origins and the underpinnings of the Argentinian and the British systems of industrial relations differ deeply. Voluntary regulation instead of legal regulation has been the main historical feature of the British system, whereas the opposite has been the case in Argentina. This basic divergence has had wider effects, especially upon the workings of collective bargaining, the degree of trade unions' political exchange with governments and employers, and obviously, the character of law as a power resource. Consequently, in each system, the political and industrial dimensions of trade unions' (re)sources of power have tended to correlate differently. It is possible to argue that, broadly speaking, industrial (re)sources of power brought political influence to the trade unions in the UK, whereas political (re)sources cemented workplace organisation and industrial strength in Argentina. To put it differently, while in the UK the Industrial mobilisation of workers was the key power resource making employers sit at the negotiating table, in Argentina the political mobilisation of workers was crucial to obtaining bargaining legal rights in order to overcome alienation and repression at workplace level. However, in both countries, the underlying basis of union power in the ESI relates to the political contingency which pervades the public sector, government concern with smooth supply, bureaucratic regulation stimulating micropolitical exchange, statutory responsibilities of the ESI to be a good employer and so forth. In short, the
unions; opposite interests were to be reconciled by compromise and accommodation in voluntary agreements (Hyman 2003). Concurrently, employers had no obligation to deal with or to recognise unions apart from a brief and unhappy experience with statutory trade union recognition in the 1970s. It is also often noted that extension mechanisms were weak in the UK, meaning that agreements tended to be observed only in workplaces formally covered by them. In the absence of instruments of this kind, union strength has depended almost exclusively on organisation, that is, union density and the capacity to mobilise workforces. When density and mobilisation dropped, so did the disposition of employers and governments to deal with unions seriously.

Within this framework, while from trade unions’ point of view, the role of law was to prevent hostile action by employers through courts, or as a second best alternative when failing to secure basic standards, it has always been a power resource for employers to be mobilised against employees and against unions. The principles of contract that underpin employment law do little to address the fundamental imbalance of power in the employment relationship. The latter was based upon either strong workplace structures or, mainly in the public sector, well developed industrial negotiating machineries, as favoured by the Keynesian orientation of public policies in the period after the Second World War.

In short, labour legislation has had a comparatively much weaker influence than in other countries, and governments usually assumed the role of providing assistance to collective bargainers. Within this context, although the attractions of the voluntary system diminished for trade unions during the 1970s, at the time when this orthodoxy began to break down as manifested in changed strategies around health and safety at work and lobbying for the national minimum wage (Terry 2000), free agreements together with informal systems of workplace negotiations were the bases of social regulation.

This is in striking contrast to other systems like that of Argentina. It entails two important consequences: an ambiguous unions’ orientation to political action, and the chance to restrict the right to take industrial action by redefining immunities, and by these means, to distort a crucial source of union power.

The United Kingdom

The Voluntary System

In Britain there has never been a body of positive legal rights for trade union activities and collective bargaining. This legal void has constituted the core of the voluntary system. Trade unions from early on enjoyed a range of industrial relations immunities that allowed them to strike and organise workers without the risk of being prosecuted according to common law (Dickens and Hall 1995, 2003; Hyman 2003; Lewis 1986). As there was not any enforceable collective agreement and unions were never agents of their members according to British law, it was workers’ deployment of industrial collective strength that forced employers to deal with trade
Trade Unions, Politics and the Public Sector in the UK

The voluntary system developed in parallel with a shared anti-interventionist understanding of the main actors: employers, trade unions, and governments. Crouch (1979) stresses the general acceptance by the political parties that industrial relations should be taken out from political controversy. Although state ownership was a long term political and industrial objective for unions, they attempted to channel it through the Labour Party, and prevented corporatist biases by supporting the Morrison formula of no organised interest representation on public corporation boards (Cole 1953; Pendleton and Winterton 1993). Moreover, where the trade unions have exercised political influence through the Labour Party, the relationship between unions and Labour has been characterised by a demarcation of functions, which ultimately meant that unions have rarely attempted ‘to interfere with the autonomy of the parliamentary leadership in determining general party policy’ (Hyman 1994b: 41).

Still, the dynamics of the Keynesian supply policies, adopted by both Conservative and Labour administrations, increasingly triggered trade unions incorporation into decision making, particularly from the late 1960s, through consultation and tripartite agencies (Marsh 1992; McLroy 1995; Crouch 1994, 2003). There have been controversies surrounding the degree of this corporatist tendency (Middlemas 1991; McLroy 1995). Yet it seems safe to conclude that even at its height, the main characteristic of industrial relations in Britain as a whole continued to be the low political profile of organised interests, especially on the labour side (Crouch 2003).

In the public sector, in turn, the tradition of voluntarism and Keynesianism united to bring about highly centralised and formal machineries of negotiation and consultation, in accordance with the Whitley philosophy of the post-war Labour government’s policy towards industrial relations (Pendleton and Winterton 1993). Thus, public ownership allotted unions a specific political lever as well. Two main aspects should be stressed: first, the weak exposure to market forces of the public sector, and the rigid procedures and regulations, set the conditions for a micropolitical exchange at industrial level, which permitted managers to fulfil Ministerial objectives, and trade unions to shape decisions and obtain benefits for workers. Second, at least until 1979, unions took advantage of the state public sector traditionally being a good employer.

So post-war Keynesianism and its commitment to full employment and stable product markets helped workers to strengthen their organisations and collective bargaining overall. Additionally, the general context of compromise in public services allowed workers to benefit from the high level of service provision and public spending stemming from the development of a welfare state, demand-side policies, and good employer policies, these contributed to the development of powerful trade unions and centralised machineries of industrial relations in the nationalised industries (Crouch 2003; Ferner and Colling 1993a).

Then, as a whole, the meaning of the post-war settlement for trade unions was not so much the benefits of a new level of political exchange as the growth and consolidation of their industrial strength. In the particular case of the public sector, it entailed the development of a system of industrial relations in which political contingency and statutory provision meant that unions enjoyed comparatively more power resources (also stemming from micropolitical exchange) than their private sector counterparts.

Industrial Relations in the ESI

In the ESI, trade unions took advantages not only from the peculiarities of the public sector but also from the governmental concern with keeping the smooth provision of electricity supply and balancing public expenditures; these coloured the political context in which industrial relations developed, though with contradictory effects (Ferner and Colling 1993a). In this context, unions profited from the prevalence of securing supply whenever these two trends tended to clash. Indeed, the nature of electricity supply meant an additional source of union power, as conventionally, employee power is seen as enhanced where the product is complex and/or perishable and has strategic importance, as in electricity par excellence.

So as a far cry from the private sector, through the 1947 and 1957 Acts the government placed on the British Electricity Authority, and later, the Central Electricity Generating Board, as it did with other nationalised
industries, ‘a legal obligation to consult and bargain with trade unions’ (Wedderburn 1986: 278); though some negotiating bodies pre-dated nationalisation (Hannah 1979). This implied giving the chance for unions to mobilise statutory resources to secure certain procedural aims. However union density still played a crucial role within the industry.

The negotiating machinery operated at three levels via four specific bodies for manual, white-collar, engineer/technical, and managerial staff. While EPEA monopolised the representation of engineers at the National Joint Board (NJB), several unions disputed the representation of the other bodies; however, before privatisation, EETPU and NALGO were the strongest organisations for, respectively, manual staff (National Joint Industrial Council – NJIC) and white-collar staff (National Joint Council – NJC) (Ferner and Colling 1993a).

The machinery assured the power of the full-time national officers, who carried out detailed and extensive negotiations of terms and conditions at national level, and also assured close relationships between management and unions at all levels (Colling and Ferner 1993a, 1993b). Consultation was kept at three levels too, but in joint bodies uniting all trade unions, and often comprising lengthy and extensive processes. These central negotiations and consultations were complemented, when appropriate, by arrangements outside the formal machinery, mainly in the Area Boards, so far as they did not threat central authority (Hannah 1982). The strong institutionalisation of industrial relations was a vital power resource for trade unions, for it allowed their involvement in the running of the industry through consultation and negotiation, and the formal procedures of remitting problems and disagreements up to the national levels inhibited managerial prerogatives (Ferner and Colling 1993a).

Lastly, both management and trade unions benefited from two essential features brought about by this institutional settlement: the low level of conflict accompanying the modernisation of the industry, and the neutralisation of workplace activism. From the point of view of union leadership, these outcomes were functional in keeping internal threats to a minimum. In brief, not only their industrial strength but also the weak presence of market discipline, the negotiating machinery and the micropolitical exchange at the industrial level, were major power (re)sources for ESI unions.

Trade Union Organisation in the ESI

In the UK several trade unions can operate in one workplace or industry, and this is fundamentally different from the Argentinian system, in which there is a legal monopoly of representation. British multi-unionism is often associated with trends towards fragmentation and inter-union competition (Davidson 1993; Ogden 1991, 1993). This is suggestive, for mobilisation theory finds in competition a negative factor for workers’ mobilisation. Additionally, multi-unionism implies likely differentials in bargaining power among the unions, stemming from the role occupied within the labour process by their constituencies. EPEA is the case in point in the ESI. By organising the engineers and technical staff, this organisation benefited from the strategic role of their membership in running the power stations, transmission network, and distribution systems; in their hands lay the capacity to bring the industry to a halt.

Additionally, unions in the ESI organise workers across a wide range of economic activities, which results in heterogeneous constituencies, with the partial exception of EPEA (Blyton and Turnbull 2004; Waddington 2003). This heterogeneity is also important for mobilisation theory as far as interest definition and organisational resources are concerned. Recent mergers have accentuated this feature. All the cases under study, EETPU, NALGO and EPEA, have experienced mergers and amalgamations since privatisation as shown in Table 1 (see pages XXX). In an effort to cope with this organisational fragmentation, ESI unions established an umbrella organisation, ESTUC (Electricity Supply Trade Union Council), which, at the time, led the anti-privatisation campaign, the negotiations to modify the Privatisation Bill and the subsequent contacts with the government. However ESTUC had no constitutional power to direct the organising objectives of individual unions, being primarily a mechanism for consulting autonomous unions about joint responses to employers at the Electricity Association and to the government.
The Neo-Liberal Turn: Thatcherism and the Legal Offensive

The macroeconomic meaning of Thatcherism was the replacement of Keynesianism by a neo-liberal agenda devoted to restoring centrality to market forces. In this view, by definition, organised labour hampers market dynamics by demanding more than the market can afford. Therefore, curbing the power of trade unions and reducing to a minimum the neo-corporatist forms of stability were among conservative political priorities (Crouch 2003).

Macroeconomic political exchange through tripartite bodies was gradually abolished. Additionally, there was a clear change in state attitudes as employer, stopping its good industrial relations commitment. In its new exemplar role, the aim was to encourage employers to recover the managerial initiative and pursue flexibility whether at the labour market or the firm level. Lastly, the government restrained its support for collective bargaining, especially encouraging the dismantling of multi-employer and national arrangements (Crouch 2003; Marsh 1992). Although the coverage of bargaining was not dramatically affected, its scope and content changed: a focus on pay began to prevail, together with productivity or flexibility deals in return for higher wages.

Labour law played a decisive role in this crusade. A piecemeal legislative programme (seven major acts and legislation dealing with specific issues) altered the environment of industrial relations interactions by attacking the voluntary system without replacing it with legal regulation. Its main thrust was to weaken trade unions’ power, encourage individualism, and enhance employer prerogatives (Dickens and Hall 1995, 2003; Wedderburn 1986). Two aspects of the legislation are of particular interest: the restriction of industrial action and the introduction of statutory regulation of trade unions’ internal affairs.

Concerning the former, Dickens and Hall (1995) pointed out five different strategies: restriction of immunities with regard to particular types of industrial action, redefinition of the notion of a trade dispute, introduction of secret ballots to enable immunity for industrial action, making unions liable for unlawful industrial action, and enlargement of the range of potential litigants so as to allow even union members or citizens (deprived of goods or services) to go to court.

Although the extent of the practical outcomes of the legislation is arguable, as this often operates together with other factors such as the business cycle or changing class composition, there seems to be little disagreement about its overall negative consequences (Gall and McKay 1996; Gennard 1998; Kelly 1998; McIlroy 1999). Generally, the deterrent effects of the employment law were associated with the decline of any kind of solidarity action, the educative role of certain large and well-documented strike defeats in which labour law was applied, and the cautious attitudes of union officials due to ‘an atmosphere of self-imposed restraint’ (Gall and McKay 1996). Moreover, action against privatisation was prohibited, for it would be deemed politically motivated as, although connected with conditions of employment, it was not wholly or mainly about them (McIlroy 1999). Unions’ near universal compliance with legislation when taking industrial action renders the legal prosecutions even more meaningful. They have shown that employers are able, by arguing breaches of technicalities, to ‘reiterate the limits of permissible industrial action; keep unions under pressure; engage the energies of officers and officials; divert attention from organising effective action; and, where injunctions are granted, dislocate it’ (McIlroy 1999: 528–9). The links between changes in legislation and mobilisation theory, particularly its ‘positive relationship with counter mobilization’, have been explicitly highlighted by McIlroy (1999: 532): ‘it can enhance caution and conservatism and dislocate the processes of mobilization by maximising uncertainty, delay and division.’

With regard to the regulation of trade unions’ internal affairs, the aim of the legislation was to discourage collectivist behaviour and solidarity and disseminate a conception of trade unions as mere aggregates of individuals (Dickens and Hall 1995). Members’ rights vis-à-vis the trade union organisations were enhanced; but the main area of reform was the gradual implementation of fully postal and independently scrutinised ballots to elect union executive committees, presidents and general secretaries, where they had voting rights in decision-making. These reforms, plus the industrial ballots, favoured the equalisation of democracy with individual balloting, and changed the character of union internal democracy at the
Chapter Six

Comparative Industrial Relations and Mobilisation Theory

These changes were relevant to the dynamics of leadership and the decision-making of the different organisations. Thatcherism particularly affected the framework of industrial relations within the public sector by implementing financial constraints on the nationalised industries, promoting decentralisation, reforming collective bargaining machineries and encouraging a more confrontational management style (Ferner 1989).

Argentina

The Weight of the Law in Collective Bargaining

The industrial relations institutions of the time in Argentina present a contrasting development. The privatisation programme of the 1990s faced a system of industrial relations laid down in the 1940s, in which the law set the mechanism of collective agreements and unions competed legally to obtain workers' representation.

The juridification of industrial relations began when Perón was in charge of the Secretary of Labour of the Military Government of 1943–6, and continued during his democratic Presidencies (1946–55). Previously, the state had seldom participated as mediator when conflicts disrupted the few voluntary collective agreements which existed at the time between employers and unions. In 1945, the state sanctioned a labour law which regulated trade unions' representation by recognising just one organisation able to collectively negotiate agreements and represent workers, at the workplace or in courts, per industrial sector or economic activity, either nationally or regionally (the so-called _personería gremial_). In most cases, when there was regional fragmentation of the representation, a national federation gathered together the regional or local unions to negotiate agreements on their behalf. Until the mid-1990s, the main level of bargaining had been national, reinforcing in this manner the centralisation of the whole system of industrial relations, and generally, comprising whole industries or economic activities (Bunel 1991; González 2001; Novick 2000, 2001). Though rare, some occupational groups had their own organisation. White-collar workers were usually organised together with blue-collars. Yet, on occasion, upper professional or technical grades might have had a separate organisation. Extension mechanisms secured that unions' operation with low membership levels; although union density was uneven but usually high in key sectors and in the state industries. From the beginning, in every case, the _personería gremial_ had been given by the Ministry of Labour. Consequently, a breach of law, or a Ministerial arbitration, often put trade unions at risk of losing their _personería gremial_.

In 1946 a national law (upon a former decree of 1944) established that public authorities had to be present and participate in any collective agreement. It empowered public authorities even further by legislating arbitration procedures. In 1953, a more liberal law formally recognised the autonomy of unions and employers, but two key prerogatives of the Ministry of Labour remained: the final approval of the legal status of any agreement (the so-called _homologación_) and the right to suggest modifications, or reject, an agreement. In this sense, any agreement was always just a project presented by unions and employers to the public authorities. Hence employers and unions usually asked for official advice when they faced an issue that might cause its rejection. In 1958, the Minister of Labour obtained by law the right to force conflicting parts to accept the mediation of public authorities ( _conciliación obligatoria_). Despite changes in labour legislation, this legal right is still valid. So during the time that _conciliación obligatoria_ is in force, trade unions can not take industrial action of any type, and employers need to desist from implementing decisions which might lead to conflict. For instance, if the employer dismissed workers, they ought to be reinstated until the official resolution of the conflict. When parties ask the Ministry of Labour for conciliation, the authorities decide whether or not to apply it; thus trade unions have no guarantee of getting a _conciliación obligatoria_ to fight back dismissals or other unfavourable situations.

Due to frequent _coup d'état_, the right to bargain was often distorted in the period after 1955. Yet, the collective agreements shaped the field of
industrial relations because of a legal disposition by which any agreement remains in place until it is formally replaced or repealed (*ultra-actividad*). In sum, up to the 1990s, the bargaining process was centralised, theoretically periodic, and heavily dependent on the state. The basic foundation was the collective agreement, together with the ability of the union to make employers respect it. Given the features of the system, law and political influence intertwined and became contentious power resources.

**Trade Unions, Politics and the Public Sector in Argentina**

Several factors explain the comparatively bigger political involvement of trade unions in Argentina, and the development of frequently unstable forms of corporatism and tripartite institutions. To some extent, this involvement was embedded in the origins and characteristics of the system succinctly described. Political influence within the state was rendered a (re)source of power of vital importance by the state’s direct participation in collective bargaining, its power to weaken or strengthen trade unions through administrative and legal prerogatives and its role as promoter and guarantor of such influence. This institutional design was a component in a wider political project to industrialise the country by applying an import-substitution model. Most sections of the trade union movement enrolled in this project led by *Peronism* in mid-1940s, obtaining labour laws, benefits and organisational power, unthinkable just a few years earlier, but through political rather than industrial mobilisation (Atzeni and Ghigliani 2009).

Additionally, within this politicised environment, the structure and dynamics of collective bargaining meant that unions, employers and governments agreed not only on industrial and productive matters but also on industrial macroeconomic policies. Indeed, beyond industrial negotiations, unions aimed to influence national economic policy in order to meet their demands concerning wages and levels of employment. Thus, trade unions pressured public authorities as much as they pressured capitalists; capitalists and trade unions frequently pressured governments jointly for industrial policies for the economic sector. In addition, and typical of Keynesian macroeconomic management, governments needed unions to concert industrial peace and social pacts.

Finally, due to the constant instability of Argentinian democracy and the political proscription of *Peronism* between 1955 and 1973, trade unions, usually through the CGT, fulfilled a political role. Every government, democratic or military, was forced to negotiate with the CGT (or repress it). At the time of writing, it has long been common practice that unions with similar political orientations gathered together in temporary alliances (*nucleamientos sindicales*). These alliances expressed their support or opposition to governments, seeking representation in tripartite bodies, disputing the internal alignments of the *Peronist* Party (*Partido Justicialista* – PJ) and struggling for the leadership of the CGT. Within this framework, national strikes played an important role as manifestations of political strength.

As in Britain, unions in the nationalised industries enjoyed specific (re)sources of power which stemmed from the nature of public ownership: the weak exposure to market forces of the public sector, high levels of employment, political influence, and so forth (Goldin 1997).

In short, different factors explain the political involvement of trade unions; any account ought to incorporate as a vital variable the politicised history and features of the system of industrial relations in Argentina, which goes well beyond the peculiarities of the public sector activities.

**Industrial Relations in the ESI**

ESI industrial relations, at the time of privatisation, were partially shaped around the basis set by the CCTs of 1975, in themselves, outcomes of trade union political mobilisation. A brief historical detour is needed to put the case into perspective.

From 1964 to 1976, by dealing with all semi-democratic, military and democratic governments, ESI unions gradually increased their participation in the running of the public enterprises. First, workers’ directors were appointed, then, LyF CF (the biggest ESI union) obtained co-management rights by law for the enterprise SEGBA, and finally, a former General
Secretary of LyF CF was instated as the president of the company. It was within this highly politicised environment that the CCT 78/75 was negotiated, which act ended up as a symbol of the peak of the trade union's influence in the ESI. In 1976 a new coup d'état smashed the participation, suspended the collective agreement, and fired 265 workers, mainly trade union officers, lay representatives and activists (among them the ex-president of the enterprise). Between October 1976 and February 1977, a wave of industrial action launched by LyF CF to force the Military Government to resume the practice of political exchange ended with the physical disappearance of a group of leaders, including the General Secretary of the union, and 570 more dismissals.

Once democracy was restored, the CCT was renegotiated, most terms and conditions of employment recognised, but co-management rights removed. Although LyF CF did not recover the degree of control it had had, it still exerted a great influence in every aspect related to organisation and allocation of work, employment levels and recruitment, training and career development, and managed to maintain virtually complete job stability.

In the case of LyF MDP, the axis of the industrial relations was the CCT 36/75, another highly protected agreement, reached in the same year, 1975, by the national Federation, FATLyF, on behalf of the fourteen unions which organised workers in the company Agua y Energía Eléctrica on a regional basis. The terms and conditions of employment were similar to those negotiated by LyF CF, the leading union of the national Federation, but LyF MDP did not enjoy co-management rights, as the latter were achieved in SEGBA by law (not by a CCT). The CCT 36/75 was also suspended by the Military Government; it was recovered untouched by the union during the 1980s. It was the CCT in place at the time of privatisation of the company.

The institutional structures of the system of industrial relations in the ESI at the time of privatisation were rather simple from the beginning. The cornerstone was the CCT negotiated in a Ministerial commission (the so-called Comisión Paritaria), a tripartite body by law integrating public authorities, employers and union officials. Lay representatives (delegados) bore the responsibility at workplace level, watching out that the employers did not breach the agreement. If this level failed, lay representatives might have called a union officer, and if still no solution was reached, a formal claim was submitted to the most appropriate of four commissions: terms and conditions of employment, safety, training and fringe benefits. The next step should have been to elevate the claim to an ad-hoc commission (Comisión Resolutiva de Reclamaciones), chaired by a Ministerial authority with the power to deliver a final decision. The conflicting parties could appeal to the Ministry of Labour.

These commissions were also the place where ordinary consultation was handled. Important matters often involved officers in face-to-face negotiations, for the system allowed room for regular and informal contacts with managers, which was an essential component of the peaceful resolution of conflicts and an additional mechanism of micropolitical exchange. In fact, these contacts permeated the whole structures. Although the system was highly centralised, it depended on the ability of elected lay representatives to make the agreement work. Mass dismissals and repression during the Military Government explain, in part, why the union could not apply the agreement in its whole extension during the 1980s, which led, in turn, to a deterioration of the industrial relations expressed in an increase, though still within moderate boundaries, of industrial action.

Trade Union Organisation in the ESI

In contrast to the UK, trade union organisation in Argentina was based on a legal monopoly of representation and bargaining rights (personería gremial). Any organisation of workers could apply for public recognition providing it presented its internal books and other information to labour authorities. However, to replace a union with personería gremial, the competing organisation must have demonstrated that it had had, at least 10 per cent more members than the other union. However, an organisation, without negotiating rights and without health cover institutions (obras sociales), had minimal chances of affiliating workers. The obras sociales were, perhaps, the most salient feature of Argentinian trade unions. They were created at the end of the 1950s and the beginning of the 1960s by means of collective agreements with employers. Both sides
contributed to financing the obras sociales, but only the trade union ran the administration. In 1970, a new law compelled employers and unions to create obras sociales, not only for union members and their families, but also for workers of the same sector, insofar as they contribute to their financial support. A worker, therefore, could contribute to the obra social without being a trade union member. In any case, however, the worker contributed to the financial strength of the trade union. This somehow compensated the union against free riders as collective bargaining covered members and non-members. Thus, obras sociales, one of the pillars of the country’s health system, became a source of power and an axis of political exchange.

Until privatisation, regional electricity unions (44 organisations in total for the whole country) were part of a FATLyF, a federative body. This body was dominated by LyF CF, the biggest ESI union in the country. FATLyF managed the obra social for all electricity workers and offered other social benefits like housing building and tourism. Its members were all organisations of blue-collar and white-collar workers, with personería gremial over particular geographical areas. In companies like Agua y Energía Eléctrica, DEBA and later on ESEBA, which extended their operations over huge territories, several trade unions had bargaining rights for certain regions. Thus, FATLyF represented all of them at a single negotiating table thereby securing a united front and keeping homogeneity in terms and conditions. Indeed, the agreement CCT 36/75 closed by FATLyF set terms and conditions nationally, except for the Federal Capital and Greater Buenos Aires where LyF CF signed its own, the aforementioned CCT 78/75 for the public company SEGBA. In contrast to the UK, due to the system of personería gremial, there was no room for inter-union competition in the ESI in Argentina, though political disputes between factions within FATLyF were common. Privatisation came to exacerbate the latter.

The Neo-Liberal Turn: Menemism and the Legal Offensive

The neo-liberal offensive was, as in Britain, backed by a legal attack against individual labour rights and trade unions. However, unlike Britain, a group of unions exercised pressure on the Peronist Government, which had been elected with unions’ support, and engaged in a political exchange, with dubious results for the file-and-rank, but important financial rewards for the organisation.

So during this Peronist Government’s first term in office (1989–95), only eight out of twenty legislative projects to reform labour laws were passed in the Parliament. Over this period, Peronist Members of Parliament (MPs) with union backgrounds blocked in a Labour Law Commission any legislative attempt to decentralise the collective bargaining and make labour contracts flexible. Only after 1994, when a corporative pact was agreed, did these MPs stop blocking the projects. All along, in order to introduce change, the government was forced to give exchange protection and financial support to the obras sociales, and permit unions to invest in the new business opportunities brought about by the privatisation and deregulation of the health system, pensions, ESOPs, insurance for labour accidents, and the privatisation of public enterprises. As will be shown later, this form of mobilisation of political resources is critical to understanding of LyF CF’s response to privatisation.

However, in the face of opposition, the state also exploited, in key conjunctures, its faculty to issue anti-union decrees and repress unions. Accordingly, the right to strike in public services and utilities was restricted in 1990 in the midst of industrial actions against the privatisation of railways and communications. The strikes were declared illegal, unions’ personería gremial and arrangements whereby subscriptions were deducted from member’s pay by employers (check-off) were suspended, military forces were mobilised to run the services, leaders were threatened with penal prosecution, and more than 400 workers were sacked. In 1991, in the context of the Convertibility Plan (Plan de Convertibilidade by which the Argentinian peso was pegged to the value of the US dollar by law), the government decided to cut wage increases to prevent a new inflationary crisis, and issued a decree linking rises in wages to productivity growth. Unions opposed this decision arguing that it limited actors’ autonomy in collective bargaining but its consequences were much deeper. The decrees impacted on the whole structure of collective bargaining by forcing unions to negotiate wages at firm level and to take into account differentials in productivity between companies. They also constrained corporative strategies...
by precluding demands for governmental wage polices. Trade unions were obliged to discuss with employers how to increase productivity and concede changes in the labour process that they were previously resisting. Nevertheless, trade unions succeeded in keeping a centralised bargaining process by articulating sectoral and local negotiations. So in 1993, another decree instituted bargaining at enterprise level; during 1995–2000, 90 per cent of collective agreements were of that kind. Consequently, national collective bargaining in the private sector ended.

Finally, there was the specific utilisation of law and decrees to bring change to public industrial relations and break public trade unions’ capacity to obstruct the managerial decisions of the future private owners. This move was an essential part of the pre-privatisation period, with full involvement of a horde of consultants paid with the WB loans, who were personally involved in negotiations with managers, trade union officers, and authorities from the Ministry of Labour, the Ministry of Economy and the WB (Daireaux et al. 1990; Campaño and Caruso 1991; Campaño et al. 1991). It entailed the suspension of 718 clauses from collective agreements previously reached by trade unions with thirteen public enterprises (Daireaux et al. 1990). The legal foundations were two laws passed immediately after the election of the Peronist Government to deal with the economic emergency signalled by the hyperinflation peak, and to begin the neo-liberal reform of the state. Although this aspect will be analysed in detail elsewhere, for it will help us grasp, on the one hand, the centrality of law in Argentinian industrial relations as a political power (re)source, and on the other, the participation of international agencies in the counter-mobilisation process.

Conclusion

The comparison confirms the assumption that constitutes the thread of this chapter: the divergence of the systems of industrial relations of these countries correlates with different patterns of trade union power. Although in both cases industrial and political (re)sources of power are intertwined, the axes, upon which the trade unions movements in Britain and Argentina have traditionally built their respective strength, differ. In the former, industrial resources prevails; in the latter, political resources are paramount. Nevertheless, when turning to the ESI, industry and ownership effects bring similarities: being a crucial economic activity granted industrial power to unions; the political environment of public enterprises assured them a degree of political influence.

Differences remains, however, and from the point of view of mobilisation theory, these had consequences for the opportunity structure, and the forms taken by the process of counter-mobilisation and trade unions’ responses to it.

It has been argued that the opportunity for trade unions to engage in political exchange with governments varies. While political influence is likely to be an enduring possibility for ESI trade unions in Argentina in democratic periods, it is less so in the UK, where the chances of mobilising political resources seem to be less. For British trade unions, the fate of the opportunity structure appears to be associated, mostly, with industrial dynamics and managerial policies. Finally, as stressed in the conceptual framework of the research, Tilly (1978) finds in competition a debilitating factor for the opportunity structure of subordinate groups; the British system seems particularly vulnerable to this circumstance.

McIlroy (1999) has remarked on the positive relationship in the UK between legislation and counter-mobilisation. This chapter shows that the Argentinian system of industrial relations amplified this connection. In the UK, though important in framing the context of industrial relations interactions, neutralising threats of industrial action and laying down the general structure of the industry, legislation was still a secondary aspect of the process of counter-mobilisation in the ESI. As shall be shown, the truth of the latter seems to have lain in the industrial restructuring that followed privatisation. In Argentina, given the legal underpinnings of trade union power, counter-mobilisation primarily took a legal form in the run-up to ESI privatisation, which paved the way for further industrial restructurings. Legislation was crucial for privatisation success.

Trade unions’ responses depend on contextual conditions, and one of their main determinants is the system of industrial relations. In Argentina,
the aforementioned centrality of legislation, which impinged on the counter-mobilisation itself, renders law a contentious resource. Hardly ever is an important event of workers’ mobilisation exempt of a legal side. Workers’ mobilisation manifests itself in this country, always simultaneously, in the streets, in the workplace and in courts. The system probably gives room for political exchange; therefore, unions often mount political strategies to confront industrial troubles. In the UK, these responses are unusual. Unions prefer to concentrate on strengthening their industrial resources. The structures, contents and strategies of industrial negotiation and consultation, together with the level of membership, dominate union policy thinking. Other variables such as organisation, leadership and decision-making play a determining role on how these resources are combined and to what end. For instance, political influence in Argentina is to be found as an outcome of either union cooperation with privatisation and the reform of labour institutions, or coalitions building to halt the privatisation programme and block industrial action. In the UK, industrial resources are pursued either within the framework of partnership agreements or by organising strategies. If these orientations differ politically, the kinds of resources they aspire to build are of a similar nature; for example, recruitment is paramount in both.

To sum up, this chapter discusses, from the point of view of mobilisation theory, differences and similarities regarding trade unions’ (re) sources of power, which stem from the divergent natures of the British and the Argentinian systems of industrial relations, and from the political contingency associated with the management of public industries. In the following chapters, it is necessary to bear these themes in mind, as they recur when analysing the empirical findings of the research.

The aim of this chapter is to analyse the relevance of mobilisation theory to the understanding of the forms taken by trade unions’ initial responses to privatisation. According to the analytical sequence laid down in the theoretical framework, the chapter focuses on the opportunity-to-act (or opportunity structure). This category, especially in a comparative perspective, requires detailed examination of the contextual variables that condition the exercise of trade union power. In the realm of industrial relations, the opportunity structure is understood to be empirically determined by the general balance of forces between contenders, not only at political but also at industrial level (Kelly 1998); for by definition, counter-mobilisation by the state and by capital is both a political and an industrial process, and hence it is necessary to approach both dimensions.

Although there is considerable interaction between both levels, the starting-point of a privatisation programme is, by and large, politically determined, and depends on the ability of governments to change power relations at the political level, before they are manifest in the industrial domain. Therefore, though judgments about political priorities may turn on evaluation of the industrial position given that both spheres are mutually reinforcing, it may be argued that the crucial factors shaping the opportunity-to-act in the run-up to a privatisation programme are political. If this is true, the analysis of power relations and the power (re)sources of the contenders should express this predominance.

Objective changes in the opportunity-to-act, however, cannot explain by themselves the strategic choices of the actors (Farinetti 2002). These choices depend on how the opportunity structure is subjectively processed.
The United Kingdom

**FUSE Campaign**

In March 1987, the joint union forum of the industry, ESTUC, through its campaigning arm, the Federation of Unions Supplying Electricity (FUSE), launched a set of activities opposing the privatisation of the electricity industry. The initial objectives of the campaign were to mobilise public opinion against privatising the ESI, and in particular, to contact MPs as well as candidates at the coming general election, to persuade them not to endorse a manifesto commitment by any political party to privatise the industry (EPEA 1988a). In turn, its primary concern was to prevent the breaking up of the generating boards (TUC 1988a, 1988b). Consequently, using the Divisional Electricity Supply Trade Union Councils (DESTUC), a new, untried local organisation, the collective effort was directed towards lobbying MPs – particularly Conservatives from marginal seats – towards raising public awareness of the issues involved by organising local events, and towards influencing opinion formers (see Electricity News, 8 March 1989). From the outset, the electoral focus swung itself away from industrial action, which was discarded as an option.

The announcement that the general election would be held in June, earlier than expected by ESTUC, meant that ESI unions had to take the campaign to the public before FUSE was mature. The election result marked the failure of the first stage of the campaign, as was openly acknowledged at the time: 'It is a matter of record that the campaign was not successful' (EPEA 1988a: 13); or: 'Let us be honest, the FUSE campaign against privatization of the Electricity Supply Industry actually failed on 11 June 1987. That is when the Conservative Party was re-elected with a majority of 101' (EETPU DJIC no. 4).

Strictly speaking, after the national election, the FUSE campaign faded away under the new secretariaship of NALGO, while the other ESI unions withdrew their active support. The leading unions of ESTUC – EPEA and EETPU, and to a lesser degree NALGO – focused on securing changes...
Certainly, their inability to even think about stopping the privatisation – despite opposing the sale of the industry – was an expression of an unfavourable balance of power for organised labour. This unfavourable balance forced ESI unions to actively engage in shaping the future industrial structures, and therefore, to positively collaborate, through know-how and industrial peace, with the privatisation programme. Yet, trade unions’ ability to use their industrial latent power, or at least, to make the government fear this possibility, proves the divergence between the political and the industrial facets of power relations in the run-up to privatisation. Political strength gave the government and top managers the lead and the industrial lever; whereas latent industrial power enabled trade unions to bargain defensively and politically in a context in which the overt political influence of the labour movement was at a minimum. This divergence coloured the social interactions by which contenders pushed through their aims causing mobilisation of diverse (re)sources of power or causing contenders to abandon or modify certain objectives.

The scope of political influence was defined in Chapter Two as a source of trade unions’ power (Batstone 1988). In turn, social movement theorising evaluates the political strength/weaknesses of subordinate actors by taking into account the openness of the political decision-making of the state, the availability of allies, and the stability of the political alignments and the ruling elite (Tarrow 1994). In applying this model to labour studies, Kelly uses the number of contacts between the TUC and the state as an indirect way of measuring the openness of the political structure to trade unions; as he explains: ‘this is far from being an ideal source as it reports only TUC contacts, not those of affiliated unions, and given the nature of the source, there is probably some upward bias in the reporting. But if we assume any such bias is constant over time, then it may provide a reasonably valid measure of trends’ (Kelly 2005). Kelly quotes research by Holy Marsh (2002) that shows a steady decline in total contacts between 1983 and 1994, suggesting a reduction of unions’ political access, and therefore, as already mentioned in the previous paragraph, of the political influence of the labour movement. Additionally, according to David Marsh (1992), contacts were increasingly initiated by the TUC in search of a new realist approach, and not by the government; these involved a move from face-to-face...
to-face to weaker contact by writing. Finally, unions’ political access was significantly less effective in comparison with those of the 1970s (Marsh 1992). Trade unions’ political influence within the Labour Party began to be questioned once the association between trade unions and the Party was identified as part of the explanation of Labour’s electoral defeats. Moreover, although civil society in Britain affords the union movement many potential allies in its attempts to influence governments, recent research has shown that coalitions of protest are still rare in the UK (Frege, Heery and Turner 2004). Lastly, the Conservative parliamentary majority stopped all chance of any benefit, at least, at the institutional level, from instability in political alignments or divisions in the ruling elite. In short, as recognised early in the EETPU Shop Stewards Quarterly: ‘If one examines trade unions’ attempts to influence government policies, it is clear that we have had virtually no influence at all. Again, evidence of lack of real power’ (EETPU Shop Stewards Quarterly Review, 20 May 1983).

Despite this political environment, ESTUC could break the political exclusion, keep regular contacts with the Secretary of the State, and contribute to policy-making. The key factor explaining why electricity unions were able to secure concessions, whereas other unions elsewhere were unable to, was related to their industrial power: ‘Clearly, the Government’s tactics are to avoid provoking opposition from the staff in the run up to privatization. They know that on these issues [safety, pensions, and industrial machinery] the membership would be prepared to take industrial action to safeguard their interests’ (EETPU 1988).

Thus, ESTUC succeeded in reintroducing the transference of the negotiating machinery by law to the new privatised companies, and the new owner’s obligation to give twelve months notice to withdraw from it, against the government’s intentions to repeal both guarantees. EPEA commented on this: ‘It is a limited protection safeguarding the integrity and continuity of the Industry’s existing negotiating machinery, but nevertheless an important one in the political context of today’ (EPEA 1988a).

This was still, at the time of writing, the overall framework in which those concessions are analysed by union officers:

Question: Why do you think the government accepted to protect the pension scheme through legislation?
Reply: Well the government didn’t want [...] The government gave these concessions because they knew that if they attacked the pension scheme, or if they had compulsory redundancies, they would have given the trade unions the weapon to take industrial action. The objective of the government, considering these things, was to strike the trade union guns [...] They could not encourage our members to challenge them. If they had attacked the pension scheme and threatened to throw people out without given good financial settlements, then we would have balloted for industrial action. And they considered spiking our guns in terms of being able to take industrial action. (National Officer – Amicus)

Question: Why did the government give you those concessions?
Reply: Well, remember that the government didn’t want conflicts. The government itself was slightly nervous about how powerful the electricity unions were. And they didn’t want industrial action. (National Officer – Prospect)

A complete picture of this relative success should include the privatisation process itself (mainly dealing at that time with one major employer prior to restructuring, rather than with several as in the water supply industry) and the political position of ESI unions (that is, their low profile during the 1984–5 Miners’ strike). Yet, it seems reasonable to argue that industrial power opened ESI unions’ defensive political influence. Then the analysis of Lukes’ first dimension of power should be qualified by incorporating unions’ capacity to make the government modify their original preferences with regard to the provision of official guarantees matching specific unions’ demands. However, it is necessary to stress the defensive nature of this political influence, for unions’ strategy was rooted in an explicit acknowledgement of their own weakness that inclined them to take certain courses of action precluding others. In this sense, the overall influence of the political and legal climate was paramount.

The opportunity-to-act was read in the light of other trade unions’ experiences, which as a rule were to be interpreted, unequivocally, as signalling that privatisation could not be defeated. For, as it was graphically put by an EETPU delegate: ‘Thatcherism and privatisation is the same thing’ (EETPU 1988).
Remember that the electricity industry was privatised along the line. Gas had been privatised, and so on, OK? We had learned from the experiences of the other unions or we thought we had. Because, in some instances, the other unions just opposed what was happening, blanket opposition. We took a further pragmatic view. We said: ‘OK, we don’t like what is happening. We will try to make the best of our job and there are certain policies that we want to pursue.’ (National Officer – Prospect)

Question: Did the engineers take any kind of industrial action?
Reply: No, we never had industrial action of any type […] Originally, we took the decision not to do that, because we would have been challenging the government, and we all saw what had happened to the miners here […] We decided what we would do was to work within the system and tried to argue to the best of the system, and also not to challenge the philosophy. (National Officer – Prospect)

Sometimes you run in two… It’s what we call run in two horses. So you got a public policy but if you know you aren’t going to win, at least, you make sure that you protect your members, and that was what we’ve done. (National Officer – Unison)

From the outset, the whole policy of ESI unions was based upon the recognition of the inevitability of privatisation. Bearing this particular point in mind, and leaving aside the moderate character of ESI unions, it is easy to conclude that the negative development of trade unions’ resources with regards to governmental support and intervention in disputes and conflicts – chiefly through legislation – conditioned any chance of their resorting to the offensive mobilisation of industrial resources.

By 1987, when the FUSE campaign was launched, the government had already passed three important pieces of legislation directed towards changing the balance of power between unions and employers. Furthermore, during the run-up to privatisation between 1988 and 1990, three new important Employment Acts were sanctioned. Chapter Six approaches the relevance of these changes in law by which the government crucially restricted, through the 1982 Employment Act, the definition of a permissible trade dispute to the terms and conditions of employment, or the physical conditions under which any workers are required to work. Additionally, picketing and secondary action were restricted by the 1980 Employment Act, unions were declared liable for unlawful acts by the 1982 Employment Act, and ballots were required before industrial action by the Trade Union Act 1984. It could also be added that the government’s attempt via the latter to engage the support of moderate trade union members in dissuading leaders from embarking on political campaigns further narrowed the terrain of legitimate union activity to the industrial sphere, extended the range of activities considered political, and therefore incremented the risks of legal challenges to union activities.

In short, by mobilising their political resources into legal reforms, Conservatives targeted a key industrial source of power: unions’ ability to disrupt production (Batstone 1988). As underlined by a member of the NEC of the EETPU in 1988: ‘At ESTUC’s first weekend conference we seriously considered industrial action as an option to prevent privatisation, but the unanimous view of the council was that action would be illegal’ (EEPTU 1988).

The same view is still expressed nowadays when considering the options for trade unions in the mid-1980s:

You have to remember that at the period of privatisation there was Margaret Thatcher. She made it illegal for people to take industrial action for anything except for trade disputes. I mean, it’s quite clear that if we had taken an industrial action against privatisation, it would have been deemed illegal, and therefore, we could have been taken to court. (National Officer – Unison)

At the end of the day, direct action wasn’t an option for us because the legislation introduced by Maggie Thatcher said we would be outlawed because it wasn’t an issue which we… So strike… Unless it was a trade dispute, and did something to your pay and conditions […] We couldn’t do anything. It would have been deemed to be a political issue. (National Officer – Prospect)

On the other hand, at industrial level, managerial support together with procedural and other collective agreements – which according to Kelly and Heery are crucial power resources too (Kelly and Heery 1994) – did not experience a serious deterioration in the run-up to privatisation, basically, for the national negotiating machinery was in place throughout the process. Changes in managerial styles and policies, the scope of consultation, the range of bargaining issues, and even the structure of the industry did occur before vesting day, but they were not dramatic. It is difficult to know if this
was the outcome of ESTUC’s success in securing written guarantees from the government that the national bargaining machinery would remain in place until one year after vesting day, and therefore, brought about by union campaigning. It could be the case as a withdrawal from the machinery was submitted by management soon afterwards. In any case, though as signs of the challenges ahead, changes at this level added to the sort of evolutionary change experienced, hitherto, for the industry: ‘until privatisation, therefore, the story of industrial relations in the 1980s is essentially one of continuity’ (Ferner and Colling 1993: 118).

If one turns the attention to the second of Lukes’ indicators, that is, control over the agenda of interactions and its contents, a difference between political and industrial spheres is again noticeable. There were frequent meetings with Cecil Parkinson (Secretary of the State for Energy), submissions to the House of Commons Select Committee on Energy, and contacts with MPs (EPEA 1988b; see also, Privatisation News and Contact, several issues). These permitted unions to maintain some control over the interactions and to keep key issues for trade unions’ defensive strategy on the agenda: pensions, safety, the legal underpinning for the negotiating machine and shares schemes. For instance, informal contacts with Cecil Parkinson led EPEA in 1987 to prepare a submission about privatisation and competition (EPEA 1988a). During 1988, ESTUC held meetings on a monthly basis in which issues like research and development, regulation of the industry, the break-up of the CEGB and the processes of consultation were discussed (EPEA 1988b). By the end of 1987, the House of Commons Select Committee on Energy had begun an enquiry into the ‘structure, regulation and economic consequences of electricity supply in the private sector’ (EPEA 1988a). ESTUC sent written evidence on two occasions, and four ESTUC officials gave oral evidence. Due to ESTUC intervention, the Final Report of the Committee published in July 1988 was critical of government’s plans as regards the division of the generation structure and the ownership of the grid by the distribution companies. Lastly, the ESTUC small working party monitored the Privatisation Bill’s progress by keeping constant liaison with MPs of all Parties as necessary. Through these interactions ESI unions mobilised political resources to politically influence the process of privatisation.

By contrast, the CEGB and Area Boards refused from the outset to discuss and consult with ESTUC about its future structure; unsurprisingly then, the latter was strongly critical of the CEGB indifference to consultation on fundamental issues such as the break-up of the industry. After strong pressure was applied, the relationships at the industrial level improved and mutual confidence was somehow re-established. It was only by the end of 1988 that informal discussions had begun with the CEGB about privatisation (EPEA 1988b). Things were only slightly better in Area Boards, where ESTUC representatives and a number of Chairmen agreed to facilitate exchanges of views and discussions. In this context, top management also reduced consultation with unions about traditional industrial relations issues, but without pushing meaningful changes.

Therefore while trade unions were able to add industrial relations issues like pensions, health and safety, and the negotiating machinery to the political agenda, ESTUC failed to secure their industrial preferences regarding ESI structure (for instance, their opposition to the split up of the CEGB, the transfer of the obligation to supply to the distribution companies, or the ownership of the national grid by the distribution companies).

Finally, the third level of Lukes’ analysis of power relations refers to ideological hegemony. When carrying out this analysis, it is essential to first identify the core ideological leitmotifs of the privatisation of the electricity industry. With this in mind, by analysing the White and Green Papers for privatisation of public utilities, some scholars have suggested that their privatisations were often presented within an ideological package comprising: win-win scenarios, praise of consumer identity, and tributes to the benefits of management and competition (Haslam et al. 1996). At this level, the analytical risks lie in the difficulties in disentangling what is evidence of Thatcherism’s ideological domination of debate, and what are tactical choices by unions (for example, it might be argued that emphasis upon the aforementioned issues could have been a conscious choice by unions given the power realities they faced rather than mere acceptance).

In a sense, the incorporation into union discourse of the central tenets of privatisation helps to legitimise the dominant discourse and, hence, reinforces its hegemony, even in the case of just a tactical decision. Although findings suggest that gradual discursive acceptance among ESI trade unions
of some aspects of those leitmotifs was a real manifestation of the ideological impact of the changes in the opportunity structure.

The role played by the figure of the consumer in the ESTUC campaign is notably conspicuous. The reference to consumers’ interests, instead of those of workers and trade unions, was overwhelming. In the charter in which ESTUC publicised their basic agreements when launching the anti-privatisation campaign, while four out of its ten points were related to consumers’ concerns, no single explicit mention of workers’ interests can be identified (ESTUC 1987; FUSE 1987). Similarly, in a list of seven points of principle agreed after the Conservative re-election, the first two referred to consumers’ concerns; although this time, two points made the case for the continuation of the industrial machinery, and the terms and conditions of their members’ employment (EPEA 1987). EPEA’s presentations to the TUC and other conferences were deemed to show why privatisation would go against consumers’ interests (TUC 1989a, 1989c). After the 1987 election, similar rationale led the ESTUC to consider that there was not an obvious campaign to mount and confined FUSE to lobbying: ‘It was agreed that if another campaign is necessary it would be based on a clear issue of concern to the public which might emerge’ (EPEA 1987).

This approach is still vividly evoked:

In opposing privatisation, we persistently argued our case on the basis of what was best for the consumer and the nation as a whole. But this didn’t stop Conservatives, and they accused us time and again of self-interest. Of course, protecting the interests of our members was a primary concern, but we made clear that not at the expense of the consumer. (National Officer – Amicus)

The water anti-privatisation campaign focused remorselessly on consumer interests, including security and quality of supply and the ability and will of a privatised water industry to comply with European standards. Although it was never sufficient to derail privatisation, at key points it had the government on the defensive (O’Connell Davidson 1993; Ogden 1991, 1993). However water unions spent a lot of effort in building coalitions with consumer groups; these proved to be an effective replacement for low workers’ engagement, and also an incentive to workers to become politically active. In the ESI, instead, coalition building was absent, a fact that further demoralised the rank and file. Evidence from unions’ conferences suggested that FUSE was experienced by lay workers as a remote event and complaints about its features abounded (EETPU 1988; EPEA 1987; 1988; NALGO 1988b). Certainly, if win-win scenarios and managerial tributes were not endorsed during the campaign, the former matched up ideological developments in the EETPU, while the latter resonate with EPEA idiosyncrasy.

At the time, EETPU was pioneering the politics of a win-win type of social partnership, known by its detractors as strike-free agreements, which primarily proliferated in several Japanese firms (Taylor 1985). The leadership of the union promoted this political line as a modern approach that could collectively add greatly to the potential and prospects of private enterprises, and enhance the role and the involvement at work of the individual employee. Hence, the receptiveness to win-win scenarios among blue-collar workers was likely to be facilitated by the ideological battle of the EETPU leadership against the us and them culture: As proudly stressed by a former Officer of the EETPU in an interview:

We created our own style of trade unionism, a coherent alternative to the political one, which has given game, set and match to the government. We created a new type of union, an effective partner to management. (National Officer – Amicus)

EPEA, an engineering union that organised not only frontline engineering staff but also senior ranks of management, basically grouped together the people responsible for running the industry. First, the nature of their constituencies colours its culture and ideological inclination:

Our members, if you ask someone, they were proud to be an NJB employee or an NJM, and proud of their status. They were recognised to be elitish sort of people. Our constituencies, technical, professional or managerial staff would prefer to stay out of unions rather than being a small part in big unions representing other types of workers. (National Officer – Prospect)

Second, and most important for this analysis, among the senior members there has always been tension between their worker and managerial souls.
Plainly, at times we have conflict of interest [...] Let’s say to recognise that our members have a duty to do as managers, and that they have to do that first. Most of the time, we don’t really have problems with the kind of things we have to achieve on their behalf. But, for instance, they often complain when companies want people redundant, but privately they agree with them. (National Officer – Prospect)

This tension manifested itself in the run-up to privatisation, for many of their members in managerial positions shared the managerial wave of seeing economic and professional advantages in freeing themselves from the rigid structures of the national industry. Many pursued their own managerial agenda in between the government’s plans and unions’ standpoints. This somehow weakened EPEA endeavours, whose leadership engaged in a subtle ideological battle to prevent senior members from making what the union leadership conceived of as misleading projections about the managerial future in a privatised industry. EPEA’s readiness to confront a political issue through a technical discussion could be understood as another hint about this managerial thinking.

To summarise, Lukes’ model helps identify how political and industrial variables combined to narrow the opportunity-to-act for ESI unions. Yet, it also contributed to identification of how unions acted defensively upon those variables by mobilising political resources anchored in their latent industrial power. However, the analysis of the opportunity-to-act cannot explain in isolation the forms taken by unions’ anti-privatisation campaigns. For a better understanding of the latter, the exploration of the categories organisation and interest definition are needed.

Organisation, Decision-Making, Leadership: Multi-Unionism and Pragmatism

The opportunity-to-act is processed by unions through organisation and the social mediations of interest definition. When applying mobilisation theory to industrial relations, the organisational domain is of prime importance. Moreover, trade unions, as secondary organisations, are highly sensitive to changes in the industrial and bargaining structures, and hence, privatisation in itself targeted trade union organisation as shall be discussed in Chapter Ten. It is also important to acknowledge that organisations have diverse dynamics of decision-making and are commanded by leaderships with different styles and political outlooks. The combination of certain types of organisation, decision-making processes and styles of leadership is assumed to be crucial in accounting for the existence (or inexistence) of workers’ collective actions and unions’ campaigns and their particular forms. Then it is important to complete this analysis of the FUSE campaign with a few remarks on relevant data about the category organisation and interest definition, mainly, trade unions’ leadership styles.

Chapter Six discusses the meaning of British multi-unionism. By definition, it poses serious challenges to workers’ unity, and privatisation was not an exception. However, through a coordinating structure, ESTUC, ESI unions attained a high degree of unity and were able to achieve a remarkable degree of unanimity in ESTUC’s response to the privatisation programme. Nevertheless, this unity was overdetermined by the institutional framework within which unions agreed common demands and ways of action, and had different meanings for different unions.

Clearly, for NALGO, compromise at the level of ESTUC was to cause relative detachment from its internal process of decision-making, built upon the values of participatory democracy. Being a strong white-collar union, particularly in the old Area Boards, NALGO organised certain groups with significant disruptive potential (mainly billing staff and customer service functions employees), but without the latent industrial power of the manual and engineering unions who were the leading organisations of ESTUC. While accepting the electoral focus promoted by EETPU and EPEA for the FUSE campaign, NALGO’s initial involvement in the latter was characterised by the unsuccessful attempt at prioritising coalition building by working with consumers’ organisations and other interested groups as they had done in gas, and were attempting to do in water. NALGO made a list of target consumer groups and organisations, established contacts with the water unions’ campaign committee, and held a weekend school for campaigners (NALGO 1988c). After the election, when EPEA consolidated its leading role, while agreeing within the ESTUC to support the Electricity Charter drawn by EPEA (ESTUC 1987), NALGO stressed its commitment to the continuation of FUSE: “We will be pursuing a number of initiatives
of our own and we will seek to ensure that members are fully involved in the campaign’ (NALGO News, 299, 9 October 1987). Nevertheless, this campaigning determination was soon simply a discursive device to soften internal dissatisfaction like the sort that arose in the Annual Conferences: ‘Conference welcomes the united opposition of the FUSE to privatisation. Whilst urging the NEC to work to preserve this unity, Conference emphasises that NALGO’s continued support for public ownership is independent of the views of any other union’ (NALGO 1988a).

This warning, however, had no chance of being translated into an independent policy. So although NALGO’s lay representatives, who were frequently critical of the campaign, urged the NEC to take a leading role, criticised the DESTUC and raised proposals to set up FUSE committees at every workplace, in the ESI’s multi-union structure, coalition building was beyond the individual will of a white-collar organisation.

By contrast, given its constituency, EPEA was a powerful organisation embodying the ethos of meritocracy and moderation which had characterised the ESI. By organising the technical, professional and managerial staff, they easily took a leading role when the opportunity structure narrowed to the extent that a technical approach was the only option to be listened to within the rules of the game, and the only political platform from which to negotiate future industrial relations issues. This leading role within the ESTUC would last in their interactions with the state until the end of the 1990s. It crystallised when, in the run-up to privatisation and after, the NEC of EPEA was in charge of every submission to official spheres endorsed by ESTUC (EPEA 1986). It was reinforced when ESTUC established a small working party co-ordinated by EPEA's leadership to monitor the legislative process and liaise with MPs. Suggestively, the secretariat of FUSE changed, at this very moment, from EPEA to NALGO. Industrial and organisational features contributed towards incitement of ESI unions to accept EPEA's leadership within ESTUC. Regarding industrial features, not only EPEA's strategic role in running the power stations, transmission network and distribution system, but also its technical expertise and the daily authority its members exercised in the industry, buttressed the campaigning replication of ESI internal seniority, once the negotiation moved to a political sphere but under technical clothing. Turning to the organisational features, while NALGO and the EETPU had membership constituencies outside the industry, those of EPEA were almost entirely within the ESI. Its top leadership was one hundred per cent personally involved throughout the process; its NEC was a general headquarters, which permanently fed the ESTUC with ideological and technical arguments in response to every issue coming up during the process.

The case of EETPU is complex. The union was the main organiser of manual and craft workers, with enough strength to disrupt production alone. This threat was to be ritually used before privatisation to settle the NJIC annual agreement; only at that time, EPEA and NALGO negotiated their own agreements. However the right-wing-populist leadership of the EETPU was a moderate force which contributed significantly to the keeping of industrial peace in the ESI, aborted shop floor activism, and working together with management 'achieved improvements in productivity through technological change, the closure of uneconomic plants and [...] flexibility amongst staff’ (EETPU 1990). This approach was undertaken through a political move combining organisational changes towards centralisation with an extensive use of formal democracy under the ideological shell of modernisation. It entailed the abolition of area committees and appeal courts, and the empowerment of the NEC to abolish or amalgamate branches and appoint full-time secretaries and organisers. This power was manifested in disciplinary action against activists and opposition candidates, and in the closing of dissident branches (Hyman 1983).

Periodical condemnation of these practices, and debates around participation and branch life, went on from the 1971 to the 1983 Biennial Delegate Conferences, when the EETPU leadership finally took over the opposition by beating their proposals to rigidly bind the Executive Council to conference decisions and to elect the union officials. According to the NEC, the opposition intended to undermine the authority of the elected executive and to reduce the political influence exercised by union members through secret ballots. The privatisation of the ESI found a populist leadership in firm control of a centralised organisation but immersed in a serious conflict within the labour movement, leading to its expulsion from the TUC. In this context, for the EETPU, compromise through ESTUC ensured, first, trade union acquiescence and, second, a common stage from which to
pursue the election of a Labour Government to reverse privatisation policies. This was, in fact, the only feasible strategy devised by EETPU, which had consistently opposed industrial action to undermine public policies. Indeed, this compromise was also functional in dissipating misleading dreams of industrial action, as the following quotations show:

“I have yet seen little indication from the EPEA that they are likely to take action. NALGO may like to; NALGO are fond of spending a lot of money on lost causes.” (EETPU 1988)

“Does Conference believe that against this background and at this late stage we can go to ESTUC, to our members, asking them to support illegal action?” (EETPU 1988)

So while the opportunity structure posed objective constraints to ESI unions, the concrete shape of the FUSE campaign had much to do with the nature of trade unions’ compromise through ESTUC, which in turn, was closely related to the organisational features of the individual unions, their respective bargaining powers, their mechanisms of decision-making, and the political orientation of their leaderships.

Argentina

The Case of LyF CF: From Latent Resistance to Active Support

The itinerary of LyF CF’s response to privatisation shifts from latent resistance to active support. During the 1980s, the union had openly opposed early calls to privatise the industry (Murillo 2001):

Question: Did the union oppose privatisation?
Reply: Of course, there was complete opposition! The same people who later on supported it, during 1980s had been completely against privatisation. ‘No to the IMF! No to the financial casino! No to contractors!’ We participated at that time in rallies, demonstrations, general strikes. (Lay Representative, LyF CF)

In 1989, the Lay Representatives’ Body (Cuerpo General de Delegados – CGD) of LyF CF decided to support the Peronist candidate for the presidential election, who campaigned for a Keynesian plan to overcome the acute political and economic crisis experienced by the country. However the new administration surprised foes and followers by triggering a programme of neo-liberal market reforms, which included vast privatisations of public enterprises.

As a result, LyF CF engaged in a mute opposition as the union leadership believed that the bitter struggles, which erupted in telecommunications, railways and airlines, would end up preventing the privatising wave. As the government opted to narrow the sources of conflict to a few sectors, isolated threats of direct action were enough for LyF CF to keep the status quo in the industry. Concomitantly, the union opened a political channel to the head of the Ministry of Public Works (Ministerio de Obras Públicas), who agreed to engage in negotiations to form a mixed company under public control with worker’s participation in reactivation of generation and distribution.

In September 1990, a plan of industrial action in response to delayed payment of wages included anti-privatisation slogans. In response, the government threatened to repress the union, as it had done in railways and telecommunications. As a result, the union leadership, convinced of the inevitability of the privatisation, embarked upon a pragmatic strategic shift. Two months later, the General Secretary of the union suddenly declared his support for privatisation of the industry conditioned by union’s active involvement in the process (Clarín, 24 November 1990). According to interviews, despite expressing public support to privatisation, the union still had hope in the Parliamentary opposition:

“We were absolutely convinced that Menem would not win the majority in the Parliamentary elections. His neo-liberal policies went against all traditional ideas of Peronism. But people kept loyal to PJ and voted the party. (Union Official – LyF CF)

When, in the election of 1991, the government won the majority in the Parliament, union leadership concluded that the only option left for the
organisation was to choose between participation and confrontation, and inclined unambiguously for the former.

Even while opposing government temporary contracts and licences, outsourcing or privatisation of the retail and commercial businesses, the union participated in negotiations and the preparation of the international bidding. In the process, the union attempted to secure the unity of the industrial structure, a single collective agreement, the previous definition of a regulatory framework, the continuity of the obra social and the implementation of ESOPs. With such defensive objectives in mind, the unions engaged in novel forms of political exchange by which they obtained economic rewards in exchange for concessions regarding labour flexibility and political support.

The Opportunity-to-Act

Any analysis of the opportunity-to-act against privatisation for Argentinian trade unions should take into account the ideological and political consequences of the hyperinflation processes that devastated the economy in 1989–90. Its disciplining effects upon the population have been stressed by various scholars (Campione 2002; Murillo 2001; Sigal and Kessler 1997; Torre 1998), and even compared to those of a dictatorship or a political repression (Anderson 1996; Bonnet 2007). Indeed, Thwaites Rey (2003) argues that both the political terror implanted in the society by the dictatorship (1976–83) and the economic terror of the hyperinflation explained the popular tolerance of the neo-liberal reforms of the beginnings of the 1990s. The economic crisis prepared the terrain for making the population accept the need for a radical change in economic policy and pass the State Reforms and the Economic Emergency laws which launched the political process of market reforms and privatisation. At the same time, it meant the final surrender of the main political parties to the influence and the privatisation recipes of the IMF and the WB. In the specific case of electricity, this general economic crisis was combined with an energy crisis (1988–9), due to not only climatic contingencies but also to the deterioration of the generation plants as a result of the lack of public investment.
to trade unions (Table 6). Consequently, trade union political influence within the PJ declined steadily just before the reforms began.

Table 6: Peronist MPs with Trade Union Background

<table>
<thead>
<tr>
<th>Parliamentary period</th>
<th>No. of union MPs</th>
<th>% over total MPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983–5</td>
<td>15</td>
<td>13.8</td>
</tr>
<tr>
<td>1985–7</td>
<td>28</td>
<td>11.0</td>
</tr>
<tr>
<td>1987–9</td>
<td>26</td>
<td>10.2</td>
</tr>
<tr>
<td>1988–91</td>
<td>23</td>
<td>9.0</td>
</tr>
<tr>
<td>1991–3</td>
<td>18</td>
<td>7.0</td>
</tr>
<tr>
<td>1993–5</td>
<td>10</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Source: Nueva Mayoría, September 1994 – Boletín no. 83

As for coalition building, interviews and sources showed that LyF CF inclined to pursue traditional union repertoires, without the intention of going beyond its constituency. Finally, any potential instability in political alignments at national level was concealed by the context of economic and political crisis which followed the hyperinflation. It seems safe to claim that trade union capacity to mobilise political resources against privatisation was extremely low; the only room for political exchange would prove to be dependent upon union subordination and cooperation.

In addition to this, trade union power resources due to governmental support and intervention in disputes and conflicts vanished. This is of extreme importance given the prerogatives of the state to intervene and shape the processes and outcomes of industrial relations, as shown in Chapter Six. Concurrently, this explains the dependence of trade unions on government and the role of political action in their strategy (Bunel 1991; Goldín 1997; Atzeni and Ghigliani 2009). The PJ was the historical channel by which the government was accessed and its favour gained. Therefore, confrontation of a Peronist Government implied the risk of political isolation and, more importantly, breakage of the alliance that had provided unions with political resources and had served their corporatist interests well so far.

As for legislation, two principal facts conditioned unions’ ability to act. First, after trade unions challenged the sale of telecommunications and railways, the government issued an anti-strike decree to avoid industrial action in the public sector in the pre-privatisation process, as demanded by the IMF (Thwaites Rey 1999). So as in the British case, the capacity of unions to disrupt production, a key source of union power, was inhibited. Second, the Decree 1757/90 suspended a number of clauses from the CCTs of the public sector which forced unions to enter into negotiations. In this way, managers and supervisors were excluded from collective bargaining, managerial authority upon the organisation of the labour process was reinforced, outsourcing was increased, and financial resources for the union were cut (Campaño and Caruso 1991; Ministerio de Economía 1990a, 1990b). The aim of the decree was to curtail union power and dismantle obstacles to productivity improvements before privatisation in order to increase the appeal for private capitals (Daireaux et al. 1990; Campaño and Caruso 1991; Ministerio de Economía 1990a, 1990b). The whole strategy involved the mobilisation of a variety of legal resources, the involvement of different state branches, and a myriad of well-paid consultants financed and technically supervised by the WB and BIRF (Banco Mundial 1991).

This curtailment of union rights, in turn, changed the balance of forces in the workplace in the run-up to privatisation. The unions witnessed the dilution of agreements and support from management, and with that, how power resources at industrial level withered away. This process will be analysed in some detail in Chapter Nine. For now, it is enough to mention that the process began with the State Reform Law which froze wages and ordered a 10 per cent reduction in the workforce of public companies (Ministerio de Economía 1990c). It continued with the appointment of aggressive company Directors who came from the private sector – partly paid for by the WB (El Cronista Comercial, 17 August 1990) – and, principally, with the suspension of clauses from the CCT that changed the rules of the game (Ministerio de Trabajo 1990). Finally, it was epitomised by the decision taken by an empowered management to stop the functioning of the
The Anti-Privatisation Campaigns in the Light of Mobilisation Theory

Consciously assumed and reworked, on their own, the ideological leitmotifs of the neo-liberal discourse.

For instance, while refusing the responsibility of the public sector and the legality of the foreign debt, LyF CF stressed time and again the inevitability of reliance upon private capitals for investment in and revitalisation of the industry. The union reminded workers about the good relationships maintained with the private employers before nationalisation, presented privatisation as a service of electricity workers to the nation in crisis, and stressed the lack of alternatives.

LyF CF did not accept that a public company is inefficient by definition, but took efficiency and competitiveness as leitmotifs:

> It didn’t matter for us who would own the company. We didn’t care about that. But let me tell you something, we do not think that the state cannot run the industry. Anyway, public or private the important thing was that the company should be efficient. We said to the government and workers: ‘Let us work for an efficient company to gain competitiveness.’ (Union Official – LyF CF)

LyF CF went further by developing its own discursive devices. It presented the ESOP as the fulfilment of the old participative traditions of the organisation to appeal to a distrustful workforce. NEC’s communications to lay representatives strengthened the continuity of aims between the old strategies and the new ones:

> With the opportunity to buy shares, and manage them collectively under worker’s organisation leadership, Luz y Fuerza really achieves the implementation of its long-awaited philosophy of responsible participation in order to look after the national interest, consumers’ interests, and the present and the future of the electricity workers. (Dinamis, April 1991)

With the opportunity to buy shares, and manage them collectively under worker’s organisation leadership, Luz y Fuerza really achieves the implementation of its long-awaited philosophy of responsible participation in order to look after the national interest, consumers’ interests, and the present and the future of the electricity workers.

Accordingly, the trade union’s journal Dinamis devoted important space to presenting win-win scenarios stemming from workers’ participation in share schemes:

> We hope that the old ‘them and us’ model in which interests are antagonistic, that is, where capital opposes workers, becomes a new model, where everybody gains if businesses are successfully run. (Dinamis, December 1990)
Although with less enthusiasm, the same line of argument was reaffirmed in 2006 within the ethos of popular capitalism:

We fought to get shares. We defended the ESOPs. Why? After 1976 the state was very authoritarian and did not allow us to participate. This situation did not change with the democracy either. That is the reason for our support for privatisation. For us, the ESOP meant a new participative style. A new role for workers in popular capitalism. (Union Official – LyF CF)

Overall, the image, after applying Lukes’ model to the case of LyF CF, is one of union subordination with the aim of revitalising the traditional channels of political exchange between unions and the state. The novelty rests in the content of the exchange. The union, as in the past, compromises in order to deliver social peace and collaboration, whereas the government denies unions’ influence in the design of public policy and just offers business opportunities as compensation. However, this devaluation of the traditional political resources did not alter LyF CF’s inclination to neglect the development and mobilisation of industrial (re)sources.

Organisation, Decision-Making, Leadership: the Birth of a New Style of Unionism

Two organisational developments are relevant at this stage of our enquiry about the relationship between the opportunity-to-act and trade unions’ internal capabilities. On the one hand, the workplace structures (comisiones internas) grew weaker, and with them, the lively internal democracy capable of imposing limits on a bureaucratic leadership. This fact was the outcome, first and foremost, of the military repression between 1976 and 1983 and of the restructuring of the public enterprises just before privatisation. The latter targeted the union, once more, through the massive retirement of the remaining old and experienced lay representatives. In this way, it stopped the slight recovery of workers’ organisations that had continued since the end of the military rule.

On the other hand, this pre-privatisation restructuring also meant financial pressure upon the assets and resources accumulated by the organisation to serve its members. LyF CF defended the so-called multiple trade unionism, a strategy intended to go beyond the horizon of union struggles towards the exercise of political influence in the design of public policy, the participation in the running of the industry, and the satisfaction of workers’ social needs. Towards fulfilling the latter, the union devoted energies to the supply of workers with cheap houses, hotels, holidays packages, an institute for secondary studies and training, pharmacies, food cooperatives, personal loans, and so forth. These resources were, historically, important levers of power for union leadership. However job loss, and hence a decrease in union membership, and the suspension of employer contributions to the union threatened the very sustainability of an organisation that, just before privatisation, had employed 1100 workers and had signed as employer five different collective agreements (LyF CF 1989).

These organisational factors help to explain the strategic choices of the union’s bureaucratic leadership in the face of an opportunity structure that discouraged forms of collective action based on workers’ mobilisation. Pragmatism prevailed before the new contents of the political exchange set down by the government. The bureaucracy of the state rejected the traditional mediating role of Peronist unions based on their tactics, which combined doses of workers’ mobilisation and negotiation. Instead, business opportunities became the only offer made by the political power in exchange for union political and ideological reliability. The eclipse of the internal life of the organisation, and consequently, of a more participative democracy, and the absence of an articulated opposition, plus a huge institutional structure about to collapse due to lack of money, eased the way for the union leadership to accept the new compromise. In this manner, they inaugurated a new style of unionism in Argentina. Some authors have classified it as a local type of business unionism (Palomino 2005). However, the principles of business unionism were already present in Argentina, mostly in the workings of the obras sociales. This new style went beyond that towards a truly entrepreneurial unionism, which assumed directly the function of capital in the running of a diverse portfolio of businesses. In further chapters, its components are analysed in detail.
The Anti-Privatisation Campaigns in the Light of Mobilisation Theory

The main front was the attack on the collective agreement, which counted on the connivance of FATLyF. The rationale of this assault was the managerial search for control over the labour process and the establishment of flexibility in the workplace. Another front was the downsizing of the workforce through outsourcing, voluntary and early retirements, and compulsory redundancies. The third front was constituted by anti-union policies, and even derecognition. With defence against these attacks in mind, union officials widened their tactical repertoire, which included: all sorts of industrial action, legal submissions, workers’ and popular demonstrations, workers’ and popular rallies, silent rallies, political alliances with local authorities and local sections of political parties, sitting protest demonstrations in front of the municipality, hunger strikes and fasts, blackouts to show community solidarity, the gathering of 70,000 solidarity signatures, organisation of popular musical concerts, and even the putting up of a tent in front of the company for seven months and eleven days. In all cases, the union forged alliances with community organisations and other local unions. Most crucially, the union promoted during this stage, together with other unions mainly from the public sector, the formation of a new summit organisation called the Central de Trabajadores de la Argentina (CTA) to rival the pro-reform CGT (see 8 de Octubre, several issues; LyF MDP 1995b).

The Case of LyF MDP: Opposition and Community Alliances

In this case, the anti-privatisation campaign arguably was still an on-going process at the time of interviewing (2005–6), for a new campaign asking for the private concession obtained by EDEA in 1997 to be rescinded was launched by the union in the beginning of 2005. It began in 1987, two years before the accession of Menem, when a combative leadership won the internal election. Since then, the campaign included a vast repertoire of collective actions against the process of privatisation; this process took ten years, partly as the result of workers’ opposition. There were three stages of particular conflict during this period.

During the first stage, between July 1987 and August 1990, the union fought the project to divide DEBA – the provincial generation and distribution company covering the Province of Buenos Aires – into three functional firms as the first step towards its privatisation: ESEBA SA, ESEBA Distribución and ESEBA Generación. Over three years, the union launched several campaigns, often based on the democratic vote of the membership through general assemblies, that included widespread propaganda, the exercise of political pressure over the provincial and industrial authorities, and even industrial action. Alongside the campaigns, the union attempted to get support from the CGT and also from FATLyF, which ultimately ended up supporting the privatisation. In addition, the leadership sought to forge alliances with the trade unions operating in other geographical areas covered by the enterprise and with local sections of public unions. Indeed, by the end of this period, LyF MDP had deepened the orientation towards coalition building by making the first call to community organisations, universities and political parties to join the struggle. The union differed from LyF CF by opposing the Emergency and State Reform Laws (8 de Octubre, no. 36, 31 October 1989); the union also differed from LyF CF in opposing the anti-strike decree one year later (see 8 de Octubre, several issues).

After a relative period of peace, the second stage began in May 1992 when the provincial government announced the privatisation of the company. In this context, the union confronted rationalisation and restructuring plans mounting a sustained defence against attacks on three fronts.
The Opportunity-to-Act

The political and ideological environment faced by LyF MDP was similar to that confronted by LyF CF; however, there are important peculiarities to note. Argentina is politically structured as a federation of provinces; privatisation developed initially at national level; the provincial government was not in the same hurry to sell off the provincial public enterprises. Similarly, the interference of the IMF and the WB with the design of public policy was less at provincial level, given that the provincial foreign debt was much less. Just as the union succeeded in postponing the sale, although the positive image of trade unions continued to be very low (Nueva Mayoría 1997a), popular support for privatisation began to fade away following other traumatic experiences (Nueva Mayoría 1997b; see Table 7).

Table 7: Percentages of Positive Image of Trade Unions and Privatisation Policy (Opinion Polls)

<table>
<thead>
<tr>
<th>Year</th>
<th>Trade unions</th>
<th>Privatisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>19</td>
<td>28</td>
</tr>
<tr>
<td>1988</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>1989</td>
<td>21</td>
<td>55</td>
</tr>
<tr>
<td>1990</td>
<td>11</td>
<td>45</td>
</tr>
<tr>
<td>1991</td>
<td>8</td>
<td>36</td>
</tr>
<tr>
<td>1992</td>
<td>8</td>
<td>36</td>
</tr>
<tr>
<td>1993</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td>1994</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>1995</td>
<td>6</td>
<td>28</td>
</tr>
<tr>
<td>1996</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>1997</td>
<td>7</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: Nueva Mayoría 1997a, 1997b

For instance, lack of support persuaded the provincial administration to set down in the privatisation bill a minimum level for employment in the would-be private company in order to avoid massive downsizing. Crucially, the union leadership was not politically involved with Peronism, although most union officials belonged to the Peronist movement. Together with organisational and agency type variables these factors are relevant to an understanding of the virulence of the anti-privatisation campaigns in this case.

This time, Lukes’ model appears as failing to grasp the phenomenon in its whole meaning.

As for the first face of power (see Lukes’ model in Chapter One), while the union’s opposition to privatisation was unsuccessful, insofar as it did not prevent or reverse it, union campaigns delayed privatisation for years. The argument that the union was either persuaded or forced to adopt a course of action other than the one it originally intended seems insufficient and possibly untrue. The union fought privatisation fiercely all along the way, even after its implementation, by alternating its repertoire of tactics, partly as a result of external pressures stemming from governmental interventions and managerial attacks. It was finally defeated, and therefore the effective privatisation of the industry indicates that power relations were not favourable to workers. However the political direction chosen by the union suffered no alteration, and ESI workers engaged in collective actions until the last minute to stop it. They were still campaigning for the re-nationalisation of the company some ten years after privatisation. Indeed, in 2006 the union launched a national campaign for the re-nationalisation of the energy industry.

As stated earlier, Kelly’s model for analysis of the openness of the political decision-making of the state presents difficulties in the Argentinian case. Nevertheless, it is possible to infer some basic tendencies from the collected data about the political dimensions of the (re)sources of power of LyF MDP (Batstone 1988).

Contacts with the provincial government were scarce and often related to situations of conflict, given the complete union opposition to privatisation. There were neither personal channels between union leadership and political authorities nor union affiliation to political parties.
Instead, the union intended to take advantage of differences in provincial and municipal political alignments. The municipal government never assumed an open anti-privatisation stance but local councillors voted for statements of support for the union during its conflict with FATLyF in 1993, and during conflicts with ESEBA related to outsourcing policies in 1994. However, in 1996 the local council voted against the project organising a privatisation referendum which was submitted to the municipal Legislative body by the union. Yet in 1997, just before privatisation, the same body agreed to organise an Open Session in which issues and information about the privatisation of ESEBA were debated, and trade union officials and other representatives of the community had the opportunity to explain the reasons for their opposition. This action was important in popularising union’s political views and consolidating community alliances. So LyF MDP’s ability to exercise political influence was also small as in the case of LyF CF; but the important thing is that even this small capacity stemmed from a different logic. The union was able to replace the repertoire of traditional political resources that was in decline with a new one: the support and mobilisation of communitarian organisations.

Trade union power resources which depended on governmental support and intervention in disputes and conflicts evaporated. The same adverse conditions outlined above with regard to governmental labour policies and legislation applied to LyF MDP. As for the risk of repression, as time passed, it faded away; in fact, despite acute confrontations the provincial government did not use open violence to defeat the trade union’s resistance. Perhaps this was partly due to the richness of the union’s tactical repertoire. The union shifted constantly between different types of collective actions, some of them very powerful in terms of symbolism (hunger strikes, for instance), but without damaging production or service levels. In these cases, the political cost of repression could have been enormous for the government. Moreover, the union often reassured the basic provision of minimum standards of power, thus avoiding open defiance of the anti-strike legislation, although the union did not actually comply with the law.

As a result, public authorities and top management attacked procedural and other collective deals in order to undermine the industrial dimensions of union power (re)sources. These counter-mobilising moves included macho-management tactics (authoritarian management tactics), a parallel union and continuous harassment through administrative and legal means. The most striking episode was the recognition by the Ministry of Labour of a collective agreement signed by FATLyF on behalf of the electrical workers in 1992 which replaced the old agreement of mid-1970s with a flexible one preparing the company for privatisation and weakening trade union power in the workplace. This was a hallmark of the connivance between the government and a corrupted faction of the trade union leadership showing a flagrant disregard for the law. Moreover, the spread of political extortion and anti-union tactics was the inevitable corollary. It is possible to list several examples. In 1994, ESEBA replied to union opposition to outsourcing by imposing sanctions on 500 workers and firing twenty-three. After that, the management made a proposal exchanging the compulsory redundancies for trade union voluntary acceptance of the collective agreement signed by FATLyF which replaced the CCT 36/75. In addition, ESEBA used financial penalties to encourage defections from LyF MDP by refusing to pay 120 Argentine pesos in food tickets to those retaining membership. Given that the average wage was 700 pesos per month, and the additional food payment was given to members of the breakaway union, the incentive was significant. Moreover, officials of the breakaway union benefited from paid holidays when carrying out their representative duties, despite the lack of personería gremial of the organisation. The story of the policy of early and voluntary retirement is another example of bullying and repression. Threats, home letters, compulsory transfers to other cities, and dismissals likely to be exchanged later for better redundancy packages, were the background of this policy; among the victims were many lay representatives. In 1995, ESEBA failed even to comply with the conciliación obligatoria decided by the Ministry of Labour during a labour conflict, confirming 193 dismissals of members of LyF MDP, among them, once more, lay representatives. The company suspended 60 workers soon after, this time attempting to include members of the NEC. At the peak of the confrontation, there was an arson attack on trade union premises, verbal assaults on NEC’s members, threats
to their relatives, and even a drive-by shooting of the house of a trade union official. Methods of this kind have been very persuasive in deterring social mobilisation in Argentina after the last dictatorship. Shortly, the analysis of power (re)sources at this level will reveal the most negative changes, despite unions’ ability to mobilise workers through industrial action. Yet, it is important to keep in mind that the provincial government together with the provincial and the national branches of the Ministry of Labour shared responsibility for this situation, as they tolerated and even encouraged most management decisions despite their illegal character.

Regarding the second analytical variable of Lukes’ model, which relates to who is in control of the political agenda and how the latter is defined, union opposition reduced to a minimum the field of interactions. In fact, there was no real agenda of negotiations around privatisation. Negotiations came out during conflicts but not as a part of a concrete agenda, which was absent in the run up to privatisation. By rejecting the idea that privatisation was unavoidable, LyF MDP rejected pragmatism, the common landscape among public unions facing privatisation (Orlansky and Orciani 1994). Thus, the union negotiated neither the future structures of the industry nor compensation for workers. Instead, LyF MDP mobilised industrial action, community alliances or legal resources to confront every decision contrary to their interests.

The analysis of the third dimension of power shows the union’s continuous ideological struggle to combat the diffusion of the idea of privatisation among workers. LyF MDP performed an ideological counter-hegemonic role that was very successful among the rank and file in ensuring that union members did not give their assent to the sale of public assets. Union officials combated the association between privatisation and win-win scenarios in the public discourse by pointing to the failure of previous privatisations. They also argued bitterly against the notion that public companies were inefficient, framing it as purposely pursued to justify their sale to private capital. Moreover, union leadership claimed the social role of public utilities and refused to measure their efficiency just in terms of competitiveness. Finally, instead of the abstract praise of the consumer identity, LyF MDP articulated common policies with community groups. The most important achievement of this alliance was the promulgation of the TEIS Law (Tarifa de Electricidad de Interés Social – Electrical Tariff of Social Interest) in 2002 for households that could not afford the provision of electricity. The ideological impact of this type of action was significant.

In this case, a fierce inter-union dispute was a salient factor shaping the opportunity structure faced by the union. While LyF MDP embarked on an intransigent anti-privatisation campaign, the national Federation zigzagged between soft opposition and opportunistic political support. When the latter finally opted for the entrepreneurial strategy, the rupture was unavoidable. The first open conflict had appeared when FATLyF decided in 1989 to support the transformation of DEBA in ESEBA. Then, political differences blew up again when FATLyF refused to consider an alternative negotiation proposal prepared by several unions under the leadership of LyF MDP. However the key event was the process of negotiation initiated by FATLyF and ESEBA in 1991 closing a new collective agreement for the company. LyF MDP first complained to the Ministry of Labour and presented a legal claim before the Courts. Simultaneously, the union leadership organised a political faction within the Federation, which gained the support of nineteen out of forty-four members, but the experience finished in January of 1993, when the leadership of FATLyF expelled LyF MDP from the Federation and dismantled the antagonist faction. Soon after, the Federation took over the control of the obra social of LyF MDP, an essential power resource of Argentinian trade unions. This dispute ended in 1994, when FATLyF finally reached a new agreement which replaced the old and protective CCT 36/75; in this way, LyF MDP prerogatives at workplace level were limited. Then the last step was the contribution of FATLyF towards formation of a parallel organisation that challenged the position of LyF MDP, though it failed to gain terrain amongst the workforce. If it never posed a threat to LyF MDP’s hegemony, this new organisation together with FATLyF functioned to legitimise several of the illegal actions taken by the company and the Ministry of Labour. By action or omission, the provincial government backed this strategy. This inter-union dispute forced LyF MDP to spend a lot of time and resources on overcoming its negative effects. Essentially, it allowed management to negotiate a new agreement, which undermined union power.
Summarising, the determination of the provincial administration to carry out the privatisation programme, the empowerment of managerial prerogatives, anti-unionism, and inter-union rivalry are variables that speak of an unfavourable opportunity structure for LyF MDP. Yet some other aspects appear to be a bit more ambiguous. Tensions among the municipal, provincial and national levels of the state apparatus let the union gain access to local representative bodies. The lesser involvement of the IMF and the WB in the privatisation of the provincial company meant less pressure upon the administration to sell the company quickly. Union opposition was successful in delaying privatisation; concomitantly, popular support for privatisation decreased, easing the field for the development of coalition building as an alternative political resource, which contributed to widening the repertoire of action of the union. Lastly, the union did not form part of the PJ, and consequently, it did not have to demonstrate loyalty to the government. However the capacity to exploit these ambiguities depended, partly, on organisational features and the skills, styles and political objectives of the leadership.

Organisation, Decision-Making, Leadership: Towards Social-Unionism

When considering LyF MDP, there are four organisational differences between it and LyF CF, which may be of relevance to understanding of the variability of their responses. First, the smaller size of LyF MDP seems to have facilitated wider rank and file participation. Second, the organisation, in contrast to LyF CF, did not suffer the same loss of experienced lay representatives. On the one hand, repression during the last dictatorship was softer in the case of LyF MDP; on the other, the strong opposition of the organisation to voluntary redundancies prevented the exodus of militants during the pre-privatisation process. Third, the organisational resources servicing members were small. In this sense, LyF MDP neither had financial pressures to sustain a huge structure when privatisation policies impacted on its budget nor owned assets likely to be invested in the new businesses. Servicing members was not a key legitimating apparatus for its leadership. For the provision of services to membership the organisation had strongly depended on FATLyF until it left the national Federation. However, most of the unions operating in the same public company (fourteen in total) shared similar features, but chose to accept privatisation and supported ideologically, politically and economically the entrepreneurial unionism of FATLyF.

A relevant difference lies in the style of leadership and in the dynamics of the process of decision-making. The essential features of LyF MDP since 1987 have been the defence of a participatory democracy instead of a formal representative one, the promotion of lay representatives bodies, the development of communication channels for the rank and file, the amount and quality of information to be passed on to members, and strategic coalition building within and beyond the trade union movement. The union leadership devoted time and effort to encouragement of participation, and when the latter occasionally fell, its NEC implemented special policies and propaganda to increase its level. For instance, during 1990, the growing absence of lay representatives from meetings troubled the union, which escalated the problem by different channels and eventually sanctioned some of the absentees. Similarly, when the attendance at assemblies declined, the union applied the rule book in order to discipline members. As a result of these efforts, the internal life of the organisation was livelier than the internal life of the average public union in Argentina. A comparison between the number of general and lay representatives’ assemblies held by LyF MDP and LyF CF over the period under study illustrates the latter (see Table 8).
The Anti-Privatisation Campaigns in the Light of Mobilisation Theory

The thing is that [...] people were very well-informed; although information is not enough. People saw our dedication to the organisation. We could do things better or worse, but they did not doubt our utter dedication to the cause. And what we anticipated was shown in practice. (Union Official – LyF MDP – Official)

There is trust [...] Most fellows do not share the political orientation of the leadership, but they know that they will neither betray nor negotiate for their own interest. Let’s say that there is mutual trust and that is why you will find discipline among workers. (Lay Representative – LyF MDP)

A basic aim of the leadership of LyF MDP has been the supercession of the traditional model of Argentinian unionism by a new social unionism, autonomous from the political bureaucracy of the PJ and the state, oriented to the community and combative. To achieve this objective the union orchestrated a political strategy, backed by the mobilisation of the rank and file, which comprised a wide repertoire of collective actions, coalition building within and outside the labour movement, the extensive use of legal resources, and the provision of counter-hegemonic information. Those tactics crystallised, eventually, in the formation of the CTA, a new peak organisation to dispute the leadership of the Argentinian labour movement.

**Conclusion**

By putting forward a conceptual framework in which it is possible to link internal and external conditions that constrain trade unions’ strategies and workers’ collectivism, mobilisation theory proves to be useful when analysing the forms taken by the anti-privatisation campaigns under study. Furthermore, application of the theory within a comparative research design seems to enrich its explanatory scope.

In general terms, the comparative analysis shows that, during the process of privatisation, adverse changes in opportunity structure due to political and legal factors were not automatically translated into effective changes
The Anti-Privatisation Campaigns in the Light of Mobilisation Theory

able to confront privatisation through participatory processes of decision-making, which sustained workers’ collective action. The union chose not to accept the inevitability of privatisation, and therefore, did not enter into negotiations aimed at achieving the best possible outcome. This union leadership refused to engage in any form of political exchange, either at micro or macro level. A corollary of that choice was that the organisation was forced to replace traditional resources and to find other ideological and political resources to keep members’ cohesion over a long and open confrontation. Community alliances were the key substitutes developed by LyF MDP during the process. In the main, this case reveals that different political choices changed the hierarchy and content of union resources.

While other organisations neglected coalition building, LyF MDP devoted huge energies towards achieving this aim. Yet, the case of Unison also shows that it is not only a matter of political choice, but also of organisational possibilities. For while coalition building appears to have been among the aims of several union officials of this organisation, who wanted to replicate what trade unions had done in water or gas, ESTUC precluded the evolution of this strategic orientation. The organisational variable also contributes to explaining, partly, the particular choices of LyF CF, as the weight of its accumulated assets and its organisational structures to service members created the material possibilities for the development of a commercial strategy with the favour of the public authorities.

The analysis also shows that political contacts tied unions into a privatising agenda, and hence they reinforced unions’ preferences for the mobilisation of political resources whereas they reduced the likelihood of the collective mobilisation of workers. Yet, if power is defined as the ability to achieve outcomes, in the end both alternatives were unsuccessful in preventing privatisation. The first one still permitted British unions, for instance, to secure protection for pensions, whereas the second one delayed privatisation for years in the case of LyF MDP. As for the factors tending to encourage workers’ collective actions, the combination of Lukes’ model and the comparative approach seems to suggest that an important one was the struggle against the ideological assumptions which backed the privatisation programme.
Finally, the comparative approach gives credit to McIlroy’s (1999) insight about how far adverse legislation, and other negative institutional and political developments, may support full-time officials hostile to forms of collective action based upon rank and file mobilisation. EETPU and LyF CF offer the possibility of making the case for this interpretation, as their officials discouraged industrial action by pointing constantly to external limitations. This fact may add to a more subtle analysis of mobilisation and counter-mobilisation by including not only capital and state demobilising strategies, but also the old problem of the role of trade unions in reinforcing capital and state hegemony.

Chapter Eight

The Forms of Counter-Mobilisation: The Politics of Money

Mobilisation theory has been applied in Chapter Seven to cast light on the anti-privatisation campaigns following in full the sequence set in the analytical framework: first, the analysis of the opportunity-to-act; second, the evaluation of the prospects of mobilisation by assessing the categories organisation and interest. This chapter, instead, analyses a particular aspect of the process of counter-mobilisation: the variety of policies by which workers and union officials were bought off through money incentives. Basically, these policies were intended to counteract discontent during the privatisation process and after, when private companies began to introduce change in the realm of production. It can be argued that the aim was to dampen the sense of injustice (amongst members and negotiators) by providing some incentives for existing employees; these comprised a wide range of initiatives from those with financial consequences for individuals and unions to those with ideological impacts on workers and union leaderships. As stressed by an English union official: ‘When the companies were given the power, they wanted to change certain things, and the only way they could change it was by giving people more money’. (National officer – Amicus)

The politics of money was pursued not only by managers after privatisation, but also by public authorities before it. Its most salient aspect, shared by both countries, was the use of generous redundancy packages to downsize the workforce with the minimum of industrial conflict. While in Argentina this policy involved the state and international financial institutions before privatisation, in the UK the bulk of the process began after it. Similarly, ESOPs – the so-called PPP (Programas de Propiedad Participada) in Argentina – were implemented in both countries, as sweeteners to reduce union opposition. Yet, sources of variability may be found in the different employment laws,
labour market conditions, union structures and governments. These sources also determined country specific phenomena like the use of personal contracts in the UK, or the emergence of an entrepreneurial trade unionism, built around the new business opportunities opened to the union leadership in exchange for social peace and ideological support in Argentina.

Regarding the theoretical and conceptual objective of this chapter, the point is to investigate the multiple consequences of a particular counter-mobilising policy, the mobilisation of money resources, so as to clarify the relationships between counter-mobilisation and change in the categories of opportunity-to-act, organisation and interest definition. The chapter focuses on four main dimensions of the politics of money: voluntary redundancies, shares schemes, personal contracts and business compensations.

### The Politics of Voluntary Redundancies

The main consequence of the ESI privatisation in the UK and Argentina was a dramatic job loss. The figures available, though difficult to achieve for the whole period, are revealing. Between 1990–1 and 1995–6, 46,480 employees had left the industry in the UK, that is a reduction of 32.6 per cent (see Table 9).

#### Table 9: Job Loss in the Electricity Industry between 1990–1 and 1995–6
(United Kingdom)

<table>
<thead>
<tr>
<th>Company</th>
<th>Workforce</th>
<th>Variation 1990–1/1995–6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Electricity</td>
<td>10,001</td>
<td>9,877 8,415 7,003 6,403 6,113 –38.9</td>
</tr>
<tr>
<td>East Midlands Electricity</td>
<td>7,382</td>
<td>8,243 8,684 7,914 6,458 5,051 –31.6</td>
</tr>
<tr>
<td>London Electricity</td>
<td>6,691</td>
<td>6,581 6,258 5,532 4,908 4,404 –34.2</td>
</tr>
<tr>
<td>Manweb</td>
<td>5,483</td>
<td>4,623 4,553 4,604 4,582 3,303 –19.8</td>
</tr>
<tr>
<td>Midlands Electricity</td>
<td>7,729</td>
<td>7,643 7,370 6,207 5,815 5,114 –31.8</td>
</tr>
<tr>
<td>National Power</td>
<td>15,713</td>
<td>13,277 9,934 6,955 5,447 4,848 –69.1</td>
</tr>
<tr>
<td>NIE</td>
<td>–</td>
<td>– 3,851 3,536 3,035 2,826 –</td>
</tr>
<tr>
<td>NGC</td>
<td>6,550</td>
<td>6,217 5,666 5,127 4,871 4,565 –10.3</td>
</tr>
<tr>
<td>Northern Electricity</td>
<td>5,528</td>
<td>5,364 4,826 4,714 4,456 3,882 –29.8</td>
</tr>
<tr>
<td>NORWEB</td>
<td>8,203</td>
<td>7,917 7,977 7,652 7,617 8,196 –0.1</td>
</tr>
<tr>
<td>Nuclear Electricity</td>
<td>13,924</td>
<td>13,100 12,183 10,728 9,426 8,815 –16.7</td>
</tr>
<tr>
<td>PowerGen</td>
<td>8,840</td>
<td>7,771 5,715 4,782 4,171 4,148 –53.1</td>
</tr>
<tr>
<td>Scottish Nuclear</td>
<td>1,976</td>
<td>2,047 2,172 2,060 1,860 1,704 –13.8</td>
</tr>
<tr>
<td>Scottish Power</td>
<td>9,848</td>
<td>9,495 8,724 7,778 8,041 8,016 –18.4</td>
</tr>
<tr>
<td>SEEB</td>
<td>6,140</td>
<td>6,257 6,039 5,335 4,680 4,278 –32.5</td>
</tr>
<tr>
<td>Southern Electric</td>
<td>8,362</td>
<td>8,340 7,642 7,391 7,091 6,728 –19.5</td>
</tr>
<tr>
<td>South Wales Electricity</td>
<td>3,767</td>
<td>3,632 3,166 3,350 3,218 2,979 –20.9</td>
</tr>
<tr>
<td>South Western Electricity</td>
<td>5,676</td>
<td>5,553 5,569 5,092 4,656 3,424 –39.7</td>
</tr>
<tr>
<td>Yorkshire Electricity</td>
<td>7,126</td>
<td>7,105 6,850 5,764 4,924 4,294 –39.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142,623</strong></td>
<td><strong>136,722 129,168 115,080 105,243 96,143 –32.6</strong></td>
</tr>
</tbody>
</table>

Source: Centre for the Study of Regulated Industries, United Kingdom
The main forces underlying job reductions included rationalisation, technological change (particularly in the case of the UK, as generating companies switched capacity from coal to smaller, gas fired plants, which were more automated), organisational change, and transfer of maintenance functions to external contractors (particularly in Argentina). While some of these aspects might have occurred without privatisation, the latter provided an opportunity for pushing through downsizing measures.

Table 10: Job Loss over the First Year of Privatisation (Argentina)

<table>
<thead>
<tr>
<th>Company</th>
<th>1992 (privatisation)</th>
<th>1993</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Puerto</td>
<td>1,115</td>
<td>798</td>
<td>-28.4</td>
</tr>
<tr>
<td>Central Costanera</td>
<td>795</td>
<td>661</td>
<td>-16.8</td>
</tr>
<tr>
<td>Edenor</td>
<td>6,443</td>
<td>4,164</td>
<td>-35.3</td>
</tr>
<tr>
<td>Edesur</td>
<td>6,519</td>
<td>5,051</td>
<td>-22.6</td>
</tr>
<tr>
<td>Central Dock Sud</td>
<td>75</td>
<td>60</td>
<td>-22.0</td>
</tr>
<tr>
<td>Central Pedro de Mendoza</td>
<td>59</td>
<td>31</td>
<td>-47.5</td>
</tr>
<tr>
<td>Edelap</td>
<td>741</td>
<td>542</td>
<td>-26.8</td>
</tr>
<tr>
<td>SEGBA residual</td>
<td>59</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>15,806</td>
<td>11,307</td>
<td>-28.4</td>
</tr>
</tbody>
</table>

Source: Luca (1998)

Moreover, many of those who left one company continued to work elsewhere within the industry, and even within the same firm as in the extreme case of PowerGen, where almost half of 1,000 redundancies returned as short-term contractors by an arrangement included in their severance packages.
The Forms of Counter-Mobilisation: The Politics of Money

The development of a redundancy culture was just one aspect. In addition to subjective consequences, massive job loss depleted trade unions of lay representatives. Workplace structures were seriously damaged, for a lot of experienced union representatives and activists left the industry through severance packages. This trend meant an objective lost in the midst of the growing fragmentation of the industry and the negotiating structures, which, in turn, was putting new pressures upon workplace capabilities:

Among the people who left the industry, there was a lot of our senior reps. So, overnight, which is lost, it's lots and lots of experienced reps. And at the time, we looked at it, and thought: 'Well, we're dead.' Because, it is a paradox. If you don't get any reps who can organise things to face within the industry all these new structures, and new businesses, and new companies, which began to be set in place, what?

(National Officer – Unison)

But, it was really tough at the time, and we lost a lot of the good people as a result of the redundancies that were taking place. And of course, you know, we can condemn redundancies but on an individual basis a lot of them were men in their fifties, the company offers them a financial package, and they said: 'Yeah, I'm going to take it!' It was a kind of bribery. So we lost a lot of union reps and activists. (National Officer – Amicus)

This policy encouraged in the ESI an extreme manifestation of more general inclinations within the UK: to seek compensation for job loss rather than to contest it. Some critics and union officials have blamed the line of legislation stemming back to the Redundancy Payments Act 1965, explicitly thought to ease industrial restructuring and reduce the scope for mobilisation against job loss by unions (Clegg 1972; Turnbull 1988; Turnbull and Wass 1997).

In the case of Argentina, the research finds the existence of an identical counter-mobilising policy. Still, similarities in management strategies in a different social and institutional context led to differences in implementation and success, for workers very soon confronted it. Since then, the politics of voluntary redundancies was a formal shell that concealed managerial harassment and persecution. It also counted on the benevolence of the Ministry of Labour, which gave legal cover to managerial practices by means of its prerogatives over the employment relationship. As in the
After 1994–5, nobody wanted to leave; everybody had opened their eyes. People saw what had happened with those who left the industry, either they had spent the money or their businesses had failed. And they were again coming to ask for jobs. Uneducated people. Where were they going to find a job? How would they compete? You don’t have studies, new technologies, everything changing, they could not compete. They were now unemployed, coming to the union asking for jobs, and there was no work, you know, if companies were still firing people! (Lay Representative – LyF CF)

When workers began to reject the severance packages, companies began raising their amounts. Before privatisation, those made redundant received an average allowance of US$9,912, which was 10 per cent higher than that required by law. The total amount paid out by SEGBA was US$55.5 million. After privatisation, the average received as compensation by employees who were being made redundant was up to three times the pre-privatisation payment. So voluntary retirement packages were up to 300 per cent more than a severance deal that followed the labour law. While in the UK, statutory terms constitute a pretty meagre minimum which is nearly always substantially improved in unionised settings, companies in Argentina pay strictly the amount specified by law. Such severance packages were therefore very attractive. Nevertheless, the politics of money continued to show limits as a counter-mobilising strategy. As a result, management shifted towards harassment and repression to force people into voluntary redundancy programmes.

All interviewees, from national officials to lay representatives, referred to repressive tactics. The reported evidence paralleled evidence collected from other privatised companies by scholars and for legal prosecutions. Indeed, telephone companies, for instance, were denounced to the Parliament by trade unions for such repressive practices (Ramírez 1999; Expte. no. 27,849/02). By the mid-1990s, ESI managers had begun to communicate with those who were no longer in company plans, recommending those affected to join redundancy programmes. If workers refused the offer, management deployed a different range of tactics involving transfers or changes in working times and tasks or both. The latter included downgrading of skilled workers and upgrading of unskilled workers to posts where their skills were insufficient for carrying out the job:
The people didn’t have training for these tasks ... They had been administrative for years, and suddenly found themselves having to work in the street, meter reading, even maintenance! Then, the company started to ask most of them to leave because they were doing other grades’ tasks. Unbelievable! (Lay Representative – LyF CF)

In extreme cases, when workers continued to refuse the invitation to join redundancy programmes, tougher psychological tactics were applied. For instance, reluctant workers were located in empty offices where they had no job to do:

It was a policy of fear; sow fear and mistreat workers psychologically. And it was not just a matter of swearing at workers. Look, to give you an example, in Central Puerto, workers were brought to an office where they were left without work. Chairs, a couple of desks, a telephone, nothing else. One year! Maybe somebody cannot understand but for a worker to be sat down the whole day with nothing to do ... Every single day! (Lay Representative – LyF CF)

A variation of this psychological pressure was that workers had to face managerial meddling in their private lives. For instance, interviewees manifested that the Human Resources Department used to ring or send letters to families of reluctant workers letting them know that the company had offered him/her an important sum of money; that the trade union had convinced him/her to resist; and that therefore the company would have to fire him/her sooner or later.

This hard line lasted until 1997 when another approach emerged. To cut costs, companies had been outsourcing different services. The soon to be redundant workers began to be encouraged by managers to form cooperatives providing the service to be outsourced to the company as new owners. Hundreds of workers invested their severance packages in the formation of cooperatives, usually under the technical advice of the company and later on, the trade union too, which negotiated with the companies the sale of the service. Most of these cooperatives went bankrupt within few years (LyF CF 2000, 2001, 2002, 2003).

Another peculiarity of the politics of money in Argentina was that it was backed by the WB, the BIRF and the Ministry of Labour. The two former gave loans to the state to finance programmes of retirement before privatisation, and participated in the design of the programmes (Banco Mundial 1991). The state, in turn, funded part of companies’ severance programmes once privatised. In addition to this, the Ministry of Labour gave institutional support to the process by authorising the voluntary retirement programmes (homologación). This official legitimating practice continued even when the politics of money only worked by putting pressures upon the workforce through repressive tactics. The meaning of this official backing was that workers were unlikely to go to court to denounce unfair practices by employers.

Finally, as in the UK, massive redundancies undermined trade union power. Membership loss obviously implied financial loss. The most relevant thing was that job loss had a direct impact upon the workplace structures of the union:

I’m talking to you about all those things in a funny manner, but it was demolishing for us. And when a union lay rep left, even more demolishing [...] And they also left, a lot of lay reps left, and also many activists. The companies bribed many activists. Sometimes, they got two times more money than rank and file workers. Exactly the same thing they tried to do with others, and me: companies offered a lot of money to hard line union reps. (Lay Representative – LyF CF)

In order to analyse the case of LyF MDP, it is first necessary to recall the peculiarities of the opportunity structure confronted by this union. In this sense, two facts are relevant regarding the politics of voluntary redundancies. On the one hand, the provincial government neither enjoyed the benefits of the WB’s loans nor its technical support. On the other, as the successful opposition of LyF MDP delayed the privatisation, the social costs of earlier sales within the industry, and beyond, became clearer for the workforce reinforcing rank and file decision to confront the sale of the industry. So there was never enthusiasm for voluntary redundancy programmes among electricity workers in Mar del Plata. This attitude was
strenthened by the union leadership who framed these programmes as unfair practices and as hidden dismissals of workers:

Question: Did people join voluntary retirements?
Reply: Well, yes, there were people, but not many because we rejected it as hidden compulsory redundancies.

Question: And what did you do? Did you campaign?
Reply: Yes. We didn’t accept it. We were not like other unions that accepted the voluntary retirement. No, we opposed it. (National Officer – LyF MDP)

When by the end of 1992, ESEBA launched a voluntary retirement programme, the company found out that the overwhelming majority of workers rejected it. Company’s reaction was to persecute dozens of workers, among them, members of the CGA (Comisión General Administrativa, equivalent to the NEC), lay representatives and activists, by threatening them with dismissal if they refused redundancy schemes. The union replied by taking industrial action in the workplaces where voluntary programmes were implemented. Since that time, the union has fought back every attempt to introduce voluntary redundancies, though with variable consequences. The company, in turn, deployed a set of unfair and repressive tactics to force workers to accept special severance packages. Important conflicts around this policy marked every single year from 1992 to 1997.

The description of the practices of the private companies that took over the business in Buenos Aires applies to Mar del Plata. Yet, an important difference is that the company was still under public management when harassment of workers began. Another difference is that, given the opposition of LyF MDP, the company, from the beginning, extorted jobs from workers by placing them in the dilemma of having to choose between either accepting a voluntary retirement package or facing dismissal. Consequently, many workers joined the programmes despite the union’s open opposition. Those who left the industry under these circumstances were punished with expulsion from the organisation, a decision often taken by a general assembly.

A critical event illustrates the unfairness and harshness of company’s tactics. In 1995, four members of the CGA (including the second person in the union hierarchy), eight lay union representatives and four well-known activists were bribed with generous severance packages – almost three times the usual offer – and left the organisation together:

They could not privatise the enterprise. We stopped for four years the privatisation of ESEBA with our struggle. So, to break the opposition the company bought off part of our CGA, US$640,000, US$160,000 each one, and twelve union lay reps, all of them members of our workplace organisation [in fact eight union lay reps and four activists (see 8 de Octubre, 126, 11 March 1996)]. The company realised, well, the company and the provincial government realised, that they could not defeat us. We were resisting, and they had already dismissed, unfairly, six of our lay reps. So the company chose to buy off union reps. (Union Officer – LyF MDP)

In spite of the repressive and unfair tactics by which ESEBA attempted to force workers into the voluntary retirement, it is important to underline that between 1992 and 1997, only 36.7 per cent of the total job loss was due to redundancy programmes (LyF MDP Memoria y Balance, several issues); this is, in fact, a sign of the partial failure of the politics of money to avoid conflict. The remaining job loss is explained by normal retirement, early retirement programmes, some compulsory redundancies and transferral of employees to other public jobs outside the ESI industry that were mainly in the local councils.

A factor that helps to explain this partial failure is that LyF MDP leadership took full advantage of the opportunities to frame the politics of money under adversarial terms:

We were warning people about things […] Honestly, I would say we pioneered many campaigns. For instance, when we talked to fellow lads about voluntary retirements, I’m not going to say that they laughed at us but they looked at you as if they were wondering: ‘What is this guy talking to me about?’. And we use to tell them: ‘Watch out, it is happening in other places’. We tried to generate antibodies, and there was those who believed and those who didn’t, those who prepared themselves and those who didn’t. (Lay representative – LyF MDP)

We have been saying to fellows in every opportunity in the face of every new scheme of voluntary redundancies: ‘Don’t join the voluntary retirement. Think! Every single job we left meant more work for the rest of us. This let the company introduce precarisation and flexibilisation. Keep with us and fight.’ (Union Officer – LyF MDP)
At this point, it is worth directing the attention towards the role of the leadership of LyF CF too. The evidence is mixed, yet it is possible to affirm as a general point that union officials did not embark on an ideological struggle against voluntary retirement programmes. It is also possible to stress the absence of initiatives like those of LyF MDP to punish members who joined the programmes. Nevertheless, the union took industrial action in 1994 and organised a demonstration in front of EDESUR to denounce the persecution from management forcing workers into redundancy programmes. However, while many lay representatives opposed voluntary retirements at workplace level, others encouraged people to leave and negotiate the conditions:

To be honest, it must be said that in some places, union reps used to tell workers: ‘Sign up, ask for five or ten thousand more. They’ll give you the money.’ And if you asked the company, you got the money. (Lay representative – LyF CF)

In the case of Costanera, at least, there were two clear-outs, voluntary retirements, often voluntary retirements agreed with the union, it is true. What did the company do? They sent you to an office, every day, without work. And then, union reps came and said to you: ‘Come on, guys, don’t bother anymore! Get out!’ The company won because workers got tired. It is true. It is painful, but it is true. (Lay Representative – LyF CF)

Besides the data offered by interviews, other sources confirm that LyF CF reached and signed agreements on voluntary retirement with the homologación of the Ministry of Labour, hence, legitimising the rationale of the politics of voluntary redundancies (LyF CF 1992, 1993, 1994). LyF MDP, instead, consistently refused to legitimise such practices throughout the process.

In conclusion, the politics of voluntary redundancy had two effects. Not only did it affect power relations as understood in Lukes’ model, by cementing ideological understandings and expectations, and hence diminishing the opportunity for trade unions to act, but it also undermined the organisational strength of trade unions. Moreover, as shown by the analysis of Argentina, when a determined leadership opposed it, special severance packages were mobilised to divide this opposition by bribing leaders. All these factors together distorted the social processes of interest formation. Yet when intermediate variables precluded its effectiveness – as in the case of Argentina when unemployment skyrocketed – the mobilisation of money resources through voluntary redundancies covered and intertwined with repression.

The Politics of Shares

Scholars have shown that ESOPs were used to ease acceptance of privatisation (Goldín 1997; Murillo 2001; Pendleton, Wilson and Wright 1998; Saunders and Harris 1994). This literature has illuminated different dimensions of this preventive policy against workers’ mobilisation. It points to the financial benefits and also to the intention to refocus a sense of employee identity (around the company rather than the industry) and employee interests (around performance and competitive advantage). It even stated the links between ESOPs and the Conservative ideology of popular capitalism. In any case, while it is difficult to measure their effects, evidence suggests that ESOPs played a counter-mobilising role in the privatisation of the ESI in the UK and Argentina.

In the case of the UK, the issue of shares seems to have impacted differently depending on the union. Overall, the contextual conditions made ESOPs appealing for staff, for companies went into flotation with low valuations in order to ensure full share subscriptions; consequently, share prices usually rose immediately afterwards, offering substantial benefits to those that sold. Qualitative findings from interviews suggest that managerial staff approached the issue as a possible long-term investment, while manual workers opted for quick benefits; but union officials were unable to provide any figures to support this claim. Nevertheless, for EPEA it was an important matter from the beginning which occupied the attention of its membership and union officials: ‘[w]e have little doubt that the effect of free and discounted shares will prove generally popular with our members’
building of a popular capitalism through spreading share ownership (Ernst 1994; Saunders and Harris 1994). There was, in John Moore’s words, the birth of a ‘property-owning democracy’. In the Conservative Party’s 1987 election manifesto such an objective had already emerged clearly as the historic transformation of British society through widespread share ownership. The expected outcome in the realm of production was that this trend would increase workers’ commitment to the companies. Whilst it would be imprudent to conclude that from then on, workers’ loyalty to the companies effectively increased, it is important to underline this ideological side of the politics of money:

We were entering into what they called share-owning democracy, and therefore, how you incentivise the employee to be identified with the new owner. So what do you do? You give a share in the company by giving workers shares or enable them to buy shares. And that was the philosophical basis behind the whole privatisation project […] all those incentives for the staff. Well, the idea was that you link, or the philosophy was that you then translate your allegiance as an employee to the financial success of your company. (National Officer – Prospect)

In addition to the effective fulfilment of this ideological aim, what interviewees’ testimonies suggest is that, at the very least, the politics of shares sweetened privatisation, because workers invested heavily in ESOPs:

Reply: So there were further incentives, cash incentives all along the line that conform to the conservative idea. Workers in the electricity industry were given special incentives to buy shares. The government introduced a saving scheme through a building society. And workers were encouraged to deduct or allow deductions from their pay to buy shares on some future day and this was put into a society fund, a saving scheme.

Question: And was this successful in terms of workers’ adherence?

Reply: Oh, yes, yes, it was. Most workers actually invested and if you bought 100 you got a thousand because you knew the number was double because you got free shares. (National Officer – Prospect)

In the case of Argentina, PPPs were included in the State Reform Law of 1989 to ease privatisation. These involved the chance for workers to have a formal representative (usually a union representative) on the Board of Directors; a situation that did not generally happen as a consequence of
ESOPs in the UK. Again differently from the UK, unions effectively had the means to become institutional investors. These features amplified the influence of PPPs on trade union’s and workers’ attitudes, at least in the case of LyF CF:

In our case, when we knew about the PPP, the first thing we did was to fully involve ourselves in getting a PPP, because a lot of unions were unable to get it. We were very busy trying to implement the share scheme. (Union Officer – LyF CF)

LyF CF developed a conscious strategy towards controlling the PPPs in order to gain influence within the companies by accessing business information through worker representatives. Additionally, it was also thought of as a way of financing trade unions’ social services:

You have 10 per cent of each company [...] I believe that this gives you power. The idea was to gather the 10 per cent of shares of each company in our Loan Cooperative, to make a saving stock, a market within the cooperative to gather all workers’ shares. Then, every time a worker wanted to get the money, the union could have bought them the shares. And use them to finance services, to build houses, and obviously, to put workers’ reps on the board of directors of each company. (Union Officer – LyF CF)

The CGA deployed considerable efforts and resources in publicising the PPPs as an opportunity to achieve the old union objective of workers’ participation. As a result, the politics of shares also had an important ideological impact upon union activism. Simultaneously, the rank and file appeared to have simply assumed the PPP was a kind of compensation for the expected effects of privatisation. In any case, over 90 per cent of workers signed up to the programme (see Dinamis, several issues). Once the PPPs were implemented, most workers sought to sell their shares as soon as possible in order to receive cash:

People wanted to sell, sell, sell ... You know ... It is easy, you see, at worst, one peso. For each worker it can be almost 30,000 pesos. Some may cancel a house mortgage, or buy a car, or sort out a health problem, or whatever. (National Officer – LyF CF)

The Forms of Counter-Mobilisation: The Politics of Money

What do you think? When are you going to get 45,000 dollars? Where do you get it? That is why workers from both Central Puerto and Costanera sold their shares to the Chilean owners very early. We couldn’t stop it. (Lay Representative – LyF CF)

This clash of interests between the organisation and its members illustrates the counter-mobilising success of the policy. As whether to buy or sell shares was an individual decision, the trade union ended up losing control of the acts of its rank and file. In certain cases, the situation led to open opposition between the leadership of the union and the membership:

In some companies, workers did not want the union managing the PPP. I was lay rep in Costanera. Workers over there didn’t allow the union to represent them on the Board of Directors. They just didn’t want the union. There were many conflicts. Workers finally chose their authorities by voting between two options: one from the union and an independent one. And the latter won. (Lay Representative – LyF CF)

More importantly, the conflicts around the PPP should be understood as expressing not also workers’ lack of confidence in the union leadership, but also the disruption of the internal life of the organisation due to the counter-mobilising effects of money.

On the contrary, the leadership of LyF MDP rejected the PPP, though the organisation attempted to use it, later on, to increase union control upon EDEA. There were again some differences between the national and provincial PPPs, which are of importance for comparative purposes:

Back to the differences between the Governor of Buenos Aires and the President [...] The former said: ‘Gentlemen, we are not going to waste workers’ savings as in the national PPPs. We are not going to facilitate the business of the few who can buy workers’ shares soon after privatisation.’ So the provincial government introduced changes in the scheme. (Union Lawyer – LyF MDP)

The interviewee refers to the Provincial Law 11,771, by which workers received their shares individually only at the time of retirement. They were not allowed to sell the shares in advance. Until the shares were given away, the companies kept the dividends as payment for the shares (as in the case of the privatisation of SEGBA). The implementation of the programme
should have taken no longer than nine months after July 1997, and workers would choose their representatives to the Board of Directors.

Union's determined refusal to enter into discussions about different alternatives with regard to privatisation meant, in fact, that LyF MDP did not consider the potential of the programme from the point of view of workers:

So, what happened? Well, that there is a right, and I shall say, the fellows didn't see this possibility, that there is a workers' right to access company information through their participation on the Board, minority participation of course, but participation. Obviously, the only thing one can do with 10 per cent of shares is to say: 'We don't want this, we don't want that, we don't want this'. But I can also go to the Justice and say: 'I don't want it because this and that, and I want you to make an enquiry'. (Union Lawyer – LyF MDP)

The financial side of the politics of shares failed to attract the union leadership of LyF MDP, and the union, initially, despised the PPP for ideological reasons. Nevertheless, EDEA took a preventive decision securing the absence of LyF MDP’s representatives from the Board of Directors. The company colluded with FATLyF to appoint pro-company union representatives. Since then, LyF MDP campaigned against this usurpation by publicising this situation to the community, by taking the case to court and by mobilising workers in order to increase the pressure upon the company and the public authorities.

It is possible to detect a clear counter-mobilising rationale behind this particular policy, in this case, sweetening the acceptance of privatisation through money incentives. Again, the same policy shows multiple sides with potential effects, in particular on power relations (due to the ideological message attached to it), and also on the social processes of interest definition and the strategic orientation of union leaders (as shown by the cases of LyF CF and LyF MDP).

Peculiarities of the UK: the Politics of Personal Contracts

Once more, differences in legal frameworks are sources of variability. The notion of a personal contract is more powerful in a legal system based substantially on common law as in the case of Britain, where the individual contract of employment acts as the conduit for most employment rights. In Argentina, instead, unions were able to set stricter legal limits on individual contracts. The diffusion of personal contracts to eschew collective bargaining and rights to pre-determine pay rises in favour of performance management systems was a relevant dimension of the politics of money in the UK (Evans and Hudson 1993). Companies were able to take out of collective bargaining powerful groups of staff with consequences not only for them of course, but also for those that continued to negotiate. Unsurprisingly at this stage of the analysis, the counter-mobilising effects of this policy have been multiple.

To begin with, emphasis has been commonly placed on the role of personal contracts in furthering loyalty to the company by shifting managerial identification away from trade unions and in sending a message to managers as to their new position as employers. This has been borne out by interviewees:

The idea was to divorce senior and middle managers from strong support to the trade union to strong support to the company. And the way they did it was by getting them away from relying on the union to negotiate their salaries, to deal on the one to one basis. (National Officer – Prospect)

In fact, it constituted a determined strategy towards the building of a true private management:

In the public sector, the companies didn’t need certain commercial skills, certain accounting and financial skills, in short, certain managerial skills. Once in the private sector they need all those skills. And also there was a sense that they wanted to change culture. You've grown up in a public sector management culture. And they want you to change your mind. That was definitely the case to introduce personal contracts. (National Officer – Prospect)
Their impact went beyond these cultural boundaries because they posed a concrete threat to the organisational strength of EPEA.

In 1987, EPEA reported the growth of the initially covert but finally admitted policy of the Company Boards, developed with the least consultation, of inducing certain NJMC staff to accept non-negotiable posts. The report presented the policy as part of a process of ‘softening up’ of managers prior to privatisation. This policy was facilitated by holding down management pay until personal contracts had been made. The introduction of personal contracts continued in the following years despite complaints by EPEA. By 1990, all ESI companies had managed to hire the majority of their managers on the basis of an individual contract. According to a managerial survey organised by EPEA, while in 1989 only 17 per cent of respondents admitted to having personal contracts, in 1990 this figure reached 72 per cent with half of them said to have been transferred in the first half of the year (EPEA 1990; EPE, 73, 2 February 1991). Thus, when companies began to give notice of withdrawal from the negotiating machinery, most of them had already placed their managers on personal contracts. Though the same survey showed that 77 per cent of those on personal contracts manifested that collective representation would still be relevant for issues like pensions, safety organisation, professional responsibility and the like, the danger to EPEA was evident. When interrogated about whether the process of privatisation impacted immediately on trade unions, former officials of EPEA often mentioned the introduction of personal contracts:

The impacts on trade unions were several. First and foremost, from our point of view, because we represented the engineers and the higher managers, the first the companies did was to take the higher managers and engineers out of the collective bargaining. (National Officer – Prospect)

This quotation points to the reason why personal contracts have been perceived by trade union officials as a force undermining collective bargaining:

Our legal framework was very permissive in this respect in allowing employers to undermine collective bargaining through personal contracts. (National Officer – Prospect)

So having got the senior managers out of the collective bargaining, they then sat down and discussed with the trade unions a revised method of collective bargaining. Looking away from the collective agreements, bringing in a company-based bargaining, a single table, where all the unions in the industry sat down and talked to the employer. (National Officer – Prospect)

This policy is also explicitly associated with an anti-union approach through the use of money:

There was a trend in the UK at that time: union derecognition. The electricity employers were subtler about it. Instead of getting into confrontations with the unions, they bribed individuals away and said: ‘Look you could stay in the collective agreement, or if you like, there is an extra 2,000 pounds. What do you want? And you can have free medical care and we’ll give you a better car’. So there were inducements, personal inducements. (Regional Officer – Prospect)

Additionally, personal contracts deprived unions of vital information for collective bargaining. It has been stressed in Chapters Six and Seven that the power of EPEA rested, partly, upon the role occupied in the labour process by its technical, professional and managerial constituencies. By organising the employees in charge of running the industry, EPEA exercised great influence and gathered worthwhile technical and financial information for bargaining within the industry from a position of strength. In the case of EPEA, more than in the case of other ESI unions, membership loss implied information loss. This side of the policy was reinforced by the early introduction of confidentiality clauses into the letter of the contracts (EPEA 1989a).

After privatisation, most companies, though not all – PowerGen maintained all employees in collective bargaining for instance – continued with this policy depending on their own individual approaches. Some companies began to take out technical and some administrative grades from collective bargaining, peeling off the top levels layer by layer and restructuring the company grading. In National Power, for example, the policy began to affect not only EPEA but also NALGO, which had opposed personal
contracts throughout 1990 and 1991, because it was thought of as an attempt to break workers’ solidarity and to introduce multi-skilling without remuneration (NALGO 1995b; NALGO News, no. 494, 20 September 1991). Again during 1997, National Power intended to persuade the overwhelming majority of the professional and technical employees to leave the collective bargaining machinery. However, a significant number of EPEA’s members rejected the offer this time, according to the data collected in interviews, perhaps an early indication of a changing environment:

Also, I think, our members’ experiences of personal contracts have not taken them in the way they were portrayed by the employer, because personal contracts are less secure. People who are in personal contracts are now much easier to be dismissed than people in collective agreements. So people have got an experience now and personal contracts haven’t been a positive experience. To some extent, this makes personal contracts more difficult to initiate, and less attractive, because the ongoing government is more or less supportive of collective bargaining, at least, more than the conservatives during 1990s. (National Officer – Prospect)

What actually happened, in practice, is that in the early years of that process people was seduced to take a personal contract, and then, the favourable terms were actually narrowed. So, when the company car was not renewed, they suddenly discovered that the car they had previously was no longer available to them. So, the company then cut back the costs by reducing the bonus and just moderately increased the salaries. (National Officer – Prospect)

Furthermore, some companies began to bring people into collective bargaining after 2002:

Question: What is the reason for this trend?
Reply: the reason is that it is too much time-consuming to deal with individuals. It appears to be the reason. And you got a political climate that is changed, a political climate that is more encouraging towards collectivisation, you got that the climate within the country is shifting with the Labour government. Not dramatically, as some people had expected, but it is there. Overall, it is easier to deal with five hundred people sitting with the trade unions, two or three trade unions around the table, than it is to deal with three hundred people in collective bargaining, and the other two hundred on the individual basis. And there was no real individual contracts. The only individual thing was the salary. It was the same contract, all the terms are identical but with different pay. The only thing there was pay. (Regional Officer – Prospect)

However, the administrative argument does not seem to provide the full answer to this, because the multiplied administration involved should have been noticed before, and in fact, as recognised by the interviewee, individual terms did not vary much in practice (Evans and Hudson 1993). It might be worth mentioning that offering inducements to eschew collective bargaining became more difficult after unions began challenging UK law in the European Court of Human Rights; the law subsequently prohibited such activity where the main objective was to undermine membership levels or union organisation (Collins 2006; Wilson and Others v. United Kingdom 2002).

To conclude, a political process whose objective was to build a private management was embedded in the diffusion of personal contracts. This process comprised ideological elements on the one hand and the partial decollectivisation of managers and other high-ranking employees on the other. In this latter sense, it undermined the collective processes of interest definition. This policy also targeted the organisational power of EPEA by encouraging senior and middle managers out of collective bargaining. In so doing, the process weakened the engineers, who were more reluctant to enter into these arrangements and who, in fact, had disputed managerial prerogatives since 1970. Once in full control of the right to manage, some companies began to reverse this policy somewhat due to practical and legal pressures.

Peculiarities of Argentina: The Politics of Compensation

This aspect of the form taken by the politics of money in Argentina needs to be put in a wider context. As stressed by scholars (Etchemendy 2001; Etchemendy and Palermo 1998; Murillo 1997, 2001; Palomino 2005), the CGT accepted market reforms in return for business concessions. Apart from generous severance packages and employee-owned stock programmes managed by unions, the latter obtained important compensations during
The Forms of Counter-Mobilisation: The Politics of Money

FA TLyF created an AFJP, Futura, by far the biggest business controlled and run by the Federation. The pension fund, by 2006, owned a portfolio of more than $267 millions (Argentinean pesos), including $1.5 million shares in privatised utilities (AFJP Futura website). Findings revealed that, apart from the five electricity businesses, YCF and Futura, FATLyF owned at least ten more companies (Contacto, October 2000).

Beyond the activities developed from within FATLyF, LyF CF became involved in the politics of microentrepreneurship, which followed the failure of the politics of voluntary redundancies to achieve the expected downsizing of the industry. As mentioned above, the union organised cooperatives of former employees who invested their severance packages in providing services for the new privatised companies. In 1995, three years after privatisation, 290 workers grouped into twenty-four cooperatives worked providing outsourced services to three companies: EDESUR (twelve), EDENOR (six) and Central Puerto (six). Due to this microentrepreneurship, the union received in 1995, as subscriptions deducted from member’s pay by employers, the annual amount of US$29,648 (LyF CF 1995).

The union also created a company to provide food tickets. The rationale underlying the next statement is paradigmatic of union justification for its embarking upon economic activities:

As we saw the food tickets coming to replace part of our wages, in fact, a plain attack against our institutions, the obras sociales and the union itself [...] Our policy was to say: 'Why don’t we organise a tickets’ company?' We, as a union. We were the only union, I think, in the whole of Latin America, that created its own enterprise. We called it Lyfchek. (Union Official – LyF CF)

The enterprise survived just a few years before succumbing to competition. Yet, this has been often the rationale accompanying the investments: as the union became debilitated because of declining membership and employer contributions, it was necessary to counterbalance this trend by developing alternative sources of income.

The politics of compensation rested upon specific institutional features of Argentinian unions, that is, their traditional involvement in providing social services through institutional bodies, independently from union administration, mainly through the obras sociales. This policy worked as a
significant counter-mobilising force, for it served to buy the union leadership off and helped to moderate union politics. Moreover, it also increased the tensions between negotiating and combative trends within FATLyF. From the beginning, the counter-mobilising nature of engaging in businesses was clear for LyF MDP and other organisations that opposed the politics of compensation within the national Federation and beyond. The conflict between both orientations ended up with the expulsion of LyF MDP from FATLyF. This occurred when the Federation, pushed by LyF CF, made changes to the rule books of the organisation adopting a pro-business orientation.

Although LyF MDP refused any form of political exchange based on business compensations, the politics of microentrepreneurship impacted upon the organisation. Many workers left the industry seduced by the opportunity to become independent microentrepreneurs. Once more, this happened under ESEBA, which was still a public company when the policy began. In 1995, the union launched an important campaign against this tactic, in which the CGA framed the issue as a labour fraud, given the conditions of the contract that workers had to sign up to provide the service (LyF MDP 1995a, 1995c, 1995d). This campaign was crucial in reducing the success of this aspect of the politics of compensation, the only one that truly affected LyF MDP.

Conclusion

This chapter focuses on the counter-mobilising side of the politics of money, and how it acted to prevent conflicts over the process of privatisation and after, in the UK and Argentina. This does not necessarily mean that the counter-mobilising content was the only rationale behind these policies, which may have been implemented for other aims as well (cost reduction, organisational efficiency and the like). Yet findings support the view that all these initiatives shared common features, that is to say, that all of them implied the mobilisation of money resources, had counter-mobilising objectives and affected workers’ collectivism.

If the previous chapter shows that the conceptual framework laid down by mobilisation theory proved useful when analysing the forms taken by workers’ initial responses to privatisation, this chapter exemplifies its potential to study how governments and managers deployed resources that target crucial dimensions of workers’ collectivism, in this specific case, financial resources. However, its usefulness seems to be limited to mapping the main dimensions that a counter-mobilising force ought to target in order to undermine workers’ collectivism. The comparative dimension helps in turn to identify variability in what the theory defines as the opportunity-to-act.

The four dimensions of the politics of money studied in this chapter manifest a two-fold purpose: to break up resistance and to further loyalty to the new private firms. Regarding the former, findings show that public authorities and managers had to conceive of policies that broke resistance to change at individual and collective levels. For instance, while the politics of voluntary redundancies was a device principally designed to buy off workers individually, the politics of compensation in Argentina was clearly a strategy directed at establishing a tacit pact with trade unions – a new type of political exchange – whose content consisted of business opportunities. All four dimensions nevertheless ended up affecting both levels: for instance, voluntary redundancies targeted workforce morale, and therefore, arguably, made it more difficult for unions to mobilise workers through collective action. It also depleted unions of experienced union officials and activists. The politics of shares was an incentive for individual workers but in Argentina, it was also an important component of the politics of compensation. Personal contracts in the UK debilitated the organisational strength of EPEA by taking individuals voluntarily out of collective bargaining arrangements.

Regarding the aim of furthering loyalty to the companies among the workforce, findings are not conclusive as to whether companies succeeded. It seems possible to argue that the above was a secondary objective, a desire of the private management often clashing against the rough reality of seeking profits by cutting labour costs and increasing productivity.
The comparative dimension of the study is also crucial in highlighting factors that may explain variability. For instance, differences in the employment law may contribute towards explaining the important role played by personal contracts in the UK, a strategy unlikely to be successful in Argentina. Differences in legal frameworks also seem to have affected the chances of unions representing workers as share owners and mobilising them around this issue. Similarly, the fate of the politics of voluntary redundancies appears to have been closely tied to the state of labour markets. While the study points to the development of a redundancy culture among the British workforce, a rising rate of unemployment thwarted similar beginnings in Argentina. Soon after privatisation, Argentinian workers began to reject voluntary retirement programmes. Consequently, not only private companies but also the provincial government deployed a wide range of repressive tactics and psychological persecution to force people to join the redundancy programmes. From then onwards, what appears formally as a process of voluntary downsizing hid what was, in fact, a process of compulsory redundancies. In the language of the mobilisation theory, the opportunity structure for companies and the government changed, and hence the chance of using money to downsize the industry faded away. Given this scenario, the state not only encouraged harassment and repression, but also devoted more efforts and resources to bribing unions with business opportunities in order to fragment workers’ resistance, and keep discontent as an individual expression.

At this point it is necessary to refer once more to the case of LyF MDP, which shows how far counter-mobilisation strategies are mediated by workers’ organisational capabilities. So union structures and government proved to be relevant sources of variability too. This is not to say that LyF MDP was immune to the politics of money; but to stress that union leadership is relevant when explaining variability in workers’ responses. First, the politics of voluntary redundancies and compensation succeeded at the individual level, and then in this way it impacted on the organisation. The politics of money seduced individual workers, though fewer than the industrial average. It corrupted members of the CGA and other union officers, yet it did not pervade union officialdom. In sum, union leadership could mobilise the collective power of workers throughout the process against different manifestations of the politics of money.

While the analytical sequence laid down in the conceptual framework – opportunity-to-act, organisation, interest definition – proved to be useful to the study of the forms of workers’ defensive mobilisation, this chapter shows that a focus on the effects of counter-mobilisation upon workers’ collectivism may require a more flexible and empirical approach. However, it is essential to emphasise that it was mobilisation theory which signalled the direction of the analysis.

Finally, the chapter also shows that changes in the intermediate variables may influence very quickly the field of social interactions and subjective processes. This was the case in Argentina when a sudden rise in unemployment impacted upon the effectiveness of the politics of voluntary redundancies. Workers began to oppose it, and concomitantly, managers began to back redundancy programmes with repression. In this new context, even an extremely moderate union like LyF CF mobilised the rank and file through industrial action and rallies. This reminds us of Tilly’s self-criticism: ‘the model has no time in it. Collective action does. The most obvious defect of the model is that it makes no allowance for the ways a contender’s collective action affects its opportunities and its power. The model provides no place for strategic interactions and no place for the conquest or loss of power. Collective action affects a group’s power, but that effect takes time’ (1978: 58). This chapter suggests that changes in external variables also affect contenders’ opportunities and power.
The focus of this chapter is the vital counter-mobilising forces unleashed by privatisation; in this case, the fragmentation of collective bargaining and the changes of its procedures. The empirical analysis is guided by mobilisation theory which sheds light on how and why these phenomena brought about changes in workers’ capacity to mobilise. With this in mind, particular attention is to be paid to factors which diminished trade unions’ ability to confront management, or which impacted upon their organisational structures. At theoretical level, the chapter provides room for the study of the strategic interactions of the contenders and the conquest or loss of respective power, which Tilly demanded in the quotation closing Chapter Eight. The comparative perspective shows, in turn, important differences between the UK and Argentina, within a common horizon of growing obstacles to collective mobilisation. Its basic aim having been to increase managerial prerogatives, the assault upon collective bargaining happened in national contexts, which differed regarding the system of industrial relations, the extent of decentralisation and restructuring, and the evolution of market structures. So these intermediate variables influenced the final outcome of the process; at the same time, these differences set limits to the symmetry of the comparison. Lastly, the analysis also points to meaningful differences between unions.
The United Kingdom

The Process of Counter-Mobilisation against Collective Bargaining

By lobbying the government, ESI trade unions ensured through ESTUC the continuation of the national negotiating machinery throughout the process of privatisation, and obliged the new private companies to announce, twelve months in advance, any intention to withdraw from it. This achievement was, in fact, a tacit recognition by ESTUC of the inevitability of the end of the traditional arrangements as well as a reassuring guarantee of time to negotiate the future institutional framework of industrial relations. There had been, in the run up to privatisation, abundant signals of enthusiasm among management for the opportunity to put an end to national bargaining, preventing any optimistic hope for the establishment of a common negotiating machinery across companies. In several of the would-be private companies, middle managers began to let unions know about their disaffection for national and industrial institutions in the new environment. The message took a diversity of forms, from the rhetoric of corporate culture building (as in PowerGen for instance) to the crude economic language of regional differentials in the cost of living (as in Norweb). As managerial pressures mounted, the EETPU had, for example, to alert shop stewards to resist the undermining of the bargaining machinery until new negotiating structures had been agreed by the union. In brief, as stated by an interviewee: ‘Most of the companies, if not all of them, saw privatisation as an opportunity to liberate themselves from national bargaining.’ (National Officer – Prospect)

It is possible to argue that the decentralisation and fragmentation of collective bargaining was a key aspect of capital counter-mobilisation: partly intended, partly the unconscious by-product of other requirements. Still, as Lukes (2005) might put it, the end of centralised procedures showed the capacity of the new management to force trade unions to accept a course of action other than the one they originally pursued. In marked contrast to their early calls to defend the national machinery, trade unions ended up negotiating company agreements and procedures with stoic pragmatism in search of the best possible arrangements. Decentralisation and fragmentation were clear signals of unfavourable changes in power relations. In the face of this situation, unions of craftsmen were generally more pragmatic than the predominantly public sector ones.

In December 1991, East Midlands and National Power gave notice of withdrawal from the machinery. Soon after, the remaining private companies followed their example. By June 1992, unions reached the first agreement with PowerGen, which included single table bargaining (STB), flexible working, and the harmonisation of terms and conditions for all employees. The bulk of company agreements, however, were balloted during 1993 (Table 11).

Table 11: Introduction of Company Agreements

<table>
<thead>
<tr>
<th>Year</th>
<th>1992</th>
<th>1993</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>PowerGen / June</td>
<td>National Power / January</td>
<td>Eastern Electricity London Electricity Norweb Swale SWEB</td>
<td></td>
</tr>
<tr>
<td>Scottish Power / December</td>
<td>Southern Electric / February</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yorkshire Electricity / February</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>East Midlands Electricity / April</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NGC / April</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Midlands Electricity / May</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SWEB Connect / May</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manweb / July</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SEEB / July</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Northern Electric / November</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to a common view among current national officers, there was no widespread radical change at that stage, apart from the new bargaining structures:

So [companies] were not all necessarily radical themselves; though they had, certainly, their own ambitions. So, different sources of bargaining formats came out of this move from public to private. (National Officer – Prospect)
In the immediate post-privatisation aftermath, there was not any visible change in bargaining strength. So, trade unions were able to achieve at company level, in company agreements, in company bargaining, terms and conditions that were still very much acceptable in terms of the economy as a whole. (National Officer – Amicus)

Early on, the employers were more concerned about stabilising their businesses; in stabilising employee relations in their companies than they were about attacking in any dramatic sense the terms and conditions. (National Officer – NALGO)

The interviewees stressed that, initially, management was satisfied just with the breakup of the national machinery, which allowed managers to take responsibility and authority for their own employment conditions. There is an extended belief that the managerial agenda was principally dominated by how change might be achieved in collective bargaining structures and also, if possible, in payment structures. In 1993, at least five companies succeeded in introducing performance related pay (PRP), and by 1995, most if not all of them had PRP for certain categories of workers. Still, in the main, employers restrained their full agenda of desired changes while establishing companies’ frameworks for negotiation. It follows that over the period of transition from national to company bargaining (1991–2), when the new firms inherited the national agreement, the companies amplified the rigidities of the old arrangement under market competition by compromising a common line of negotiations composed of minimum offers. The strategic aim was to discourage unions’ attachment to national machinery whilst avoiding radical changes and confrontation. This negotiating context pushed unions into seeking mandates from their constituencies for exploration of alternatives at company level. For instance, EPEA had convinced themselves by 1991 that either unions succeeded in backing up a unified claim across the industry, or they had better contemplate separate company arrangements. By the same period, the EETPU had found comparative advantages over other unions. On the one hand, the negotiating experience of the union in the private sector could translate into a relative organisational strength at local level. On the other, company agreements opened a window of opportunity for their union members to move up through additional skills and career progression. NALGO, in turn, while keeping up opposition to the breakup of the machinery, joined manual and engineers’ unions and asked its membership to mandate the definition of new institutional frameworks at company level through ESTUC.

It took months of painstaking negotiations to finalise the company agreements. Although trade unions were overworked throughout a process that put a lot of strain on their human resources, five companies were still negotiating at the end of 1993. The final outcome was a variety of bargaining formats, though STB prevailed in the main. Some companies set up multi-table bargaining structures, either by strict replication of three agreements, or by two-table bargaining (TTB) that generally maintained the split between, on the one side, technical and administrative staff, and on the other, manual and craft workers. However, this was just the starting-point of a process of decentralisation in which, initially, pay bargaining and, later on, terms and conditions too, tended to be split into smaller units, as the electricity companies themselves sub-divided the bargaining structures in their different business units:

Over a very rapid period, two or three years, the companies themselves began to subdivide their own company’s agreements because they rapidly realised that they, at the company, they faced more than one labour market, more than one commercial circumstance, and actually began to shape with us new agreements, which were at the company level. (National Officer – Prospect)

Additionally, the external influence of the regulator in requiring the unbundling of distribution businesses accelerated the process even more by providing companies with a justification for pushing through the decentralisation of bargaining. From 1995 onwards pressures towards devolution of bargaining within companies began to grow. On the union side, there was no uniform policy. When, at the end of 1995, SEEB indicated the desire to move away from company-wide agreements to agreements based on the separate businesses; trade unions agreed to enter into discussions despite not having received any concrete proposal from any business unit. In Northern Electric, instead, the same intention faced mass meetings and strong protests. However, once again, companies forced the acceptance of a course of action, which unions disliked and even opposed, though in a lukewarm way. By the end of the 1990s, most companies had subdivided their negotiating structures into smaller units.
The next sections address the counter-mobilising effects of the process of radical decentralisation of bargaining, particularly the growth of inter-union competition and latent tensions, and the appearance of differences in bargaining power.

The Growth of Inter-Union Competition

For mobilisation theory, the growth of inter-union competition is a debilitating factor for workers and their chance to gain and control power resources collectively in order to increase the opportunity for collective action to arise (Tilly 1978). Decentralisation, the introduction of STB, and finally, the devolution of bargaining to business units furthered competitive trends.

Early in the pre-privatisation period, trade union leaders foresaw an uncertain future likely to encourage inter-union competition for members. They arrived at this conclusion for various reasons. It is necessary to recall the aggressive recruiting policies pursued by the EETPU during the 1980s by means of single union agreements. Inter-union disputes led to the expulsion of the EETPU from the TUC and increased the negative expectations. Later on, the imminent end of the law enforcement for the carrying out of the national negotiating machinery fed fears that companies would give notice to leave the national agreement whatever one’s own trade union did or said, and that other unions could then try to negotiate separately with the companies concerned. The pace of job loss and plant closure announcements also showed the hard times to come regarding union memberships. Unions consequently diverted their resources and energies from other uses in the run-up to privatisation to the launching of recruitment policies, or at least, their reinforcement. The first symptoms were a set of mandates on the topic of recruitment from union conferences, branch motions, official policies and campaigns. This emphasis continued during the early days of privatisation.

For instance, EPEA decided in December 1988 to offer single union agreements to new entrants to the industry to counteract the threat embedded in the bargaining policies of the EETPU and the three large manual workers’ unions: TGWU, AEU and GMB (EPEA 1988). In November 1990, again in the midst of a debate about conflicts with other unions in competition for recognition in new companies, EPEA’s NEC officially established the promotion of recruitment as a prime union task (EPEA 1990). NALGO declared 1989 as a recruitment year for the ESI (NALGO 1989a). The central tenet was a programme of action aimed at maintaining NALGO’s position as the main union for NJC staffs, and equipping it for negotiating in the private sector (NALGO 1988b; NALGO News, no. 347, 30 September 1988). During 1990, NALGO’s reports on privatisation often stressed the danger of the growth of inter-union competition as the background for the extension of the 1989 recruiting campaign (NALGO 1989b). NALGO’s insistence seemed justified at the time by the moves by EETPU throughout 1989 and 1990 to poach NALGO’s members in some branches and to begin recruiting NJC employees, and by the attempts by APEX, GMBATU’s arm for the recruitment of white-collar workers, to increase its influence and numbers of seats within the different negotiating bodies (TUC 1990). EETPU, in turn, did not need special recruiting policies to be implemented. The union had already been involved in bitter inter-union disputes for years for that cause; as the head of the union, Hammond, graphically stated: ‘We are up to our necks in the struggle for membership. We make no apologies for that’ (Contact, 17, 4, August 1987).

During 1991–3, inter-union competition decreased as workers confronted the establishment of private companies and jointly negotiated the agreements anew. However, the introduction of STB, and to a lesser degree TTB, ended up blurring the traditional frontiers of recruitment. This gave unions greater incentive to poach members and revive the competition for new starters:

Question: How have union relationships been in the sector?
Reply: You have effectively, Unison – I use the present names – and Prospect, representing white collar. Amicus, GMB and TGWU representing blue-collar workers. That is not so clear now, because a number of the industrial negotiating forums allow all unions to sit at the same table [...]. We now represent a small number of engineers as well, you see, whereas before we wouldn’t. Relations between the unions at that time were very good, and now, well, things changed. There is more competition for members. (Regional Officer – Amicus)
unions succeeded in keeping their traditional separations. SEEB, in turn, inclined to TTB to guard supervisory and professional terms against being indirectly determined by those they supervised, and to maintain different levels of call-out payments for manual and non-manual staff (Gall 1994). Eastern Electricity set up TTB machinery, which comprised a Professional Group covering ex-NJB employees, PAG grades and ex-NJIC foremen, and a Staff Group covering industrial and clerical support employees. This division was thought to facilitate the introduction of PRP schemes in the Professional Group Agreement, and the end of annual incremental progressions. Yet time would increase the number of companies with STB. However time also finished with trade unions' uniform and contrary viewpoint about it as craft groups perceived it as an opportunity to crack the interface problem and the administrative staff as an opportunity to press their claims for equal pay.

Two central arguments were offered by employers to explain the early introduction of STB: the reduction of the amount of time and resources spent on union negotiations and the establishment of intra-company consistency with regard to pay and conditions (Gall 1994). However findings from the ESI do not support any of these claims. They show that the adoption of STB by electricity companies was just a first step towards devolution of bargaining to business units. This evolution was already announced by the devolution of decision-making down the managerial hierarchy before companies gave notice of withdrawal from the negotiating machinery. It manifested itself on the one hand in the proliferation of profit centre policies and, on the other, in the procedural agreements established by a number of RECs to discuss organisational change and work flexibility. Although senior managers were freed up, the time and resources taken up by negotiations multiplied with the devolution of bargaining involving a mass of junior managers; companies attempted to counterbalance this factor by signing agreements for two years, and even three years. A more important consequence was the tendency towards equalisation of terms and conditions across different grades of workers within each bargaining unit together with growing inconsistencies across the company. Repeated mergers and take-overs only added to such inconsistencies. Then it comes as no surprise to find in some companies the same rationale, the saving of
time and resources, for current programmes to harmonise terms and conditions, and to have one pay negotiation for all business units. In short, STB rather seems to have been the favourite means to further devolution, the main counter-mobilising tool for debilitating unions’ ability to resist change in payment structures, work practices and terms and conditions of work. Its subsequent subdivision seems to have been a strategic move to match more easily the conditions of local labour markets with regard to both regional wage differentials and skills.

The engineers organised by EPEA were the main losers within STB, for its implementation downgraded their representational rights. Gall refers to this type of phenomenon as a form of derecognition or decollectivisation (Gall 1994). According to a Prospect official:

As you gave unions seats according to their size, the manual unions, because of the largest numbers of staff, of course, took more seats than the others. So the unions were forced to work together. And you no longer have individual policies being dealt with at national level. So, the NJB’s, which are mine union’s policies, were always different from the manual workers’ policies. Well what, of course, is done is weaken our union because we had exclusive rights for the technical staff. (National Officer – Prospect)

By contrast, even when STB somehow threatened the preponderance of the EEPU’s representational rights among former NJIC members as well as the preponderance of NALGO among former NJC members, their situation was different from that of EPEA. In May 1992, EEPU amalgamated with AEU to form the AEEU, strengthening its position with regard to other manual unions. EEPU was already used to reaching compromise policies within the NJIC body, with TGWU – despite major political differences between them – and GMBATU. More importantly, it opened an opportunity for industrial craft unions to sort out favourably the dispute with EPEA about task demarcations as the interface question was addressed. Lastly, Amicus ended up dominating most STBs until their subdivision, and then it continued to dominate STBs in the leading business units of ESI companies. The latter, in part, compensated manual workers for the damages brought about to their bargaining power by the end of the national machinery.

NALGO – Unison from 1993 when companies’ agreements proliferated – was the main victim of the subdivision of the STB into business units’ agreements, which revealed the disparity of strength among different groups of workers but not of the STB arrangements in themselves. This was firstly because white-collar workers had often built their negotiating power on the shoulders of manual and engineering unions, and the STBs did not put such a strategy at serious risk initially. Secondly, and despite their utter opposition to the breakup of the negotiating machinery, this was because Unison found out that STB might give administrative and clerical staff the chance to seek harmonisation of pay, terms and conditions. This hope ended with the subdivision of bargaining into business units, but it has enjoyed a rebirth ever since, as some companies expressed the wish to harmonise terms and conditions by reunifying the company STB.

For EPEA, instead, there were no similar compensating factors. EPEA had built up its power by maintaining the exclusive rights to representation of the engineers in an independent body within a highly centralised and formalised negotiating machinery, by keeping strict demarcation of tasks to prevent craft workers diluting from their control upon the labour process and by establishing a pay link between NJB and NJIC pay. All these aspects were targeted through STB, in which EPEA was outnumbered by AEEU-Amicus, a factor that contributed to the erosion of their leading position within the industry. Unsurprisingly, EPEA’s initial reaction was to oppose any arrangement which involved the possibility of their being outvoted concerning their own members’ pay and conditions; yet, this position proved to be untenable. The union was left with no choice but to accept sharing the negotiating table with other unions. In the years that followed the establishment of the new arrangements, concern with STB was common amongst EPEA’s members from different companies. To give just a few examples, in SWALEC’s STB, EMA obtained three places out of fifteen; in SWEB’s just two out of fifteen, whereas in the past there had been a committee of nine members who regularly met the company at high level to discuss NJB issues. Early complaints arose not only in companies from the South West but also in NGC, Midlands Electricity and Southern Electric. These differences awakened latent tensions and brought about new ones.
The Old Sources of Inter-Union Frictions under the New Arrangements

As privatisation opened dissimilar opportunities for manual workers and engineers with regard to the inter-union rivalry for the demarcation of technical and craft skills, management exploited this traditional source of friction to its own ends. The company-based bargaining agreements negotiated throughout 1993–5 opened up the work traditionally carried out by engineers to ex-NJIC employees to a greater or lesser degree. Craftsmen took on extra work and responsibilities for little or no additional remuneration; the carrot was career development. SWEB, for example, launched a job redesign programme, which included a new team structure to dispense with engineers being involved within the teams, confining them to project work and reducing their numbers. For this exercise, the company targeted the necessity for formal authorisations by engineers to do specific works thus pushing down levels of responsibility. Operational engineers were replaced by operational technicians who had received a concentrated period of training. The strategy adopted by Southern Electric, instead, was to devolve what had been engineers’ duties, particularly safety documentation and work planning, to craftsmen but without seeking radical change in the organisation of labour. This process continued all the time. In all cases, these managerial policies benefited from the enthusiasm of AEEU-Amicus, whereas they were resisted by EPEA:

Because our guys go into the job, and then they say: ‘All right, sit down for two hours, wait for that bloke coming out’, ‘put in a piece of paper to do the next job’; or ‘switch out, switch in’, and that was it. We can do that, but we were not authorised to do that at that time. (Lay Representative – Amicus)

But the other people [engineers] are saying, well you are taking our job. Oh, yeah, we know, we are comfortable with that, because we are the AEEU union; we had a major conflict with them, a major conflict. (Regional Officer – Amicus)

Another old source of tension that has provoked several skirmishes between Amicus and Prospect under the new arrangements was the antagonistic position held by their constituencies within the industry: Amicus organised manual workers, whereas Prospect organised people who occupied managerial roles and exercise authority over the former. Interviewees referred to this note of discord between the organisations:

Question: How do you agree common lines of negotiation with a trade union that organises mostly engineers and managers?
Reply: Well, the answer to your question is that this situation does cause tensions. There is no doubt about this. It causes tensions. And sometimes there has been a break up and the trade unions went in different directions. Because the industrial staff feels that guy is my manager, he disciplines me. Why should we deal with them? And there are tensions, very real tensions. (National Officer – Amicus)

In fact, I’ve been in the middle of an argument developed between the Prospect’s and the Amicus’ reps because Amicus feels that Prospect … Well, you know: ‘They are all managers, they defend the company, they are fighting the workers’. So they [Amicus’ stewards] started an argument about a recommendation and decided not to go with the recommendation. So the other man, from Prospect, got accepted. And he said: ‘I’m not speaking with them because I don’t agree’. And one of the stewards started to say: ‘That’s because you are a manager too!’ […] And I’m the one saying: ‘OK, let’s cool down’. And that quite often happens. So, there are tensions, obvious tensions between trade unions, and that’s because one sees the other as the management’s union, and the managers’ union thinks the other is a left-wing, militant union. (Regional Officer – Unison)

Conflict between Unison and other unions in the industry was mainly related to differentials in pay and labour conditions. Although there had always been frictions due to this issue, the national machinery reserved to NALGO exclusivity as the body discussing white-collar needs, thereby lessening inter-union disputes. Rather, it encouraged NALGO to press upon management the enhancement of the status of white-collar workers. While STB, on the one hand, opened new space in which to pursue equalisation, on the other, it confronted Unison with the agendas of engineers and manual workers. As stated by a trade union official from Unison, which organised most low-paid workers in the ESI:

I mean, there were tensions between Unison and the other unions because the reality is that other unions, when we are actually in the meeting, they say: ‘We are not going to have our members lose any money’. So, on the one hand, they say: ‘Yes, we agree with this, we agree with doing this because it is equal pay issues, and the law,
and so on’. On the other hand, they try to make sure that people get their money. Of course, that created tensions. (Regional Officer – Unison)

The frame of reference for this quotation is the harmonisation policy pursued by Unison to improve the terms and conditions of their members:

We tend to support what we call harmonisation. So, we do away with the distinctions between manual workers on the one hand, and staff workers on the other. We don’t like to have second class citizens so we like to have everybody treated the same. Obviously, there are going to be different pay scales, but you know, it shouldn’t be on poor terms and conditions. That is not always the case with the other unions, because sometimes their membership is stratified, and they only recruit within a certain band of workers so they like to keep those separated. (National Officer – Amicus)

The growth of tensions within STB due to differentials is confirmed by officials from manual unions:

Sometimes there are clashes between unions, because, sometimes, trade unions’ constituencies are people who are on lower pay, who prefer a fixed money increase; where people on higher pay resists that on the basis that they will prefer a percentage increase. This is all to do with differentials [...]. So there are tensions in STB. On most occasions unions find an accommodation to go forward; but in some occasions, they don’t. (National Officer – Amicus)

All those tensions have militated against the opportunity to articulate unified fronts and collective demands. One official from Prospect, while confirming the existence of conflicts between unions, introduced a subtle viewpoint on the problem:

What is interesting is that while full-time officers work well together, there are certainly tensions at the level of the members, but not between the full-time officers. I think, what happens is, in fact, some people tend to think that, well, if you are working in this area you can belong to this union but you can’t belong to another union. Some of that is there; there are tensions there between the staff. (Regional Officer – Prospect)

The important point to stress seems to be that, given that one consequence of decentralisation was that more negotiating tended to be done by lay representatives, by overburdening the full-time officer cadre, changes in bargaining structures amplified inter-union tensions at firm level.

Privatisation and Collective Bargaining

The Irruption of Differences in Bargaining Power

The counter-mobilising effects of devolution were widened by the subdivision of STBs into business based agreements, as this policy showed the disparities in the bargaining power of different groups of workers. Broadly, differences emerged between, on the one side, the people employed in generation and distribution, and on the other, those employed in commercial and retail activities. The causes of this diversity have to be understood in relation to the characteristics of the labour process, the labour market and historical traditions:

Initially, it was more a company agreement but along with time the companies began to segment their own agreements. This began to reveal the disparity in power strength between different groups within the same company. So, the engineering staff and craft staff still get good deals because they have, literally, the key to the power. The retail and commercial people were more exposed, and also, it began to expose that the companies face more than one labour market. The labour market in which they obtained the engineer and craft staff was different, than the labour market in which they obtained the retail staff, for example. (National Officer – Amicus)

Over the time certain parts of the company businesses revealed themselves as weaker. You have to make a distinction here, between the engineering activity and income, and the retail and commercial activities. In the engineering, the trade unions were stronger. There, you have an environment where engineers and craftsmen went to work with a different ethos. And they had a very strong strategy independence [...]. Union density in these areas was much more substantial. In some other parts of the companies there was less commitment to trade unions. In the past, the terms and conditions in the retail and the commercial areas had been built upon the strength of the industrial areas because it was one national agreement. (National Officer – Amicus)

This difference in bargaining strength impinged upon the respective powers of the various trade unions, for it mainly targeted Unison, whose members belonged mostly to powerless sectors (Unison 1994, 1996a, 1996b). Sales and marketing employees, though reasonably well unionised, were never as willing to take collective action as manual workers, and their collective bargaining power diminished too. Later on, trade unions faced similar problems in Customer Services as companies consolidated call centres, in
employers to exploit the lack of bargaining power of clerical employees; at the time of writing, the weakened position of white-collar workers was used to undermine the power strength of craft and engineering staff.

To summarise, fragmentation and devolution of bargaining in the ESI have had important counter-mobilising effects, as was accordingly feared by ESI officials: ‘There was a common fear among trade unions that the break of a national bargaining would undermine our bargaining strength’ (National Officer – Prospect).

Argentina

The Process of Counter-Mobilisation against Collective Bargaining

The process of counter-mobilisation against collective bargaining was different in Argentina. While in the UK the majority of changes occurred after privatisation, without a clear and concerted agenda, and were pursued by private companies, in Argentina, a set of relevant changes happened before privatisation as a result of a detailed plan, and these were carried out by public authorities and consultants employed by the Ministry of Economy. The reason was that, from the point of view of the government and the international financial institutions which backed the sale of public companies, the power of trade unions in the public sector expressed itself in the contents and procedures of collective bargaining, so that public collective agreements were deemed to be an obstacle for the success of privatisation. The government decided to dismantle the agreements in order to attract private investors. This entailed a different starting-point for the counter-mobilisation process against collective bargaining in Argentina.

The involvement of the government, however, should also be understood as being determined partly by the institutional features outlined in Chapter Six and particularly by the legal underpinning of the Argentinian system of industrial relations, for this narrows management’s opportunities to push change without legal support.
As the analysis will also show, there are differences in Argentina between the case of LyF CF and that of LyF MDP, which relate to the peculiarities of the opportunity structures faced by these organisations and their distinctive processes of decision-making and leadership styles. Yet, despite their diverse characteristics, the process of change of collective bargaining underwent two phases in both LyF CF and LyF MDP. The first phase, before privatisation, was characterised by the offensive of public and industrial authorities forcing unions to accept radical modifications in the content of CCTs. The second one was after privatisation, when the electricity companies either refused to continue with joint arrangements bringing about the fragmentation of negotiations as in the case of LyF CF, or simply targeted workers’ collectivism but without fragmenting bargaining as in the case of LyF MDP. During this second phase, two additional variables help to differentiate between the Argentinian cases and the British ones: a different structure of union representation and the absence of mergers and takeovers affecting the boundaries of the industry.

The Case of LyF CF: Two Steps towards the End of the Centralised Bargaining Machinery

The decision of the national government to curtail union rights stemming from public CCTs was part of a bigger programme of reforms of the public sector, which counted on financial resources provided by the WB. It involved a number of branches of the state under the supervision of the Ministry of Economy and the participation of dozens of experts in industrial relations, public sector, law and economics, who carried out a diversity of studies and projects (Banco Mundial 1991; Daireaux et al. 1990). In the case in point, a team of consultants was responsible for the design and implementation of a strategy, whose aim was to change the conditions, which had allowed public trade unions to defend rather successfully their pay and terms of employment. The explicit objectives were to remove obstacles to productivity growth and to regain managerial control. It is important to bear in mind that the clause of the so-called *ultra-actividad* included in the CCTs permitted unions to keep past achievements by boycotting negotiations, while they simultaneously negotiated wage increases by means of ad hoc acts. In the private sector, this tactic has also been important for trade unions; but employers have had the power to introduce change despite the restrictions of collective agreements. In the public sector, this possibility has been always smaller. The dilemma for the government resided in how to force unions to negotiate collective agreements anew avoiding open conflicts and resistance through legal manoeuvres.

After the evaluation of alternatives, the solution was to be found in a strategy whose core was founded on a complex legal apparatus. It was composed of two steps: first, the suspension of a set of clauses deemed to damage productivity and managerial prerogatives, and second, the opening of negotiations between the enterprise and the public unions. In carrying out this task, a team of experts in industrial relations together with personnel managers analysed more than 6,000 clauses, which belonged to fifty collective agreements of thirteen national enterprises. In total, the team suggested the suspension of 718 clauses. In the case of SEGBA, fourteen clauses and one act were suspended through an administrative decision of the Ministry of Labour, which on 14 December 1990 rejected the formal claim of the LyF CF. In a context characterised by the massive mobilisation of legal resources to push through change, the court appeal attempted by LyF CF was condemned to failure; the Supreme Court of Justice threw it out.

The suspension of clauses affected five main areas. First, public authorities targeted clauses which warranted subsidies to the union above those required by labour legislation. Until this decision, LyF CF had enjoyed an amount, equal to four per cent of total wages, deposited in the trade union’s account by companies for social ends. The union distributed this money between its Housing Fund, the Children’s Holiday Camp, and its Cultural, Educational and Sports Fund. In addition to this, the union received a fixed amount of money for a programme of Life Insurance organised by its Loan Cooperative. This cutting of funds hit the union’s services severely. Second, automatic increases in line with inflation were also stopped. The policy behind this measure was to tie wage increases to productivity growth, anticipating a specific decree on the matter that would be issued by the government one year later. Although the suspension of
index-linked wages was particularly unpopular among public workers, it
was backed by a vast percentage of the population. The government had
partly attributed economic problems and inflationary pressures to wage
increases in the public sector. Third, the Ministry of Labour suspended
the group of clauses that guaranteed trade union participation in recruit-
ment, promotions and levels of employment. Fourth, a clause included in
the collective agreement in 1975, by which the enterprise committed to
job stability, was removed. Lastly, higher levels of management were taken
out of collective bargaining.

The governmental strategy was thought up to take advantage of the
opportunities opened by the economic and institutional crisis. It would
prove to be successful: public trade unions opted for negotiations and
refused to take industrial action. Chapter Seven already mentioned the
disciplining role of the crisis, which immobilised civil society. The consult-
ants who were in charge of designing the plan congratulated themselves
on the extent of the transformation; for them, the suspension of clauses
had created favourable pre-negotiating conditions for public enterprises
for the first time in more than forty years (Campaña and Caruso 1991;
Daireaux et al. 1990).

In launching the second stage, the same team of consultants devoted
their efforts to training negotiators and drafting directives about the issues
to be achieved in bargaining (Ministerio de Economía 1990a, 1990b). They
wanted to change managerial culture adapting the behaviour of manage-
ment to the dynamics of the private sector. The idea was to prepare public
managers to face negotiations with trade unions from a position of strength,
and in particular, to help managers draft their own proposals. Historically,
union officials had had the initiative. They used to set the agenda of negotia-
tions by putting on the table their own draft agreement; managers limited
themselves to accepting or objecting to the content of union documents.
For carrying out the negotiations, the government set up a single table for
the electricity enterprises affected by the decree: SEGBA, Agua y Energía,
and Hidronor. The trade union side was taken by LyF CF and FATLyF;
the trade unions that had negotiated the previous agreements. However,
partly because of changes in the authorities of the Ministry of Economy, and
partly because of delays due to trade unions’ opposition to the employers’
project, negotiations became derailed. The new collective agreements of
the electricity sector would be finally signed by the new private owners
from 1992 onwards.

Despite the failure of negotiations, the government delineated the
agenda of change, for the list of aims of the industrial authorities, as far
as contents were concerned, would be replicated by the new companies.
The bottom line of the list was to reduce provisions in the public agree-
ment as to the minima required by labour law; thus, forty years of workers’
achievements over the minimum recognised by law was put at stake. The
official directives emphasised the need to maintain management’s exclusive
right to decide over recruitment, career development, discipline, transfer
of employees and others; to establish links between increases in wages
and productivity, or better, productivity and actual profits; to create new
procedures and bodies to prevent and sort out collective conflicts; and to
oblige unions by concerted agreements to maintain essential services in
case of industrial action. Perhaps the most contentious directive to negotia-
tors was to introduce the so-called cláusula de blanqueo, a clause annulling
every single right or obligation emerging from previous agreements, acts or
company resolutions. This clause targeted the notion of ultra-actividad, for
if accepted by trade unions, this clause meant that the negotiating parties
had to negotiate every single issue anew. The clause was softened by the
official policy, according to which, whenever a controversial topic came
up, the negotiating parties could extend the validity of a clause belong-
ing to an older agreement for six more months; but after this period, its
validity expired.

**Fragmentation of Bargaining**

As the government dismantled the protective collective agreement of 1975,
the new private owners found themselves empowered, for LyF CF had been
momentarily deprived not only of the right to participate in managerial
decisions, but also of important sources of income. In fact, by declaring
most daily issues as non-negotiable until the finalisation of a new agree-
ment, the decree froze the ability of the union to mobilise workers on the
shop-floor, as proved by the evolution of trade union claims through the CIAPs (Table 12). The number of claims formally dealt with at company level only recovered from 2001 onwards.

Table 12: Evolution of Trade Unions Claims Via CIAPs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims from last year</td>
<td>596</td>
<td>588</td>
<td>112</td>
<td>22</td>
<td>23</td>
<td>80</td>
<td>n/d</td>
</tr>
<tr>
<td>New claims</td>
<td>100</td>
<td>22</td>
<td>1</td>
<td>1</td>
<td>74</td>
<td>136</td>
<td></td>
</tr>
<tr>
<td>Total claims</td>
<td>696</td>
<td>610</td>
<td>134</td>
<td>23</td>
<td>23</td>
<td>154</td>
<td>n/d</td>
</tr>
<tr>
<td>Favourable</td>
<td>95</td>
<td>180</td>
<td>2</td>
<td>–</td>
<td>8</td>
<td>58</td>
<td>102</td>
</tr>
<tr>
<td>Quit from procedure</td>
<td>40</td>
<td>118</td>
<td>7</td>
<td>–</td>
<td>5</td>
<td>48</td>
<td>n/d</td>
</tr>
<tr>
<td>No favourable</td>
<td>1</td>
<td>–</td>
<td>34</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>n/d</td>
</tr>
<tr>
<td>Waiting for resolution</td>
<td>560</td>
<td>322</td>
<td>47</td>
<td>23</td>
<td>10</td>
<td>48</td>
<td>n/d</td>
</tr>
</tbody>
</table>

Source: LyF CF Memoria y Balance (several years)

As a result, the privatised companies began running the business in a context in which the risk of interference from trade unions was very low. Thus, companies faced the negotiations from a position of strength. Trade union officials were convinced that the CCT 78/75 would not be recovered:

> We could do nothing. It was clear we would neither stop the government nor recover the CCT 78/75. We decided not to expose members to the consequences of industrial action. What for? How do you fight back the government? And our guys would not strike ... None of the public unions took industrial action [in fact, workers from telecommunications, railways, public health, public schools and many others did take industrial action]. There was one thing clear for us: the CCT 78/75 was lost. (Union Official – LyF CF)

Given the extent of the counter-mobilisation, LyF CF was on the defensive. Its aims were, on the one hand, to avoid the fragmentation of collective bargaining and, on the other hand, to defend firstly pay and secondly terms and conditions of employment. The union found out that companies were ready to take full advantage of the situation and were therefore unwilling to negotiate. Then it was the union which, at the time, had to insist on renegotiating the suspended clauses to renew the agreement and union officials were ready to make concessions in exchange for money. However, the union failed to achieve its main objectives.

While LyF CF was initially able to avoid the fragmentation of bargaining on the distribution side, company agreements proliferated on the generation side. In 1993 the union closed an agreement with the distribution companies EDELAP, EDESUR and EDENOR (CCT E 225/93). In contrast, it took time to finalise the company agreements in generation, apart from Central Puerto where agreements were concluded in 1993. In Central Dock Sud, the agreement was closed in 1994, and in Central Costanera the negotiations ended in 1995. The contents of the agreements were similar to those of the CCT E 225/93 with regard to terms and conditions; but in generation workers received better wages and additional cash benefits. Hence, as in the UK, fragmentation highlighted disparities in the power of different groups of workers. Still, the absence of multi-unionism, business agreements within the same firm, and company mergers and takeovers softened the effects of this disparity upon organised labour.

Although the distribution companies succeeded in introducing change, they refused to continue with joint bargaining. As soon as the CCT was closed, the companies announced that they would not embark on joint negotiations in the future. LyF CF complained but was unable to counter the decision; consequently, fragmentation developed as well in distribution. Fragmentation nevertheless stopped at this stage, for the law forbids negotiation of CCTs below company level. Moreover, the market structure of the electricity industry in Argentina did not pass through the process of mergers and takeovers experienced by the industry in the UK, both factors that benefited the stabilisation of the bargaining institutions. However, as will be shown in Chapter Ten, fragmentation constrained the ability of LyF CF to engage in collective action.

Distribution companies, particularly EDESUR, were reluctant to honour the agreements, which brought about demoralisation and conflict with union lay representatives. In 1994, the union threatened industrial action if EDESUR did not abide by the agreement or if it continued to
consult or negotiate with unions over organisational issues. This objective was reinforced by the reduction of workers’ categories from fifteen to six. Lastly, the working day was extended from seven hours to eight hours and twelve minutes. LyF CF, in exchange, recovered their sources of income; the union also obtained money for workers as compensation for signing the new agreement and, at the end of the year, in the form of a productivity bonus. The union was also able to keep certain clauses without alteration despite managerial insistence on the contrary.

The Irruption of the Unknown: Inter-Union Competition

Apart from fragmentation, outsourcing was another vital dimension of the process of counter-mobilisation against collective bargaining. After privatisation, private companies began to outsource marketing and customer services, maintenance and repair, construction, wiring, cleaning and security. These contractors, in turn, subcontracted work to smaller companies: cooperatives formed by workers who had been dismissed by the core companies, or independent workers, often under worse conditions of employment and with low security levels. These contractors promoted unionisation of their workforces with other unions to avoid abiding by the CCT of the LyF CF:

The companies, instead of choosing our CCT, join the CCT of UOCRA [Unión Obrera de la Construcción de la República Argentina, a union of building workers], or UOM [Unión Obrera Metalúrgica, a union of metalworkers], or whichever CCT from whichever trade union as far as it is lower than ours. And we are talking about legal workers, for they have only 200, 300 guys within the CCT. When the contractors need more workers, they themselves contracted a labour force too! (Union Official – LyF CF)

This created a new situation for LyF CF, which had never experienced this type of competitive challenge. For example, the power station Central Costanera had 795 workers at the time of privatisation (Luca 1998), and over 95 per cent of them were members of LyF CF. By the year 2000, it had only around 200 workers and some subcontracted companies which,
between them, employed a further 200 workers under different CCTs, including that of LyF CF. Masa, for example, the most important contractor of Central Costanera, employed seventy workers under the CCT of LyF CF; work for all of them was outsourced straight to the contracted company and they were transferred without losing their benefits. However when the workforce was insufficient for the tasks required by Central Costanera, Masa hired additional workers under the CCT of the UOCRA. In 2002, the company had to employ 100 extra workers, who earned two pesos per hour, while the company was paying six pesos per hour to its core workers (LyF CF 2002).

This type of situation created tensions between LyF CF and competing unions. LyF CF presented formal complaints to the Ministry of Labour in which the union requested the recognition of its right to represent workers (personería gremial) who were carrying out tasks proper to the ESI activities.

As this trend developed, outsourcing became a key issue on the agenda of LyF CF, particularly after 1996 (LyF 1996). The union began to pressure contracted companies to organise their workers, while making core companies responsible for the conditions in outsourced companies. At the same time, LyF CF looked for official recognition from the Ministry of Labour of its right to monopolise the representation of workers of contracted companies. In 1998, for instance, LyF CF formally complained to the Ministry of Labour that EDESUR had 700 contracted workers outside the electricity agreement and without health coverage (LyF CF 1999). By the end of the 1990s, union policy had begun to pay off, although often with the concession of lower wages and worse terms and conditions in the CCTs agreed with contracted companies. During 2003, LyF CF closed twelve such agreements, seven of them with companies providing services to EDESUR (LyF CF 2003). If these employees benefited in comparison to workers covered by CCTs of other unions, differences with core electricity workers persisted. So not only did the amount of CCTs bargained by the LyF CF grow, but also the union developed a kind of second-class CCT, which was applied to contracted companies.

The truth of the matter is that the extension of the phenomenon concerned union officials:

The private owners began to form contracted companies. Who did those companies start to employ? The workers who had gone from the industry; the company needs them. It is not true that you managed all this with 4,000 workers. The reality is that we should be 9,000, 10,000 blokes according to circumstances; we are 4,000: where are the remaining 5,000? They are working. They are working in contracted companies. (National Officer – LyF CF)

Although approximate, these figures illustrate the magnitude of the counter-mobilising effect of outsourcing. As stated by a shop steward when discussing the problem: ‘We may have, moving around, not always as permanent workers … Let’s say 3,000, 3,500 people working for contractors. And another 1,500 coming and going; today they are working, tomorrow they aren’t. They are swarming around the contracted companies. And the thing is that we don’t represent most of these companies.’ (Lay Representative – LyF CF)

As they shared the same place of work, shop stewards attempted to recruit them, at least as volunteers, when contracted workers had no union representation at all. However this tactic proved to be a failure, for while workers feared dismissal, a volunteered affiliation meant just a precarious access to trade union services, but not to the CCT, which applied just to the core company. In short, trade unions’ strategy has been threefold: negotiation with contracted companies obtaining their consent to facilitate the official recognition; making core companies responsible for the situation of outsourced companies; and lobbying the Ministry of Labour for recognition as the only union with the right to represent and negotiate collective agreements within the contracted companies.

As far as the contracting process is concerned, a key issue in the case of LyF CF was the extension of the phenomenon to other companies. Masa, for example, the most important contractor of Central Costanera, employed seventy workers under the CCT of LyF CF; work for all of them was outsourced straight to the contracted company and they were transferred without losing their benefits. However when the workforce was insufficient for the tasks required by Central Costanera, Masa hired additional workers under the CCT of the UOCRA. In 2002, the company had to employ 100 extra workers, who earned two pesos per hour, while the company was paying six pesos per hour to its core workers (LyF CF 2002).

This type of situation created tensions between LyF CF and competing unions. LyF CF presented formal complaints to the Ministry of Labour in which the union requested the recognition of its right to represent workers (personería gremial) who were carrying out tasks proper to the ESI activities.

As this trend developed, outsourcing became a key issue on the agenda of LyF CF, particularly after 1996 (LyF 1996). The union began to pressure contracted companies to organise their workers, while making core companies responsible for the conditions in outsourced companies. At the same time, LyF CF looked for official recognition from the Ministry of Labour of its right to monopolise the representation of workers of contracted companies. In 1998, for instance, LyF CF formally complained to the Ministry of Labour that EDESUR had 700 contracted workers outside the electricity agreement and without health coverage (LyF CF 1999). By the end of the 1990s, union policy had begun to pay off, although often with the concession of lower wages and worse terms and conditions in the CCTs agreed with contracted companies. During 2003, LyF CF closed twelve such agreements, seven of them with companies providing services to EDESUR (LyF CF 2003). If these employees benefited in comparison to workers covered by CCTs of other unions, differences with core electricity workers persisted. So not only did the amount of CCTs bargained by the LyF CF grow, but also the union developed a kind of second-class CCT, which was applied to contracted companies.

The truth of the matter is that the extension of the phenomenon concerned union officials:

The private owners began to form contracted companies. Who did those companies start to employ? The workers who had gone from the industry; the company needs them. It is not true that you managed all this with 4,000 workers. The reality is that we should be 9,000, 10,000 blokes according to circumstances; we are 4,000: where are the remaining 5,000? They are working. They are working in contracted companies. (National Officer – LyF CF)

Although approximate, these figures illustrate the magnitude of the counter-mobilising effect of outsourcing. As stated by a shop steward when discussing the problem: ‘We may have, moving around, not always as permanent workers … Let’s say 3,000, 3,500 people working for contractors. And another 1,500 coming and going; today they are working, tomorrow they aren’t. They are swarming around the contracted companies. And the thing is that we don’t represent most of these companies.’ (Lay Representative – LyF CF)

As they shared the same place of work, shop stewards attempted to recruit them, at least as volunteers, when contracted workers had no union representation at all. However this tactic proved to be a failure, for while workers feared dismissal, a volunteered affiliation meant just a precarious access to trade union services, but not to the CCT, which applied just to the core company. In short, trade unions’ strategy has been threefold: negotiation with contracted companies obtaining their consent to facilitate the official recognition; making core companies responsible for the situation of outsourced companies; and lobbying the Ministry of Labour for recognition as the only union with the right to represent and negotiate collective agreements within the contracted companies.

The Case of LyF MDP: Struggles around Collective Bargaining

When explaining the distinctive character of the counter-mobilisation process in the case of LyF MDP, as compared to that of LyF CF, it is necessary to bear in mind two factors. Firstly, the Decree 1757/90 could be applied to curtail trade unions’ rights by national companies like SEGBA, but not by the provincial company ESEBA. Consequently, the CCT 16/75 remained untouched in ESEBA until its replacement in 1994 by the CCT
Privatisation and Collective Bargaining

The First Step in the Counter-Mobilisation against Collective Bargaining: The Replacement of the CCT 36/75

Similar to the privatisation of SEGBA, the sale of ESEBA required annulment of the collective agreement to attract the attention of private capitals. Unlike SEGBA, managers in ESEBA could not count on the national Decree 1757/90 to dismantle the CCT. According to an interviewee, there were also financial reasons behind this assault:

The only chance to privatise ESEBA, I repeat, was by giving absolute power to management through a new CCT. According to the confession of an interested party, ESEBA with the historic CCT, the 36/75, had 30 per cent less value than the final price at which it was finally sold off. It was the key to selling ESEBA. There is no other explanation. If not, why was it privatised in 1996–7 when the idea was already in place in 1993? (Union Official – LyF MDP)

The way to achieve the objective was to obtain the support of FATLyF in bargaining a flexible CCT. FATLyF and LyF MDP had had continuous clashes ever since privatisation invaded the public agenda. By 1990, they had already dissented when the ownership status of ESEBA’s precursor company DEBA, was restructured to prepare for its privatisation. This time, FATLyF supported the official project and ignored the alternative one elaborated by the regional trade unions under the leadership of LyF MDP. In the 1991 Federation Conference, their antagonistic standpoints regarding privatisation blew up into a row. LyF MDP accused FATLyF of having given consent to the sale of ESEBA; the latter accused the former of political extremism (FATLyF 1991). In 1992, LyF MDP was excluded temporarily from the Federation; in 1997 its expulsion was finally formalised (FATLyF 1997). In between, FATLyF deployed a battery of resources to vanquish the leadership of LyF MDP.

As in the previous case, counter-mobilisation against collective bargaining unfolded in two phases: first, the replacement of the CCT 36/75, and second, the managerial attempt to undermine workers’ collectivism through anti-union practices. But in this case there is an additional element which coloured the context in which counter-mobilisation developed: the intransient character of the union leadership with regard to privatisation. Faced by a determined opposition, the provincial government, ESEBA and, since 1997, the private company EDEA besieged the union using multiple strategies.
initially, succeeded in stopping LyF MDP from taking full responsibility for collective bargaining.

By opening the door to labour flexibility, the CCT E 1052/94 was crucial to the introduction of the type of changes in terms and conditions demanded by private businesses:

This [the CCT E 1052/94] was the main weapon. It launched flexibilisation; it legalised flexibilisation. In ESI the agreement of 1994 was the inauguration of a set of policies; it was not just the confirmation of changes already achieved in practice, as would be the case in other industries from the private sector. (Union Official – LyF MDP)

The agreement meant loss of job stability; shortened maternity leaves, sickness leaves and holidays; elimination of overtime and other cash benefits; introduction of PRP, multi-skilling and the unilateral redesign of tasks; flattened categories damaging promotions; amongst other things.

According to a comparative study carried out for LyF MDP, the agreement implied the loss of 60 per cent of the benefits of the CCT 36/75 (LyF MDP 1994a).

The Second Step:
Deepening Counter-Mobilisation against Workers’ Collectivism

Not satisfied with the removal of the CCT 36/75, public and private managers assailed workers’ collectivism to weaken further the joint regulation of industrial relations. Chapter Eight points to the combination of repression and money persuading workers to join voluntary redundancy programmes; in this analytical context, it should be said that ESEBA and EDEA were also paradigmatic cases of the combination of anti-unionism and the politics of money to avoid bargaining and achieve decollectivisation.

For instance, ESEBA discriminated between union members and non-union members, favouring the latter with the payment of food tickets during 1994–6. The workers who left the union received automatically 120 pesos monthly in food tickets, when the average wage at the time was 700 pesos.
EDEA, in turn, pursued a policy of marginalisation of LyF MDP, whose core elements were the restriction of issues under negotiation. As a rule, the company attempted to sidestep the union and to negotiate face to face with the workforce. The aim of this tactic has been to ease the exchange of money for benefits in order to narrow the field of trade union’s interference. This is the reason why the company was often ready to pay workers to drop collective benefits. In reply to this policy, the union persisted with campaigns to warn workers against the risks of losing spaces of negotiation and representation.

The individualisation of wages has been another common practice followed by EDEA’s management, offering different pay rates to the same category of workers or workers doing the same job, most of the time discriminating against LyF MDP’s members.

With the basic idea being to break solidarity, these practices were accompanied by others, often with the aim of undermining collective bargaining. After 1997, EDEA established direct communication channels with employees at the workplace, even sending letters to their homes in which the company criticised union policies; it implemented credit lines for workers to compete with those of the union while refusing to deposit in trade union accounts the amount of money deducted from wages corresponding to union mortgage instalments; it disciplined workers who took industrial action and discounted their wages; and it frequently violated the CCT in its weakened sections. Overall, the company put the workforce, particularly union activists, under the threat of redundancy, which was used politically in every labour conflict.

Workers’ collectivism had already been challenged from within the labour ranks as well. In 1994, FATLyF not only closed an agreement against the will of LyF MDP and its members to replace the CCT 36/75 as explained above, but also provided support and resources to a breakaway group of workers who created a parallel union. It was initially born as a sister organisation of LyF Mercedes, the biggest regional union to operate in ESEBA before privatisation. Later on, it became an independent organisation, named LyF Pueyrredón. FATLyF incorporated the union into the Federation, despite its lack of personería gremial. It also offered to its affiliates health coverage while cutting out any type of service to members of LyF MDP. EDEA worked upon this division. Management acceded to paying time off to the lay representatives of the parallel organisation, whom nobody had elected, while it did not treat in the same way the democratically elected representatives of LyF MDP. To fulfil the requirements stemming from the PPP, the company gave a place on the Board to an official of the parallel union, a member of FATLyF who was not elected by EDEA’s workers. Anyway, LyF Pueyrredón was still an empty shell at the time of writing.

In brief, counter-mobilisation did not stop at replacing the CCT but targeted workers’ collectivism in undermining the joint regulation of labour issues. However, if harassment was important, the main weapon against collective bargaining was the development of outsourcing as in SEGBA.

The Irruption of the Unknown: Inter-Union Competition

In Argentina, where the system of industrial relations precluded competition, outsourcing became the prevailing strategy to weaken collective bargaining institutions. Outsourcing permitted companies to open the door to other unions; this practice was paramount in privatised companies. As in the previous case, this was an entirely new challenge for LyF MDP.

In 2006, LyF MDP denounced EDEA for subcontracting 357 workers out of 922 whose tasks corresponded to those covered by the CCT E 1052/94. According to the law under which ESEBA was privatised, EDEA should have had a minimum of 683 of this type of worker. In fact, the company had many more, but only 570 workers were covered by the CCT negotiated by LyF MDP due to outsourcing. LyF MDP demanded the right to represent all these workers.

Outsourcing affected mainly metering, meter readers, installation, wiring, and construction. Most of the outsourced workers were under the CCT of UOCRA, which organised construction workers. Despite their being concentrated in some particular areas, members of LyF MDP and outsourced workers, unionised or not, who carried out equal or similar tasks but with different pay were always working together on the shop-
mobilising strategy. The suspension of clauses of the LyF CF’s CCT as part of the pre-privatisation legal changes, and the attack upon the CCT of LyF MDP, before and after privatisation, were clear components of a counter-mobilisation strategy against trade unions in Argentina. In the UK, the counter-mobilising component of several managerial decisions seems to have been the effect of actions taken for other motives, for instance, cost reduction or organisational efficiency. Yet the effective achievement of those aims has partly rested in the managerial capacity to prevent trade unions’ opposition to change. In this sense, fragmentation, devolution and changes in bargaining procedures, even when they may not have had any inevitable consequences by themselves, contributed to the weakening of unions’ aggregate strength. Indeed, the fact that changes in bargaining procedures were required to further industrial restructuring meant that management needed to weaken the position of ESI unions. Devolution of bargaining was key to this. Finally, comparison reveals diversity, at the same time, in the forms taken by these processes due to the intervention of country specific variables.

While the British Government left the introduction of change in collective bargaining to private capitals, the Argentinian counterpart assumed this task as a condition for the success of privatisation. The features of their respective systems of industrial relations seem to explain this initial difference. The particular place of law in the Argentinian system of industrial relations forced public authorities to act in order to shape the legal dimensions of the opportunity structure. As in other initiatives, they counted on the support of international actors who provided the necessary financial and human resources to work through the privatising agenda. LyF CF was thereby a victim of a national counter-mobilisation strategy which also affected employees, including sailors, of national public companies in the gas, railway, communications, water, postal services and oil industries. At provincial level, the combination of a different opportunity structure with an intransigent union leadership determined forms of counter-mobilisation which involved, to a greater degree, illegal and unfair procedures for dismantling previous agreements. LyF MDP was victim of a tacit alliance of employers, trade union leaders and public authorities, who connived at forcing change despite workers’ resistance. In contrast, public authorities in
the UK did not occupy a similar role in the process of counter-mobilisation; the initiative in this country was left to the industrial actors.

Despite the involvement of the political power in the Argentinian case, the process of counter-mobilisation against collective bargaining did not bring about the extent of changes that hit the institutional framework of collective bargaining in the UK. In fact, there occurred less fragmentation of negotiating structures, and fewer changes in the procedures, than in the UK. British trade union structure and the dynamic of the electricity markets seem responsible for this diversity.

British multi-unionism emerges as a key variable explaining the possibility of inter-union competition and tensions as decentralisation ended the bargaining structure that had entrenched the respective spheres of influence of ESI unions. Even then, there had always been some friction between the AEEU and EPEA/EMA over the interface question, and also between NALGO and the industrial unions due to pay and labour conditions differentials, though much more muted. The fragmentation of the bargaining machinery post-privatisation left management free to transform those frictions into opportunities to introduce change and to undermine unions’ ability to mobilise their constituencies. Although the growing power of engineers was the main target of managerial counter-mobilisation, the trend has had consequences for the whole range of unions representing ESI workers.

In Argentina, where multi-unionism coexists with clear recruiting demarcations, competition and tensions emerged as well, but taking different forms. Its general form was spurred by outsourcing, in which competition expressed itself as inter-union conflict for official recognition at the administrative level of the Ministry of Labour. However there was also a political dimension to inter-union conflict, particularly in one of the cases under study. Privatisation divided the labour movement leading to internal confrontations, which debilitated the intransigent leadership. The latter was prevented from exercising a fruitful defence of the bargaining institutions due to a pro-company union leadership which supported managerial policies. This episode opens the door to consideration of the counter-mobilising role of certain union officialdoms. LyF MDP kept, however, the ability to mobilise the rank and file throughout the period but these divisions undoubtedly reduced the union’s effectiveness.

The process of mergers and takeovers that took place in the UK might contribute towards explaining the eagerness of private managers to bargain pay, terms and conditions at the lowest possible level to counteract competitive pressures. This feature was absent from the industry in Argentina, where the risk of a takeover was almost non-existent, and companies neither bought nor sold business units, neither did they integrate industrial structures after privatisation.

Particularly in this chapter, the combination of mobilisation theory at micro-, meso- and macroanalytical levels, with the comparative method enhance the need to incorporate intermediate variables in order to account for the particular forms adopted by the process of counter-mobilisation and its effects. This need seems to be proportional to the analytical scope. The broader the scope, the more compelling seem to be the demands for taking into account industrial, institutional and political intermediate variables.

Additionally, the sequence of changes under analysis in every case highlights the importance of approaching counter-mobilisation from a historical perspective. Changes in bargaining formats and procedures gradually modified the opportunity structure and organisational capabilities of trade unions; trade unions evaluated the new conditions and essayed various organisational and political responses which, in turn, compelled managers to act accordingly when needed. However the organisational and strategic responses of trade unions cannot be isolated from their internal capabilities, in themselves constrained by the continuing process of change in the UK or by the adoption of hard line managerial tactics in Argentina.

What appears as a common feature in both experiences is the growing diversity in institutional arrangements, terms, conditions and wages that trade unions have had to face as a result of privatisation and the concomitant counter-mobilising forces analysed in this chapter. It is possible to argue that this diversity has impacted upon the organisational structures of trade unions. And in so doing, that it has also affected the organisational process by which workers shape their interests, define concrete demands, and choose actions to achieve their aims. From the point of view of mobilisation
According to mobilisation theory, workers’ collectivism depends on a conglomerate of factors, which include workers’ organisation and interest definition. Indeed, scattered references have already been made about the impact on those variables of the counter-mobilising forces embedded in the politics of money and the fragmentation of collective bargaining. This chapter addresses qualitative findings related to organisational change, workers’ participation in decision-making and leadership styles.

The comparison illuminates two scenarios regarding the category organisation: profuse change in the UK and relative stability in Argentina, within a shared field of membership loss. This is explained by variability in the evolution of the industrial structures and the bargaining arrangements of each country. Concerning interest definition, the comparison points to how agency variables such as decision-making, union strategy and leadership style intertwined with structural and institutional variables to condition, differently, workers’ mobilisation.

The United Kingdom

Organisational Change

Interviewees share the view that both membership and union density have developed negatively in the ESI ever since privatisation. Indirectly, the TUC’s statistics broadly support this impression. Only fourteen trade
unions had membership totals in 1996 above their 1979 levels; none of the ESI unions appeared among them (TUC 1980; 1997). Scattered figures also support this view. The EETPU was the biggest ESI union at the time of privatisation with 40,000 members, its union density being over 90 per cent. At the time of writing, Amicus had slightly over 20,000 members in the energy sector (Amicus 2005). During the 1980s, NALGO’s density oscillated around 80 per cent. By the beginning of 1992, the union had 33,000 members in the ESI, that is a loss of 6,712 members since 1981. Restructuring following privatisation affected the union severely; membership barely reached 20,000 in 1996 (Unison 1996c). According to interviews, ten years later they had no more than 15,000 members ‘across the whole lot, water, gas and electricity’. (National Officer – Unison) Union density in the case of EPEA, was 95 per cent for engineers and 80 per cent for managers when privatisation was announced (EPE, May 1991). Data from the certification office shows that the organisation counted on 33,127 members in 1991 (Certification Office 1992). Prospect officials confirmed they had approximately 17,000 members in the utility sector in 2006. Yet lack of data prevents the analysis going beyond tentative descriptions.

By way of contrast, qualitative findings point to important changes in the organisational sophistication of ESI unions (Batstone 1988). As intermediary organisations (Muller-Jentsch 1985; Offe and Wiesenthal 1985), unions’ representative and negotiating bodies could isolate themselves neither from changes in ownership and industrial structures nor from changes in bargaining structures. Thus, trade unions anticipated privatisation by embarking on their own internal restructuring, which experienced continuous pressures as private managers were ready to exploit the counter-mobilising sides of the never-ending process of change in the ESI. On the whole, findings show trade union resilience on the one hand, and their failure to counteract workers’ demobilisation and sectionalism through organisational adaptation on the other.

In all cases, trade unions’ reorganisation was constrained by the same factors: organisational mergers and amalgamations, massive redundancies, the devolution of bargaining, and company mergers and takeovers. Previous chapters already discussed the counter-mobilising meaning of most of these phenomena, but their organisational consequences were seldom referred to. Yet the latter is relevant to the study of privatisation as counter-mobilisation.

Overall, the response of trade unions to the organisational challenges posed by privatisation was led by the pragmatic ideology of adaptation, which might be considered as an expression of trade union resilience in the face of an unfavourable opportunity structure and negative power relations:

- We had to accept the way companies merge and employers change. We couldn’t stop that, although our members would have liked to do it. So, we had to adapt our role and, basically, be ready to bargain with the new employer, or new management team. We change much more rapidly now. (Regional Officer – Prospect)

- What we had to accept was that privatisation was something we were not going to stop, so we had, therefore, to be prepared to adapt. (National Officer – NALGO)

- We don’t have a national structure that was broken upon a geographical basis. We have to change that to a national structure that was broken up on a company basis. And we have to adapt over the years because companies have merged, and changed again, and changed again, so we have just been able to control them by adapting to the change. It was difficult. (National Officer – Amicus)

The core of the adaptation was the devolution of power to lower organisational levels.

The EPEA 1989 Annual Conference instructed the NEC to review the organisation of the union on a regional basis and to make possible a mixture of members from distribution, generation, and transmission companies in each section (EPEA 1989a). The conference also concluded that the negotiating functions of the EPEA had to be organised on a basis matching the new management structures. The plan included the incorporation within the NEC of representatives from each of the future private companies (EPEA 1989b, 1989c). Additionally, in 1990, the NEC organised a seminar to consider the unification with EMA anticipating the financial, staffing and organisational challenges which privatisation would pose. EPEA expected a loss in membership after privatisation (EPEA 1989b). As union density among NJB staff was over 95 per cent, the NEC concluded that the area of expansion to counteract this trend had to be in the EMA field.
In the case of NALGO, the 1988 Annual Group Meeting concluded that fragmentation, particularly of the CEGB, would render ineffective their branch organisation, and that the likely devolution of bargaining would demand strengthened local skills and the provision of new resources by full-time officers (NALGO 1988b). The large number of small branches covering the industry was recognised as a weakness, only hidden by the nature of the national machinery; so it was that many branches relied on just one or two over-worked individuals. It was finally decided in 1989 that branch restructuring would maintain an employer base, in agreement with NALGO’s general rule, and with the ultimate aim of establishing one-company branches (NALGO News, no. 374, 4 October 1989; no. 402, 12 January 1990). Between 1989 and 1991 the number of branches fell from around 100 to approximate seventy. As mergers and takeovers developed, by the mid-1990s company-based branches were replaced by multi-employer branches on a regional basis supported by regional FTOs. Ironically, by 2006, Unison was considering reversing its branch structure:

Now, in the electricity industry, companies tend to be on a bigger scale. And the interesting thing is, because the electricity market is being dominated again by the three or four big companies, we are thinking about whether it makes more sense to organise our branches on a company basis than on an area basis, or a geographical basis, but that’s to be still going on. It is a nightmare! (National Officer – Unison)

As did EPEA, NALGO decided in 1990 to reorganise the National Electricity Committee adapting its structure to a company-based system of representation (NALGO 1990a). It was also decided to abolish the generation and transmission committees, which were replaced by specific advisory committees for National Power, PowerGen, Nuclear Electric and NGC. The system of representation was changed again with the creation of Unison, as electricity and gas workers formed the Energy Service Group. Then, as company mergers and takeovers blurred business boundaries, Unison ended up gathering the energy, water and transport workers under a single forum: the Business and Environment Service Group.

In the case of the EETPU, the organisational response to privatisation and the amalgamation with the AEU ran almost simultaneously. The line
Organisational Change, Leadership Styles and Decision-Making

companies which emerged from the privatisation of the ESI to deal with issues peculiar to them.

It was only after the amalgamation with the AEU that proposals for limited structural change arose, first, to ensure that the two electricity sections worked in unison, second, to match developments in the ESI brought about by the eventual end of the national machinery. In the main, the changes were to make principle FTOs responsible for PowerGen, National Power, Nuclear Electric and NGC, and to put the twelve RECs under the responsibility of the Executive Councillors in their respective geographical areas. The coordination of the activities was left to an EETPU Section Committee, chaired by an Executive Councillor member. The creation of Amicus did not change the basic tenet: the development of shop stewards’ skills and structures towards establishing a narrow working relationship between elected senior shop stewards and FTOs responsible for the companies. Regarding representative bodies within the union, energy and utilities companies were gathered into a single unit, the Energy and Utilities Sector. Energy and utilities workers elected an Energy National Sector Committee, composed of twenty-eight people, which organised its own annual conferences (Amicus 2005).

To conclude, privatisation forced unions to look inwards. Trade union introspection in all cases began as soon as privatisation was announced. Overall, the shared line was the devolution of power, although the emphasis varied. Restructuring due to privatisation mixed with restructuring due to union mergers and amalgamations, both led to continuous organisational changes. New systems of workers’ representation emerged as a result, in which ESI constituencies lost prominence compared to previous arrangements. Still, variability among trade unions would demand some qualification. For instance, in relation to EPEA and NALGO, the structural reorganisation within EETPU was small. Moreover, it was often linked to union mergers. In general, change was located chiefly in the devolution of responsibility and authority throughout unchanged hierarchical bodies. Another example: ESI engineers and managers kept a more prominent representative position in Prospect than that of ESI blue-collar workers in Amicus, or white-collars in Unison.
Organisational Readjustment and Union Resources

Union reorganisation brought about uneven results as regards the opportunity for workers to mobilise collective resources of power over a period of readjustment. In this respect, the case of NALGO would be paradigmatic. This organisation approached the privatisation as an opportunity to empower workplace and branch structures; however, union resources were stretched due to redundancies and fragmentation, slowing the build-up of local capacity. Indeed, many branches were left without their most experienced individuals; some of its branches were even extinguished. The lack of voluntary people, though not an entirely new phenomenon, became a critical point as interviewees agree on how hard it had been to persuade members to take on branch and steward positions ever since privatisation. For instance, the West Midlands Region Branch of PowerGen was seriously stretched, even though this was the area where the majority of NALGO’s membership was located at the time. Similarly, to find lay representatives in certain activities, for example, in call centres, was often hazardous according to interviewees.

Scarce resources were critical too, due to cultural features. ESI white-collar workers, as compared to other white-collars organised by Unison, appear to have had a greater reliance on FTOs. While some branches had many activists and keep FTOs at a distance, most were heavily dependent on the full-time officials: ‘You know, too dependant that anything that comes up, they are on the phone and say: “Look can you come in and sort this out?”’. (National Officer – Unison)

So deeply rooted was this attitude among white-collar workers that changes in the negotiating dynamics brought tensions between branch members and FTOs, as the latter were not able to deliver to the expectations of the former. By 2006, Unison’s FTOs had agreed to train and develop lay representatives to take on the first line work. They encouraged membership involvement:

I get involved up to a certain level. The things that we [FTOs] used to do, we now say to them: ‘No, you need to do it. You’ve got the ability’. And the distinction I make is that if there are issues to do with redundancies or changes in pay and conditions in a significant way, I will get involved in those negotiations. Other than that, no more. (National Officer – Unison)

Well, I can’t do everything. They [branch reps] expect to be able to demand from you, without actually taking any responsibility. They expect you to do it all. You know: if it is a big company, its got locations all over the country. If you get your full-time officer to be in all of them ... It’s just impossible! But, in fact, with the other full-time officer, we are actually trying to change that. We are moving towards, to try to rely on people to do a lot of things that we can’t do efficiently. (Regional Officer – Unison)

In addition to cultural attitudes, employers’ preferences and tactics put ever greater pressures upon scarce union resources:

In energy, companies prefer to deal with union officials, full-time officials rather than lay workers’ representatives. So, it is much more difficult to get lay membership activity in the energy side, as compared with the water side. (National Officer – Unison)

The employer encourages that [members reliance in FTOs], I think, the employer wants that. The employers will be quite happy if they just meet me all the time, and don’t meet members, so I get to make sure that, you know, if you want to meet me, fine, but I’m going to be bringing with me, you know, the representatives. (Regional Officer – Unison)

In the case of Amicus, officials have stressed that, initially, there were frictions within the union, as FTOs, who were accustomed to operate in full control of the negotiating agenda and union-management interactions, were reluctant to change. In their new role, FTOs should have been supporting shop stewards, whereas before, they had kept them at arm’s length. As privatisation unfolded, FTOs had to learn to operate in an environment where things changed more quickly. Moreover, FTOs incorporated new responsibilities. For instance, they had to write their own reports about what happened in their companies for communication to members, when, prior to privatisation, all communication was channelled through one full-time structure at national level. FTOs additionally had to establish closer relationships with the rank and file through meetings and discussions on how to run company bargaining together with senior shop stewards. All that generated resistance:
Before, the bureaucratic system operated in the industry uniformly, and slowly, and pedestrian. Well, FTOs had to adapt. So, they had to change in many ways. Before, the officers, under the old set up, had had complete control. They had to delegate that control to the stewards [...] And a number of people did not want to give up that control. (National Officer – Amicus)

Moreover, the change of the organisational focus towards the workplace structures demanded by privatisation increased union logistical problems. While Amicus had too many shop stewards in some companies, it did not have enough in others. FTOs stressed in the interviews that changes in working practices were used by managers as counter-mobilising devices, for certain working practices can make it more difficult for the union to gather members. In many distribution companies where the workforce is scattered the union needed more shop stewards to sort out communication and logistical difficulties. In most power stations, where it was usually easier to identify the constituency, shop stewards’ structures were stronger; however, the union remained weak in a number of power stations too.

Variability appears as the rule:

So, it varies, it varies. It depends on each situation, how many stewards you have and how many you need. Some companies support you, and some don’t. And then, it is hard to organise structures that work [...] And you need good shop stewards to make you strong. (Regional Officer – Amicus)

The Rise of Sectionalism

The most critical finding is that union reorganisation has spurred the growth of sectionalism. The cause of this unintended outcome seems to be clear: while the national union remained relevant for members on issues like pensions, energy policy and regulation matters, it was at lower levels where negotiations on pay, terms and conditions are conducted.

For instance, in Prospect, each BEC determined the bargaining agenda; whereas, previously, the NEC had decided the priorities and policies to be negotiated, which were applied uniformly to everybody in the industry:

The branch executive committee decided the policies that they would follow. So then, the PowerGen branch committee may have a different philosophy, and a different aim to the company next door, because the company next door may want to go in a different direction, may have a different philosophy, may have a different concern, so, that is the way we deal with it. (National Officer – Prospect)

Still, the NEC could exercise control if there was a particular branch going in the opposite direction to union policy. However, as this principle was often loosely interpreted, only extreme and unlikely cases of lay representatives agreeing on compulsory or massive redundancies would have pushed the NEC into intervention. Prospect members consequently had, by 2006, much greater identification with their BECs than with the national union.

NALGO’s FTOs pointed to similar problems. The problem was not only that company bargaining agendas were quite different, but also that shop stewards lacked more comprehensive views:

Some shop stewards can look beyond, but most, in my experience, only look at their own company. And in fact, you’ll probably find that you’ve got someone who works for that bit of the company, and he can’t even think beyond that bit, he can’t even see his own company. (National Officer – Unison)

Consequently, the exacerbation of sectionalism attached workers’ immediate interests to the business unit, spoiling branch life:

What happens is that the branch secretaries concentrate in the unit that they come from, and don’t always appreciate such a fact, that you are actually representing everybody across the whole of the company. (Regional Office – Unison)

In this sense, privatisation changed the role of the national officer, who had to assume the coordination of policy so as to avoid the profusion of local bargaining agendas serving managers playing different groups of workers off against each other. As sectionalism grew, national FTOs appear to have met the challenge with difficulty:
Parallel to the growth of sectionalism, there was a debilitation of national focus, which increased the need for coordination. Prospect attempted to overcome these problems in two ways: by setting up coordinating committees for distribution and generation, and by reinforcing the coordinating role of the NEC. While useful for gathering and sharing information, these initiatives seem to have failed to promote effective actions at the time:

We set up coordinating committees for various distribution companies, for generation and so on, to make sure there is a cross-flow of information and exchange of experiences. (Regional Officer – Prospect)

We try to counter the trend towards sectionalism through coordination. And the other thing to remember is that we have the NEC, who receives monthly reports, and the NEC was restructured to make sure that it was representative, as far as we can make it, of the whole industry. In that way, the reports were channelled into the NEC, and they can see what is going on. So, we have this exchange of information. (Regional Officer – Prospect)

NALGO’s officers manifested identical worries:

The reality is that it’s a struggle to cope with so many different companies, all with their own identity and priorities. It isn’t easy. What we are trying to do from the centre, here, is to co-ordinate activities. So, we will co-ordinate our full-time officers working in regions, so we keep them informed. We keep them advised of developments, we bring them together, so they can learn from each other’s experiences, generally trying to maintain a national focus. (National Officer – Unison)

This shift in bargaining responsibilities changed the role of the NEC which, by 2006, was essentially about administering policy and managing the union. This brought about a new emphasis on union services, strong in Prospect, overlapped with an organising discourse in Unison, and changing to a more organising profile in Amicus slightly later.

Paradoxically, then, while the national machinery was thought of as a barrier to the militant outlook associated with workplace unionism, the latter showed a greater readiness to compromise in the ESI within the privatising context. This inclination to compromise manifested itself in the growth of sectionalism. This was the case because privatisation increased, as compared to the past, the dependence of the staff upon the fate of the particular companies where they were employed. The new structure brought about a deeper understanding among the staff of unfavourable market circumstances, and hence this fact eventually ended up softening workers’ demands.

Leadership Styles and Decision-Making

Many scholars emphasise the role of mediating factors such as the style of leadership, or the dynamics of decision-making, in the definition of workers’ interests, demands and actions. So does the analytical framework applied in this book, built upon mobilisation theory, which pays special attention to the knotty relationship between leadership styles and participation, as the latter is deemed to be essential for workers engagement in the type of dialogical interactions which enable workers’ collectivism.

Chapter Seven broadly defines the various leadership styles predominant among ESI unions at the time of privatisation. Although, they varied in a number of aspects, a common feature underpinned all of them: a dose of paternalism. As summarised by a FTO from Unison:

The older paternalistic style, acting according to the idea that they [FTOs] come in, and do everything […] The male full-time officer, who is the one who does everything for everybody, and all members, willingly or not, subordinate to his decision.

I think this is just the way most unions used to be, and that is slowly changing right now. (Regional Officer – Unison)

By replacing membership involvement with FTO expertise, paternalism tended to be substituted for workers’ participation. Nevertheless, neither is paternalism a function of FTO’s values, nor is participation simply an outcome of the leadership style. On the one hand, paternalism emanated
organisational change, leadership styles and decision-making

Nevertheless, the end of the national machinery obliged the union to develop workplace structures to match the gradual devolution of power to first line managers. The union began promoting rank and file participation and shop steward involvement in negotiations. Although this move was resisted among FTOs, new structures ended up encouraging new practices. The likelihood of a revitalisation of workplace activity was, however, severely limited by a set of counter tendencies: tradition, restrictive laws, increased market competition, an unfavourable opportunity structure, and a type of leadership that preferred the stability and predictability of interactions with management.

Kelly and Heery (1994) state that NALGO’s FTOs had a greater disposition than those of EETPU to attend to member wishes and rank and file support. Additionally, during the 1980s, NALGO advocated the values of participatory democracy embedded in the workplace voting system, while fighting back the introduction of postal ballots (NALGO 1986; NALGO News, no. 271, 27 March 1987; no. 277, 8 May 1987).

Unison FTOs stressed the particularities of ESI members as compared with members from water or local government throughout the interviews, especially their lower levels of participation and their stronger dependence on them. Additionally, as workplace organisation had been established only recently in NALGO, these cultural attitudes remained strong by the time of privatisation. So the latter opened a window of opportunity for FTOs to deepen workplace structures, but lack of local leaders, cultural attitudes and massive redundancies conspired against participatory policies. Findings show that even when FTOs expressed an organising concept of unionism, that is, that members should be making the decisions rather than their representatives, in practice, they have failed to motivate the rank and file. The problem has manifested itself, most clearly, in the lack of volunteers to run union activities:

Very few of our branches have elections, because we don’t get more than one person standing. Actually, in a lot of cases, people are elected unopposed. So some branches have elections but some don’t, because you don’t have enough voluntary people.

(National Officer – Unison)

partly, at least in the ESI, from the centralised dynamics of bargaining; so by breaking down the national machinery, privatisation challenged its rationality. On the other hand, patterns of participation often fluctuate following the impact of events such as privatisation which disturb the context of industrial relations through changes in management-union relations, the wider political situation, or the union itself (Fosh 1993).

For instance, the right-wing orientation of the leadership of the EETPU (Hyman 1983; Kelly and Heery 1994) is an established fact. Indeed, most of its FTOs and shop stewards also expressed centre-right political views, a feature explained by the tight central control of appointments within the union (Kelly and Heery 1994). Concrete manifestations of this centre-right standpoint were the policy towards branches and the promotion of the principles of liberal democracy by which participation was limited to the right to vote. Moreover, the EETPU leadership downplayed conflicting interests, at least in the ESI, and avoided industrial action whenever possible. However, the EETPU used to mobilise workers to put pressure on reluctant managers when the opportunity structure was favourable as far as the demands were deemed achievable, this being the crucial defining criterion for action of EETPU’s FTOs and shop stewards in the industry (Kelly and Heery 1994).

Yet privatisation distorted this landscape. After the announcement of the sale of the industry, there were signs of an increment in workers’ participation in meetings related to privatisation as workers were eager for information (EETPU 1988; Flashlight, no. 47, September 1988). Within the same context, demands on the NEC to improve communication were raised (Contact, 17, 4, August 1987; EETPU 1988). Lastly, there were, if not pervasive, at least repeated and noticeable calls for industrial action to defend the national machinery of negotiations (EETPU 1987; Contact, 17, 6, December 1987). This incipient movement was channelled by union leadership through the formal procedures of the ESTUC, the establishment of working parties and the organisation of FUSE (the anti-privatisation campaign). The remoteness of the activities of union leaders and the lack of enthusiasm for the characteristics of the campaign, translated into demoralisation and apathy amongst the rank and file (see Chapter Seven).
It is a problem. I've got six branches and we are really short of representatives in almost all of them, it is a real problem. In some areas there are no representatives. (Regional Officer – Unison)

Moreover, problems of communication aggravated the lack of participation locally, thereby preventing the extension of collective discussions. FTOs complained that branches did not communicate with each other, neither did members from different business units and neither did branches with their own members. Hence, information did not circulate as FTOs believed it should:

So, even if all members in Unison are at one branch, they don't have any contacts. There are limited contacts with other business units, with other members. (Lay Representative – Unison)

What we've got is a branch structure, but I think that where branches are poor is in communicating across. (National Officer – Unison)

Branch reps must communicate with their members [...] You should put information down to your members. But, also, how do you know what needs to be done? What needs to be negotiated? How do you know there is a problem if the branch doesn't talk with the members? How do I find out that there is a problem in that area, and negotiate with the employers to make it better? You can't. If you don't communicate with your members, you may never know about it. (Regional Officer – Unison)

Consequently, low levels of participation and poor communication conspired against extended democratic interactions. This situation promoted workers' attachment to their immediate environment. Astonishing manifestations of this problem emerged, for instance, over the process of integration launched by Eon Company. Most Unison members from the retail unit, which was still operating under the brand name PowerGen at the time of writing, did not even recognise that they were working for Eon. Similar misunderstandings came out in other units, although less acutely. The union had to make strenuous efforts to get members to understand they were all part of one company.

The distinctiveness of EPEA among ESI unions was also underlined in Chapter Seven. It stemmed from the features of its constituency, whose role in the industry boosted a pragmatic ideology which embodied the ethos of meritocracy and moderation. In EPEA, the distance between leaders and members seems to have been narrower than that of other ESI unions. Concurrently, findings point to a strong identification between members and leaders. Both factors would have contributed to moderate tendencies towards the divergence between the objectives of members and union leaders. As a result, the leadership of EPEA corresponded to the representative outlook as understood by Batstone et al. (1977), that is, a leadership that is ready to take independent initiatives as well as to execute policies according to membership's wishes. Given those features, workers' participation was often subordinated to pragmatic considerations and seniority, but the union could be fairly rated as member-led. A similar picture continued to characterise the union after privatisation.

If members initially expressed in the EPEA Annual Conferences their disposition to fight back privatisation and, possibly, its effects, as soon as the consequences of privatisation became apparent, members showed signs of demoralisation and so participation declined. However, the reorganisation carried out by EPEA in 1994, with regards to their branch structure, had ambiguous consequences. If it contributed to consolidating the trend towards sectionalism, it had positive effects upon participation, as the new structure increased rank and file's involvement in the decision-making over matters related to their immediate environment. EMA's own evaluation of members' participation concluded that the new company branch organisation – the new basic unit of organisation formed around members working for a specific company or, where appropriate, for a group of companies – increased the number of people involved in the decision-making process (EMA 1994).

Apart from breaking down collective bargaining, privatisation distorted EPEA's internal life through the introduction of new communicational strategies for technical and managerial ranks and the spread of personal contracts. The response of EPEA was, then, to improve internal procedures and consultation. Additionally, the union took special care to improve the communication channels to members:
One thing the employer did was to improve their communication with the staff. They started introducing leaflets, magazines, newsletters, whereas before they had done nothing. They started to tell employees about terms of employment; previously, it was left to the unions. They took on board all these measures and we had to match it. So, we have improved our communications: not only the content but the style, their appeal, and the breadth of the appeal. (National Officer – Prospect)

As with personal contracts, they segmented the immediate interests of EPEA’s members. Those members who were taken out of collective bargaining began to appreciate the union mainly for its ability to represent them when tackling issues like pensions, safety organisation and professional responsibility (NOP 1991). This appreciation also extended to the quality of union services. Thus, the NEC sought to enhance its union servicing profile.

In short, the previous analysis shows that, in each case, structural and institutional (fragmentation of the industry and collective bargaining), organisational and agency variables (mainly, strategic choices and leadership styles) intertwined to shape trade unions’ organisational responses to privatisation.

Argentina

Organisational Stability

As with previous topics, findings point to relevant differences between LyF CF and LyF MDP, within a common context of scant organisational restructuring.

In the case of LyF CF, the first thing to be noted is that its membership declined dramatically, whereas union density remained within acceptable boundaries. It would be wrong, however, to conclude that the latter contributed to concealing the meaning of the former. On the contrary, the decline in membership from 22,000 to 4,000 workers was the main structural determinant of the union’s strategic shift towards entrepreneurial initiatives. Additionally, it offered union leadership a convincing rationale for this policy.

In turn, the union’s scope of representation received impacts from two different sources. On the one hand, the government decided to take out managerial ranks from collective bargaining, a policy that was followed later by private investors. If not numerically relevant, this situation was important qualitatively, as those were the ones who had access to company information. FTOs have complained during the interviews about the chronic lack of bargaining information since privatisation. On the other hand, outsourcing impacted upon the ability of the union to organise ESI workers. Due to this challenge, union leadership adopted policies organising outsourced workers with varying results.

In the main, however, findings show that organisational change limited the downsizing of existing structures, namely, that privatisation brought adjustment but not proper restructuring. By the beginning of the 1990s, the union owned a large infrastructure with which it serviced more than 20,000 members in areas like health, personal loans, culture, education and tourism. However massive redundancies caused massive losses in membership, which translated directly into financial hardship for the union.

At the time of privatisation, the union employed 1,114 people, whose employment relationships were regulated by five different CCTs. As a consequence of the organisational adjustment during the first year after the privatisation, the reduction of trade union’s employees was 23 per cent. By 1998, downsizing had affected 53 per cent of the union’s own workforce, the number of employees who remained employed by LyF CF being 497.

To achieve this, the union implemented their own programmes of voluntary redundancy; for instance, just between 1997 and 1998, a total of 120 people left the organisation this way (LyF CF 1997, 1998, 1999). In short, the union confronted the challenges posed by privatisation with a structure that was leaner, but not adapted in any meaningful way.

Financial hardship boosted not only adjustment but also the union’s entrepreneurial policy. As stated by a shop steward, while speaking of the commercial exploitation of organisational assets by the union:
To give an example, LyF CF opened their hotels to members of other unions; in 1993, 35 per cent of the accommodation capacity was booked by non-LyF CF members. Additionally, the adjustment affected the union’s services for members: the obra social began charging fees for certain medical practices. Union assets were also affected: the organisation, for instance, sold off all their cars.

Whether these figures relate mainly to the impact of the financial losses upon union’s social services, the most important sign of the deterioration of resources regarding the union’s ability to defend members was the decline of permisos gremiales. The latter are formal authorisations by which union representatives are paid their wages by the company for carrying out full-time union activities. Since privatisation, their number fell from 200 to ninety-eight. Private owners first downsized their workforces, and then they made unions accept the reduction of the permisos gremiales. Moreover, by 2006 the union was paying seventeen out of these ninety-eight. Still, the crucial decision taken by LyF CF was to modify the union’s rule book in order to reduce from thirty-two to twenty-one the number of members of the CGA (Comisión Directiva), whose wages were paid by the union as well.

If the composition of the CGA was traditionally a source of tension among different groups of workers within the industry, the reduction of the number of CGA’s members, together with the fragmentation of the industry, increased the likelihood of conflicts:

I’m speaking of conflicts between companies and sections. Because each section has lay reps, and when there are elections, every section chooses, often among the shop stewards, candidates for CGA’s posts. If you reduce them, then, there are more disputes among sections around which section gets people to be elected for the CGA. So, as companies multiplied, this has been the great battle since privatisation. (Union Official – LyF CF)

The union did not impose a quota of representation to prevent disputes by agreed procedures. Indeed, the problem was sorted out through political struggles over electoral periods. As there were unopposed general elections since privatisation, the hegemony of the union leadership was consolidated through political clientelism, while the opposition was displaced by various methods, sometimes in connivance with the employers.

Regarding LyF MDP, union membership also declined due to the job loss caused by privatisation. Yet, it should be stressed that privatisation affected only 30 per cent of LyF MDP’s constituency. The rate of the decline was not equivalent to that of the redundancies; and then, as a whole, the proportion of the impact was less than for other unions. In this case, outsourcing has been the main factor undermining union’s density and scope of representation. It is debatable whether outsourcing meant a reduction of the former or a narrowing of the latter; but the concrete outcome was that LyF MDP organised less company workers in 2006 than it did before privatisation. So the union organised 62 per cent of company workforce, whereas before it had covered around 90 per cent. This damaged the effectiveness of the union’s collective actions.

As with LyF CF, the organisational sophistication of the union remained essentially unchanged. Yet the union did have, however, organisational problems due to the decision of FATLyF to expel LyF MDP from the national Federation, and therefore, to halt the provision of social services like health coverage and tourism. Although these problems were not in the area of collective bargaining, they are worth mentioning because the provision of social services in Argentina continued being crucial to union leaders maintaining their legitimacy into the future. However, difficulties were not directly produced by privatisation policies in themselves, but by inter-union conflicts brought about by privatisation and the strategies of the soon-to-be private company to get rid of LyF MDP. To tackle this problem, the union leadership requested workers to pay a special and voluntary contribution for the creation of their own services through a political discourse based on the notion of class solidarity against individualism. An astonishing 99 per cent of union’s members answered the call.

Although the union did not change its internal structures, there were very important innovations at higher organisational levels. These
innovations related particularly to the union’s global response to privatisation, and more generally to market reforms. Briefly, LyF MDP founded, together with other unions, mainly public ones, a new national Federation: the CTA. This was one of the reasons why it was expelled from FATLyF, which was enrolled in the rival CGT. After that, once inside the CTA, LyF MDP created FeTERA, an umbrella organisation for energy workers based on principles different to those of the traditional unions in Argentina. This began to be organised around 1995, and represented around 12,000 workers at the time of writing. From this platform huge arch of international relations with diverse organisations was also built. Every time the union engaged in bitter conflicts, this organisational umbrella was used to ask international solidarity to put pressure upon the company and the provincial government. Also, LyF MDP joined the International Federation of Chemical, Energy, Mine and General Workers’ Unions and founded the Coordinadora de Sindicatos del Sector Energético del MERCOSUR (Mercado Común del Sur) with ESI unions from Paraguay, Brazil and Uruguay. International solidarity has to be understood as a replacement for missing power resources at national level since LyF MDP was expelled from FATLyF.

The Rise of Sectionalism

As in the UK, fragmentation of the industry brought about the rise of sectionalism. In LyF CF, rivalry between lay representatives from the distribution companies EDENOR and EDESUR had been noticeable as they competed for declining union resources. Additionally, while generation workers were better off negotiating acceptable terms and conditions, distribution workers engaged in bitter conflicts, which led on occasion to industrial action. However, the union never coordinated common actions, even though EDENOR and EDESUR underwent simultaneous periods of conflict. Findings show that, overall, differences in working conditions caused tensions within the union. Workforces experiencing worse conditions of employment tended to attribute blame to FTOs:

Generation workers were inclined to isolate themselves from the wider picture every time they achieved favourable terms and conditions; this was particularly marked between 1993 and 1998, a period of major conflicts in the distribution area:

However, attempts to co-ordinate policies were often circumstantial. Indeed, union leaders seem to have assumed sectionalism to be an inevitable outcome of industry fragmentation, a new feature of the landscape which they should be accommodating.

Instead, as explained in previous chapters, the fragmentation of ESEBA benefited LyF MDP, as the union bargained with a single private company. This partly explains why sectionalism, a common finding so far in the analysis of the organisational impact of privatisation, was not a problem. Still, pressures to devolve managerial decisions to lower levels were present. This obviously impacted upon the workplace as shop stewards had to deal with issues previously bargained at higher levels. Nevertheless, most crucial bargaining decisions, pay for instance, remained still centralised in CGA’s hands.

Leadership Styles and Decision-Making

Chapter Seven sketches the contours of LyF CF’s style of leadership, whose ideological pillars have been the notions of multiple trade unionism and participation. Based on these, a highly concentrated and pragmatic
bureaucracy, historically sustained, on the one hand, the trade union’s accumulation of assets, and on the other, the disposition towards establishing channels of dialogue with public authorities opening the door to political exchange. During the 1970s, these notions eventually backed union involvement in co-management, various forms of political exchange, disposition to negotiate with democratic as well as military governments, and even direct participation in the apparatus of the state (Palomino 2005; Pozzi and Schneider 1994). Traditionally, policy making has been concentrated in just a few people, who have controlled the process of decision-making through a vertical and bureaucratic leadership:

Our union was always ready to take a seat at the negotiating table. We have a different sort of outlook than other organisations. For us, industrial action is a sign of failure. We have always tried to deliver the goods by negotiation and participation in industrial and political spheres. And look, the union has always trained people, and created small elites – five, ten blokes – who run the organisation this way. (Union Officer – LyF CF)

However, workers’ participation in the comisiones internas had often balanced this tendency somewhat, at least until the last dictatorship. After the latter, the internal life of the union never recovered fully:

I’m not going to lie to you, the deals are often, more or less, what the CGA wants them to be. It is very difficult for a lay rep to reverse something that you have negotiated with the company. If not, you wouldn’t have leadership. It is sad, but it’s the way. The union is a vertical organisation, head, body, and a political line goes down, and that’s it. (Union Official – LyF CF)

OK, lay reps may influence to certain extent the policy, they can disagree with something and oppose it; but to be honest, the CGA has a mandate. It defines general policies, and communicates them upside-down. Otherwise, there is no authority. (Union Officer – LyF CF)

Representative democracy predominates over participatory democracy. Currently in 2006, lay representatives are elected every two years by fellow workers, while CGA posts and the General Secretary of the union are elected every four years in general elections. Despite the lack of opposition, the high level of workers’ turnout legitimised the authority of the leadership. Indeed, the exercise of the representative democracy actually served the leadership by hiding the absence of true collective definitions about crucial decisions. In 1992, when the companies had already begun to be transferred to the new owners, the union leadership brought forward the general election to back, ex post, their decision to support privatisation.

The union kept the requirement for lay representatives to approve every CCT agreed by the union, as they had to endorse annually the Memoria y Balance, which are the reports of the annual activities of each union department, and the official report detailing the union expenses. However, given the absence of true workers’ participation beyond the elections, these meetings became a kind of automatic approval of the leadership. Additionally, the CGA maintained, when necessary, informative meetings with the shop stewards of each firm about specific company problems. Also, FTOs usually participated in the sectional meetings of the Comités de Lugar (Site Committees), where problems relating to a particular area of production were discussed. Lastly, there were informal communication channels activated by FTOs, often embedding profuse doses of paternalism. All these instances were mostly informative or, at best, informally consultative. Thus, workers’ involvement in the process of decision-making seems to have been constrained by the extended prerogatives of union leadership:

Shop stewards meetings have no regularity. The union calls an assembly only when a big problem comes out. Otherwise, most meetings are sectional meetings, just informative ones, for instance, meetings of the Comité de Lugar, or meetings with company’s shop stewards, but often without a mandate. It is the leadership who truly decides. (Lay Representative – LyF CF)

This panorama was, partly, an outcome of privatisation, which came to renew the obstacles to participatory democracy. Shop stewards emphasised, time and again, the low level of workers’ participation as a result of fear, demoralisation and lack of belief, mentioning as the main evidence the lack of volunteers assuming responsibilities as lay representatives. During the worst period (1991–7), the union hardly covered shop stewards positions; indeed, the union at that time had neither second shop stewards,
nor militant representatives, that is, the old union posts to back activities of the principal shop stewards at firm level.

Fear of retaliation rated high among the reasons that would explain this development:

A lot of people refused to be shop steward. You know, the managers saying: ‘Be careful my friend, you are shop steward today, but tomorrow …’ (Lay Representative – LyF CF)

Nobody wanted to be shop steward. There was fear because the shop stewards are always in the eye of the storm. Managers look for them first when there are problems. (Union Officer – LyF CF)

Workers’ demoralisation and lack of belief, in turn, had a two-fold reason. On the one hand, shop stewards recognised that most lay representatives did not oppose voluntary redundancy programmes; quite to the contrary, they accompanied the process. This is not surprising as the trade union agreed some of these programmes with the company and the Ministry of Labour (homologación) (LyF CF 1992, 1993, 1994). Even worse, a few shop stewards made blacklists of combative activists and negotiated voluntary redundancies for themselves above the normal rate.

Let us be honest, lads, we all learnt about colleagues who made blacklists at the time. And even worse, they are still reps. (Lay Representative – LyF CF)

It is true. There were people in the union who connived with the bosses. Just a few; don’t think, please, that this was common. Most were good fellows. But, you know, for money, I guess. Although, I wouldn’t be able to prove that they got money from the companies. But, everybody knows they did. (Lay Representative – LyF CF)

On the other hand, many others joined redundancy programmes due to their own demoralisation, as the union lacked initiatives opposing the privatisation. In fact, union discourse explicitly assumed a demobilising content, which contributed to feeding the exodus. By 1992, unions’ slogans stressed that the role of leaders was to preserve the organisation and to avoid pointless struggles which might dishearten militants and activists.

Three other aspects are significant in this respect. First, the lack of new entrants to the industry made it difficult for the union to train new lay representatives. According to interviewees, this conspired against the renewal of the union leadership. Second, lay representatives complained that their workload increased and was more difficult to perform as a consequence. Companies neither consulted nor communicated with them about change; hence, shop stewards had to be continuously dealing with managers and fighting back their unilateral decisions. As an FTO put it: ‘Today, to be a shop steward is much more costly in terms of time, money, and hours of rest’. (National Officer – LyF CF) Third, the divide between union officials and the rank and file widened after privatisation. The reason for this separation is broadly attribute to the general factors.

It was within this context of declining participation that union leadership could develop an entrepreneurial unionism. This style was characterised by union leaders as a two-fold strategy: the reinforcement of workers’ solidarity around the organisation and an entrepreneurial project to produce new resources to increase and strengthen union social services. Findings have shown that the union neglected the former, developing only the latter aspect.

In the case of LyF MDP, instead, the leadership framed union actions through political discourse, which stressed workers’ democracy, autonomy and activism in opposition to the exercise of formal democracy. Indeed, the latter is to blame for being empty of any social content.

The promotion of workers’ participation was deemed by union leaders to be essential to development of a powerful organisation. From the beginning, the union attempted to root the confrontation to privatisation in mass meetings, shop stewards assemblies and rank and file gatherings at the workplace. Workers’ participation then grew over the long-lasting anti-privatisation campaign, despite obstacles. Only the determination of the leadership to punish the lack of commitment by applying union’s rules made participation grow. For instance, shop stewards who failed to take on their responsibilities were sanctioned, and occasionally replaced. Also, in the face of insufficient attendance at meetings, suspensions of those who were absent were applied through members’ ballots, a prerogative rarely used by other trade unions. So privatisation faced a mobilised union used
We need opposition [...] It would help us to have better reflexes against our own bureaucratic tendencies. (Lay Representatives – LyF MDP)

Actually, it was harmful for our internal life the disappearance of the opposition. If this were not the case, who knows, we wouldn’t be still managing the union. And I’m not speaking of the opposition, but of fellow workers who have lost the enthusiasm to participate as they have complete confidence in the CGA. But the renewal of leaders would be good for the organisation. (Union Official – LyF MDP)

This appears as a weakness in common with LyF CF. There was no renewal of leaders, though for different reasons. In the case of LyF MDP, the demarcation between active and passive groups of workers seems to have gradually crystallised after the breakaway. Besides this, a degree of demoralisation after privatisation, due to aggressive company human resources policies debilitated participation. So whether or not workers still responded positively to calls for industrial action by union leaders, their engagement in the process of decision-making seems to have decreased. The latter would explain why the union gave up the strict application of the rule book to punish the lack of participation in mass meetings.

The key aspect to be underlined is the ability of the leadership to complement, and even replace, traditional union resources by new ones based on external solidarity and the politics of social unionism. The former was manifested by its engagement in organisational building at higher national and international levels. Also the union understood from early on the power of communitarian alliances to fight back privatisation. Chapter Seven already describes how this orientation translated into a widening of the union’s repertoire of collective actions. In this way, the union widened its representation by linking its own demands with communitarian demands. It also forged relationships with organisations of neighbours, students, small business owners and other social movements for formulation of common policies. So, for instance, while workers’ participation decreased, the union was able to mobilise the unemployed and neighbourhood organisations in demonstrations and rallies against the firm. An outstanding outcome of this strategy was the campaign for the TEIS. After a long campaign led by LyF MDP, an agreement reached between the government, EDEA and a coalition of diverse organisations secured, in 2000, the cheap provision of...
analysed taking into account the huge financial implications of membership loss. It reinforced workers’ demobilisation as the strategic focus was to safeguard the union against the consequences of labour conflicts as the opportunity-to-act was deemed to be unfavourable. LyF MDP, in turn, benefited from an organisational structure which depended only partially on the privatised company, so the impact was less. In this case, the leadership chose from the beginning to oppose privatisation through a diverse repertoire of actions based upon the wide-ranging mobilisation not only of the rank and file but also of the affected community.

Certainly, variability in the extent of the organisational restructuring of British and Argentinian trade unions proved to be salient. The former engaged in a never-ending process of change, adapting their structures to the development of the industry. Inevitably, the gap between the decision to devolve power to lower organisational levels and the effective settlement of the new structures weakened workers’ collective capacities. The lack of strong workplace organisations was a crucial deficit. Companies took advantage of the situation by pushing through change before the eyes of a disconcerted workforce, who expected to negotiate concessions for job security. However, unions did their best to resource shop stewards through training programmes and FTOs’ support, and readapted their organisations to counteract changes in bargaining and industrial structures. On the contrary, Argentinian unions kept their organisational structures unchanged, although LyF CF launched a severe programme of adjustment to equate action to resources. This variance is explained by the combination of the particularities of the institutions of industrial relations and the evolution of the electricity industry as privatisation unfolded. Both factors contributed in Argentina to the maintenance of a centralised control of bargaining. Although lay representatives gained prominence, the unions were able to form a sole negotiating team to bargain with ESI companies. Obviously, company’s shop stewards have played an outstanding role in the definition of the contents of the dealings. In this respect, LyF MDP stands out due to its relative stability as the company was not divided and the structure did not suffer as much as the other unions from job loss. Thus, a different structural context facilitated a different strategic choice by union leader-

Conclusion

This chapter attempts to shed some light on the relationships between privatisation and changes in the organisational sophistication of ESI unions and the dynamics of decision-making. The aim is to add new elements to the judgement of trade unions’ ability to mobilise workers in the context of privatisation. As with previous chapters, the comparative analysis makes it possible to identify similarities and differences, both nationally and internationally.

The first thing to stress is that, to some extent, union mergers and amalgamations in the UK obscured the impact of privatisation on trade union resources. By contrast, in LyF CF, the steady decline of union’s resources due to dramatic losses in membership appears as the chief organisational aspect underlined by the analysis. While neither union density nor the scope of representation were seriously affected by job loss, the extent of this obviously distorted the organisational life of trade unions. Chapter Nine shows that its main manifestation in the UK was the proliferation of recruiting campaigns. Occasionally in this country, union leaders also expressed misgivings about the financial impact of downsizing. Yet unions’ mergers and amalgamations ended up softening the financial consequences of job loss. In Argentina, instead, the whole policy drive of LyF CF is electricity for poor neighbourhoods, thanks to a 40 per cent reduction in the price afforded by the company, and a 15 per cent and 6 per cent reduction of taxes afforded by the provincial and municipal administrations respectively. For the consumers, this meant a final reduction of 50 per cent. Needless to say, this achievement increased the appeal of the union in the community. In 2006, the same alliance, again under the leadership of the union, campaigned for the re-nationalisation of the company; and this just after the union had pushed FeTERA into campaigning for the re-nationalisation of the oil and energy industry.
ship, who followed traditional patterns of mobilisation, though enriched by the adoption of the orientation of the social unionism.

It is worth mentioning that both trade unions analysed in Argentina had to face acute problems in the maintenance of their social services (obras sociales) to members, though for different reasons; this was the only area where change has been considerable. Then different strategic choices led to different outcomes. In the case of LyF MDP, they served to reinforce the notion of workers’ collective solidarity, whereas in LyF CF, they provided the platform from which an entrepreneurial style of unionism developed. Still, problems regarding the provision of social services became a potential threat to the legitimacy of both union leaderships.

From the point of view of mobilisation theory, the hallmarks of privatisation regarding organisational developments were the growth of sectionalism and the decline of workers’ participation in decision-making. Since privatisation, sectional interests have spread across companies thereby undermining solidarity. Additionally, the uncertainties provoked in the UK by the hectic evolution of the industry have conspired against inclusive forms of collectivism. Yet workers’ mobilisation has not been absent, as short localised actions have taken place throughout the industry. In Argentina, sectionalism affected LyF CF too, due to industry fragmentation. Differences in bargaining power between generation and distribution militated against unified policies. Distribution workers failed to mobilise in support of their fellow workers employed in generation; in fact, employees from distribution even failed to coordinate policies, despite sharing similar problems. LyF MDP is, once more, the exception for the reason that the division of ESEBA did not affect the representational reach of the union; on the contrary, it consolidated its autonomy.

Additionally, in both countries, most respondents have stressed that workers’ participation was sooner or later affected by the demoralisation brought about by the process of privatisation. Massive job losses and voluntary severance packages, the deterioration of terms and conditions of employment, aggressive human resources policies and so forth – and findings show that it would be necessary to add to that list trade unions’ own strategic choices – would have produced a general debilitation of workers’ disposition to participate, actively, in decision-making. Certain qualifications are necessary, however. Whereas it is true that British unions have faced problems in recruiting lay representatives and organising workplaces, it is also true that there have been plenty of success stories. Before privatisation, the traditional bargaining arrangements tended to hide workers’ lack of participation as centralisation rendered it superfluous; it was enough for union leaders at the time to count on workers’ support when needed. The general picture, then, stands out for its variability. In Argentina, in turn, brutal evidence of a declining participation dates back to the mid-1970s when there was massive repression of working-class politics. If the 1980s witnessed a recovery in workers’ mobilisation, the costs of the dictatorship were strongly felt. In this period, a bureaucratic leadership consolidated itself in LyF CF. It faced privatisation through a policy which explicitly praised workers’ demobilisation in search of the preservation of the organisation. LyF MDP, instead, was able to mobilise not only ESI workers, but also community interests and external solidarity behind a policy of total confrontation. Nevertheless, after privatisation, workers’ participation also decreased in LyF MDP, thereby putting at risk the lively dynamic of the process of decision-making, and damaging the commitment of many shop stewards. If this phenomenon had developed so as to affect the ability of the union to engage in collective actions, the decisions would have been concentrated more than ever in union leaders, whose combative outlook ensured the survival of workers’ mobilisation. Additionally, communitarian alliances and external solidarity are important resources post-privatisation, which partly compensate for the deterioration in union internal dynamics.
This book opened stressing two principal objectives: the exploration of the relationships between privatisation and workers’ collectivism and the insight provided by mobilisation theory for such a task. In this sense, the most elementary and general conclusions to be drawn are that ESI privatisation did make workers’ collective action more difficult and that the research did prove the potential of mobilisation theory to analyse the effects of counter-mobilisation on labour and how trade unions respond to that challenge.

Chapter One specifically posed a set of empirical and theoretical research questions, which are worth restating. A broad empirical question concerned the reconstruction of the counter-mobilising content of privatisation and trade unions’ defensive actions. In this regard, the research was intended, on the one hand, to identify sources of variability in the forms taken by the counter-mobilisation and workers’ strategic choices as well as the type of resources mobilised by the actors. On the other hand, it aimed to illuminate how the forces unleashed by the process of privatisation targeted workers’ collectivism. At the theoretical level, the main questions related to the contribution of a cross-national comparison at meso- and macroanalytical levels towards the development of mobilisation theory, and the place of agency type variables in the conceptual framework.

Thus, this book was grounded on a discussion of mobilisation theory which laid the conceptual foundations of the research: the postulate about the counter-mobilising character of privatisation; the expectation of privatisation undermining the mobilising capacity of trade unions; and the conclusion that the categories opportunity-to-act, organisation and interest were appropriate tools to use when carrying out the empirical investigation into that problematic. The methodological discussion, in turn, justified the
adoption of a comparative approach to identification and evaluation of the intermediate variables which impinged on the categories of mobilisation theory, as far as the comparison might be properly contextualised (Locke and Thelen 1995). Mobilisation theory allows for the different stages of mobilisation to be understood and studied within a specific context; so this was an additional reason for adopting this theoretical framework.

Then, after exploring the diverse meanings and complexities of the term privatisation, Chapter Four developed four sorts of arguments in order to substantiate the postulate about the counter-mobilising content of privatisation against labour. It began by providing historical evidence about the long-term orientation of organised labour towards public ownership in both Argentina and the UK, and finished by reviewing empirical evidence showing the positive association between privatisation and unfavourable developments for labour. In between, it offered theoretical arguments taken from the perspectives of Marxist political economy and mobilisation. Yet the essential point of the chapter was that privatisation enhances market discipline.

By making a cross-national comparison, Chapters Five and Six intended to identify various mediating variables which intervened to shape the opportunity structure and the forms and prospects of the counter-mobilising forces. These chapters surveyed similarities and differences regarding international pressures over the process of privatisation, the speed of the programmes, the evolution of the industrial structures, the role of the labour law in the respective systems of industrial relations, and so forth. Bearing in mind the two main objectives of the book, while public ownership and the type of industry pointed towards similarities between case-studies, differences in the national systems of industrial relations and in the evolution of the industrial structures after privatisation called attention to variability in trade unions’ (re)sources of power, and hence, in the opportunity structure, and in the timing and forms of the process of counter-mobilisation. Basically, it was argued that in Argentina, given the legal underpinnings of the system of industrial relations, and concomitantly, of trade union power, the role of the government was crucial in undermining workers’ collectivism and paving the way to privatisation. In the UK, instead, that task was left to private capitals and industrial restructuring after privatisation.

Chapters Seven to Ten testified to that by providing an empirical reconstruction of key aspects of both, the counter-mobilisation process associated with the privatisation programme and the trade unions’ defensive responses. Together, these four chapters constituted a sort of spotlighting approach, which illuminated different sides of the counter-mobilising wave and their impact upon workers’ organisational strength and interest definition. Their different starting-points allowed the research to inquire about the various conceptual connections between the categories. In this sense, these chapters also gave evidence about the importance of union internal capabilities and agency to mediate the opportunity structure and the process of counter-mobilisation. Moreover, they showed that the organisational features and developments as well as the agency factors and social interactions, which facilitate the collective definition of interests, may impinge back positively on the opportunity structure.

Let us summarise the main arguments and findings offered by these chapters as they serve as a useful platform for the presentation of some theoretical conclusions. The empirical focus of Chapter Seven was the reconstruction of the anti-privatisation campaigns of ESI unions in both countries; the theoretical aim was to test the explanatory power of the conceptual sequence laid down in Chapter Two. The chapter showed that in the UK, during the run-up to privatisation, ESI unions maintained their industrial (re)sources of power, and hence, industrial latent power quite unchanged. This would help them to obtain defensive political influence within a context of political retreat. This defensive influence was mobilised to obtain concessions regarding pension schemes, health and safety procedures, and provisionally, the industrial relations machinery. In Argentina, instead, the industrial power of national public unions was legislatively undermined by the government in order to prevent workers from mobilising industrial resources against privatisation. In this context, LyF CF inclined to reformulate its strategy at the expense of increasing affiliation and organising workers’ collectivism, and towards an entrepreneurial unionism to underpin the financial strength of the organisation. The case of LyF MDP, in turn, expressed the significance of agency type variables to accounting for workers’ collectivism. A determined anti-privatisation leadership was able to delay privatisation for years by combining the mobilisation of political,
of workers were seduced and, even worse, four CGA officers and eight union representatives were corrupted by the company ESEBA. However the leadership could mobilise the collective power of workers throughout the process against the different manifestations of the politics of money, and reduce its consequences. At the level of theory, the diffuse effects of the various forms adopted by the politics of money seemed to warn against assuming any simple relationship between counter-mobilisation and its consequences on the empirical manifestation of the categories of mobilisation theory. Nevertheless, the analysis provided evidence that the organisational domain is often a main target.

Chapter Nine, in turn, researched another side of the counter-mobilising wave associated with privatisation: the process of fragmentation of collective bargaining and devolution. It substantiated the central role of the Argentinian government backed by the international financial institutions, in this case, in dismantling collective agreements before privatisation. It differentiated this from the case of the UK, where the prospects of competition compelled managers from privatised firms to push the devolution of bargaining structures so as to achieve change in working practices and pay structures. In this case, it is also necessary to refer to the major industrial variables. These are: the hectic process of mergers and takeovers experienced by the ESI ever since denationalisation, which explains the profuse change in collective arrangements in the UK; and multi-unionism, which explains why this change furthered inter-union competition. In Argentina, instead, where industrial structures remained almost untouched after privatisation, bargaining structures stabilised quickly; concurrently, a different union structure also limited competition between ESI unions, appearing as it did for the first time in the landscape of the industry. In turn, the chapter related fragmentation and devolution to workers’ demobilisation by addressing tensions and conflicts within trade union ranks which weakened unions’ aggregate strength, and by exposing differences in bargaining power that managers exploited in their favour. Again, the particular side of the process of counter-mobilisation under analysis proved to have wider effects upon the categories opportunity-to-act, interest and organisation, and specifically upon the latter.
Finally, Chapter Ten turned the theoretical spotlights onto the analysis of organisational and agency type variables such as organisational sophistication, union leadership, participation and decision-making. The aim was to shed light on the ways by which unions mediated the opportunity-to-act and the state and capital's counter-mobilising policies they faced during the process of privatisation, and after. Findings revealed the impact of privatisation upon these dimensions of workers' collectivism, too. In this realm, the evolution of ESI structures was again the chief intermediate variable when understanding unions' organisational changes today. The picture presented was one of never ending organisational change in the UK, and relative stability in Argentina as far as workplace structures and other representative levels are concerned; although Argentinian trade unions have reduced their size since privatisation, mainly due to job loss and dramatically so in the case of LyF CF. Additionally, in the UK, trade union mergers added complexity to this picture. This process of union reorganisation, which ran parallel to privatisation, at times intertwined and often overlapped with it. The financial consequences of membership loss were softened as a whole by union mergers, although, from the point of view of ESI lay representatives, mergers meant at the same time fewer resources. To some extent too, the new systems of workers' representation that emerged with the creation of the new unions implied that, compared to the past, ESI constituencies lost prominence. Nonetheless, from the point of view of mobilisation theory, the main findings regarding the relationship between privatisation and workers' collectivism were the growth of sectionalism and the decline of workers' participation.

After this summary, the first general conclusion to be drawn regarding theory, is that the cross-national comparison and the scope of the analysis contributed to presenting as evidence the relevance of various mediating factors in the explanation of variability in the opportunity-to-act, trade union's organisational change and the empirical forms taken by the counter-mobilisation wave.

Concerning the role of mediating factors in the understanding of variability between countries, the use of mobilisation theory confirmed the relevance of alternative institutional arrangements as has been widely shown by conventional approaches and other competing models (Clegg 1976; Ferner 1997; Ferner and Hyman 1998; Katz and Kochan 2004; Kochan, Katz and McKersie 1987; Locke and Thelen 1995). It also showed that political economy variables, which were in part determined by different international trends in capital investment, played an important mediating role too, as they contributed to explanations of differences in industrial restructuring in the UK and Argentina, and consequently, variability in trade union's organisational change. This is an important finding, for it evidences the capability of mobilisation theory to illuminate aspects which were rather neglected by conventional approaches mostly focused on institutional factors.

Also, mobilisation theory, being different from the conventional approaches, has proved to be a powerful device with which to study the kind of political and agency factors that set in motion the various counter-mobilising forces unleashed by privatisation and the dynamics of trade union responses to them. Moreover, it has shown its particular appeal to those researching the strategic interactions between capital and labour over processes of counter-mobilisation.

This is the case partly because the basic understandings underpinning Kelly's conceptual framework direct the analyses towards the detail of the demobilising dimensions of processes, which might otherwise go unnoticed. In this latter case, and put simply, the theory proved to be empirically productive.

Taking a view from a mobilisation standpoint, as illustrated in Chapter Eight, allows the researcher to gather together a diverse set of policies, whose negative effects for workers' collectivism are usually taken for granted, but hardly ever explicitly incorporated into academic explanations of workers' demobilisation. Indeed, this encouraged the researcher to approach well-established facts, like the fragmentation of industrial structures and collective bargaining, which scholars had often listed among the threats posed by privatisation for organised labour, but had not scrutinised in detail in order to establish why and how fragmentation and decentralisation brought about division, competition and sectionalism.

Nevertheless, the distinctive character of mobilisation theory must be assessed by its sensitivity to variability in the (re)sources of power mobilised by unions, and hence, by its power to question and explain how trade
unions face all those counter-mobilising challenges posed by privatisation. In this regard, and more specifically, the second theoretical conclusion is that agency type factors were paramount in explaining variability between unions facing similar opportunity structures and counter-mobilising policies at national level.

The research substantiates this conclusion, mainly, through the comparison of the cases of LyF MDP and LyF CF. In the former, a determined leadership engaged in fierce fighting against privatisation for years. A case that underlined the relevance of participatory and dialogical processes of interest definition to sustaining workers’ collectivism and mobilisation, particularly in a context of an increasingly negative opportunity structure. Acting contrarily, the leadership of LyF CF, ready to compromise without involving the rank and file in the decision-making, feinted to oppose the sale of the ESI, and then, supported the privatisation process in a desperate attempt to maintain its organisational power, though at the expense of the terms, conditions and levels of employment. This latter case points to the problem of the demobilising role of trade union officials in the face of a counter-mobilisation wave, an issue not addressed in this book. Similarly, the English case-studies also illustrate, although less dramatically, how different responses and inclinations in the face of similar opportunity structures depend not only on agency type variables, but also on organisational developments, a topic to which this concluding chapter returns later. To give just one example, Unison’s inclination towards coalition building seems to have been seriously restricted by multi-unionism and the characteristics of ESTUC, features that ended up leading the union towards compromise with blue-collar and technical unions.

Regarding the placement of agency factors in the explanation of variability, the methodological design was the key. By complementing the cross-national comparison with the comparative study of union responses within the same country, the study was able to make a better evaluation of the role played by agency type variables in those cases in which unions faced similar counter-mobilising dynamics and similar opportunity structures. Conventional approaches usually set the comparison within a country-by-country research design, and therefore have difficulties in accounting for union internal variables, as different union responses are usually understood to be the outcomes of the alternative institutional arrangements in which workers make their strategic choices. Then, in such conceptual and methodological models, the specific role of agency type variables is more difficult to address.

This second general conclusion points towards the need for mobilisation theory to be even more sensitive to questions of union internal politics, structure and leadership. Both the discussion of the analytical framework developed in Chapter Two and the final findings of the study suggest that an approach focusing on the social mediations of interest definition might be fruitful. Few studies using mobilisation theory, however, have dealt with these important aspects systematically (Atzeni 2005; Baccaro, Harman and Turner 2003; Frege and Kelly 2003, 2004; Heery, Kelly and Waddington 2003; Heery et al. 2003; Kelly and Badigannavar 2003; Moore 2004).

In fact, the investigation into the styles of leadership, the level of workers’ participation and the process of decision-making proved essential in explaining how trade unions reacted defensively against the opportunity structure. Yet findings also show that these processes of social mediation cannot be analysed in isolation from the category organisation. Indeed, they are inextricably intertwined with organisational features. Perhaps this is the most relevant conclusion to be drawn as far as the interaction among the analytical variables is concerned, though this was an unexpected finding of the research, and therefore the issue could not be explored in its full extension in this book. So this is a dimension that needs further research, as this empirical finding has important theoretical consequences for the future development of mobilisation theory.

To continue with the metaphor, the category organisation seems to occupy centre-stage under the conceptual spotlights of mobilisation theory. This category pertains to the workers’ main armour facing a given opportunity structure. Moreover, it can be argued that the organisational domain is, in itself, a component of such structure. This explains why the organisation of workers is often the main target of any counter-mobilising move as shown by Chapters Eight and Nine. Indeed, given its dependent status (Müller-Jentsch 1985; Offe and Wiesenthal 1985), it is a category constrained by the type of industrial and institutional variables analysed in Chapter Six. However, and this is crucial, it is also both an enabler and...
a limiter of dialogical leaderships, workers' participation and democratic
decision-making as explored in Chapters Seven and Ten. Additionally,
organisational change is the outcome of workers' strategic choices, usually,
in the face of a changing environment – as in this study, for instance – but
often according to a certain set of political aims. Therefore it is an analyti-
cal arena, which serves as a liaison within mobilisation theory between
structural and agency type categories.

As already suggested, the theoretical perspective advanced by Kelly
is useful when studying the strategic confrontations of the various actors
involved in the struggles around counter-mobilisation events. This positive
aspect was again enhanced by the methodological design. In this regard, it
was the scope and multiple levels of analysis that permitted the researcher to
pay attention, on the one hand, to the strategic interaction of the contend-
ers, and on the other, to the aforementioned ability of the actors to modify
the opportunity structure through their strategic choices, and in this way,
to open or foreclose specific paths of action. For instance, the sequence of
changes in collective bargaining was illuminating. In both countries,
although by different means, the fragmentation of the bargaining machinery
transformed the field of interactions, and forced unions to accommodate
their organisational structures and mobilise their power resources accord-
ingly. This mobilisation, in turn, brought about new scenarios for the con-
tenders. Similar dynamics were typical of other counter-mobilising events
addressed in this book; for instance, the fate of the politics of voluntary
redundancies in Argentina when unemployment rose. The latter discour-
aged workers from signing up to redundancy agreements, and then changed
the social context in which the policy had been accepted by trade unions.
After that, opposition from workers brought about repression and harass-
ment, and the latter, brought about industrial action. From that point, the
content of the politics of money changed. Another example: the analysis
of the anti-privatisation campaigns made clear that the initial responses
of workers faded away with the evolution of the events and the changes in
the socio-political context. In the UK, the FUSE campaign stopped with
the announcement of the Parliamentary election. In Argentina, in the
case of LyF CF, latent resistance metamorphosed into active support as
the government threatened to resort to violence; in the case of LyF MDP,
the repertoire of collective action evolved according to not only the type
of policies implemented by managers and public authorities, but also the
changes in the (re)sources of power of the union.

To put it theoretically, the development of mobilisation theory within
a comparative framework proved to match the methodological require-
ments of comparative historical researchers, that is, 'to explicitly analyze
historical sequences and take seriously the unfolding processes over time'
(Mahoney and Rueschemeyer 2003: 12). This means that, keeping a mobilis-
ning perspective, the comparison of trade union responses to change should
take into account the temporal structures of processes and events in the
explanation. To put it mildly: history matters.

As a consequence, this implies, empirically, that the study was able to
address not only how trade unions mobilised but also how their strategies
evolved over time. Furthermore, the book explains both dimensions accord-
ing to a contextualised study of the changes in the opportunity-to-act, the
timing of those changes and the dynamics of interest definition by which
the opportunity structure was interpreted by workers and certain ways of
action decided by their organisations.

So the potential of the theory has again been enhanced by methodo-
logical decisions: the scope and the multi-analytical levels of the research.
So the methodology proves to be essential for mobilisation theory to show
its explanatory potential, and this in itself constitutes another mean-
ingful conclusion of this study. In support of this conclusion, it is important
to add that a methodological warning is also necessary in relation to the
number of case-studies: the bigger the number, the more difficult it is to
engage in systematic and contex tu alised comparisons following mobilisa-
tion theory. This is so because this conceptual framework, as discussed in
Chapter Two, entails the exploration of the connections between several
variables, which may have different causal effects across heterogeneous
contexts. A close inspection of particular cases requires detailed histori-
cal and contextual knowledge, which is only possible to achieve when the
number of cases is limited. Hence, the application of mobilisation theory
to a large number of cases seems to be only possible as the outcome of a
collective academic work.
So far, the examination of the pros and cons of mobilisation theory has underlined the positives; what, then, about its weaknesses? In this regard, it is important to stress that the process of research uncovered weak spots in mobilisation theory too. These are that the causal relationship among its categories appears, at times, ambiguous and unstable; and that the categories, on occasion, even overlap. Therefore, the success of mobilisation theory seems to depend to a large extent on its concrete operationalisation, as shown by the previous studies, which have drawn on Kelly’s framework (Atzeni 2005; Brown Johnson and Jarley 2004; Darlington 2001; Kelly and Badigannavar 2003; Metochi 2002; Moore 2004). At this point, it is essential to reiterate that the operationalisation should be sensitive to questions of union internal politics, structure and leadership in order to account for the social processes of interest definition, for this contributes to a better understanding of union choices.

This remark may disturb those who conceive of theory as a rigid model of causation. However, this is also acknowledged by the champions of mobilisation theory (McAdam, Tarrow and Tilly 2001). For them, mobilisation studies should not look for explanations that rest upon low-level empirical generalisations, in turn, subsumed under higher-level empirical generalisations, which refer at the end to covering laws. That is, the type of explanations which better fit the construction of rigid theoretical models. Instead, for these scholars, explanations following mobilisation theory are to be conceived of as the identification of causal chains consisting of mechanisms and variables that reappear in a variety of social contexts in diverse combinations and sequences (McAdam, Tarrow and Tilly 2001).

From the view that underpins this book, this identification is the most fruitful understanding of mobilisation theory, for it is a perspective that posits a flexible framework, in which there is a set of interacting factors and categories critical to the presence or absence of collective action. Mobilisation theory, then, should be conceptualised as a sort of middle-range theory for the empirical analysis of workers’ collectivism (or its absence); a middle-range theory which needs to be complemented by other theoretical insights, the definition of intermediate variables, the establishment of empirical causations, and fundamentally, a historical perspective. In this way, the comparative approach facilitates all those methodological and theoretical definitions.

Still, mobilisation theory, at least as developed here, does posit analytical hierarchies, which are perceived as appropriate for approaching workers’ collectivism. For the study of the strategic choices and collective actions taken by organised labour, it prioritises the analysis of the opportunity structure as the starting-point of given power relations and the structural variables upon which the latter rest. In short, it gives a certain privilege to structural determinants over agency type variables like interest definition, and obviously over (secondary) variables like (union) organisation (as in Chapter Seven). For the analysis of the effects of counter-mobilisation upon organised labour, it emphasises its diffuse character but prioritises effects upon organisational variables, which, in turn, distort the process of decision-making (as in Chapters Eight and Nine).

At first sight, it might appear as contradictory that the emphasis is placed by this concluding chapter on agency type factors. However, there is no contradiction. On the contrary, this accent explains why a mobilising perspective is able to bring to the fore trade union agency and strategic choices thereby giving a firm grasp on the meaning of the concrete responses of trade unions to events of counter-mobilisation (like privatisations, for instance), but through a contextualised and comprehensive analysis that is able to avoid both deterministic structural causation and over-politicised and voluntaristic accounts of workers’ collective action.

Needless to say, however, this research is far from exhausting the empirical and theoretical issues involved in the application of mobilisation theory to a process of counter-mobilisation, in this case, to the privatisation of the ESI. To mention just a single important one: there seems to be plenty of room for a closer examination of the ideological processes which intervened in shaping the opportunity-to-act during the privatisation of the ESI. Several references have been made to the ideological consequences of the counter-mobilising forces at play, and the role of union leaderships in disputing meaning. Indeed, Lukes’ (2005) framework proved to be useful in treating them in their more general aspects (see Edwards 2006, however, for a recent critique). Another instance is that the Gramscian notion of hegemony could have been of prime importance when carrying
out this task. This is another pending matter for further research. For the
time being, if this book helps us to a better understanding of why priva-
tisation conspired against the power of organised labour and sheds light
on the perspectives opened by Kelly’s theoretical proposal, its most basic
aims will have been fulfilled.

Bibliography

 Unions in Europe and North America,’ in K. Weiermair and G. Dlugos (eds)
 invención y la herencia. Cuadernos Arcis – LOM*, Santiago, 4, noviembre-diciem-
bre, 5–28.
 Industrial Relations*, London: Croom Helm.
Arrowsmith, J. (2003) ‘Post-privatization industrial relations in the UK rail and elec-
93–102.
 Socio-political Consciousness and Trade Unionism’, *Royal Geographical Society
 Annual Conference, session on ‘Globalisation and Labour Relations’, 5 September
 of Warwick.
 of Trade Union Reformism,’ in C. Phelan, *Trade Unionism since 1945: Towards a
 Global History. Volume 2: The Americas, Asia and Australia*, Dusseldorf: Peter
Austin, J. et al. (1986) ‘Privatizing State-Owned Enterprises: Hopes and Realities’, *The
 Columbia Journal of World Business*, 21 (3), 51–60.
 Concentración y Centralización Económica,’ *Documento de Trabajo*, 6, Flacso.


<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title and Publication Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>—— (1996a)</td>
<td>'Trade Unions and Human Resource Management in Britain', Employee Relations, 18 (6), 8–25.</td>
</tr>
</tbody>
</table>


### Documentary Sources

**Trade Unions’ Journals**

- *8 de Octubre*, Revista de LyF MDP (LyF MDP’s Magazine).
- *Contact*, EETPU Journal.
- *Contacto*, Revista de FATLyF (FATLyF’s Magazine)
- *Electricity News*, NALGO.
- *EMA Newsletter*, EMA.
- *Flashlight*, A paper for EETPU members. The other voice of the EETPU.
- *Privatization News*, EPEA.
- *Privatization News*, NALGO.
- *Shop Stewards Quarterly Review*, EETPU.
- *Unison Focus*, Unison.

**National Newspapers**

- *Clarin*
- *El Cronista Comercial*
- *Sur*

### Bibliography

**Other Sources**


— (1990) *Centenary Industrial Relations Yearbook*.


FeTERA (2000) ‘Los trabajadores de la energía, proponemos cambios políticos y...
(1992)
(1991)
(1990)
(1989d) ‘Review of the Association’s Organisation. Proposals by the National...
(1989c)
LyF MDP (1989)
LyF (1989)
Memoria y Balance. 1989
Memoria y Balance. 1990
Memoria y Balance. 1991–92
Memoria y Balance. 2000–01
Memoria y Balance. 1991–92
Memoria y Balance. 2003
Memoria y Balance. 1999–2000
Memoria y Balance. 1994–95, Mar del Plata.
Memoria y Balance. 1992–93
Memoria y Balance. 1991–92
Memoria y Balance. 1988
Memoria y Balance. 1987
Memoria y Balance. 1986
Memoria y Balance. 1985
Memoria y Balance. 1984
Memoria y Balance. 1983
Memoria y Balance. 1982
Memoria y Balance. 1981
Memoria y Balance. 1980
Memoria y Balance. 1979
Memoria y Balance. 1978
Memoria y Balance. 1977
Memoria y Balance. 1976
Memoria y Balance. 1975
Memoria y Balance. 1974
Memoria y Balance. 1973
Memoria y Balance. 1972
Memoria y Balance. 1971
Memoria y Balance. 1970
Memoria y Balance. 1969, Mar del Plata.
Memoria y Balance. 1990, Mar del Plata.
— (1998a) Denuncias de acciones judiciales persecutorias promovidas por EDEA S.A. con el sindicato de Luz y Fuerza Mar del Plata y sus dirigentes José Jorge Rigane, Oscar Alberto Escalante y Néstor Daniel Cuenca, 28 de enero.
Lyons, John (1989) The Picture Unfolds: What the Consequences of Privatization are likely to be, Speech made by John Lyons, General Secretary of the Engineers’ And Managers’ Association to the Economist Conference, 7th November.
— (1990b) Instructivo impartido a los Señores Interventores sobre la aplicación del Decreto no. 1757/90, Ministerio de Economía, Buenos Aires.
— (1990c) Plan Financiero para reducir aproximadamente en 5 per cent las plantas de personal en las empresas públicas – diciembre.
NALGO (1986) Annual Conference.
— (1988a) Annual Conference.
— (1988c) Privatization Special Report, NALGO.
— (1989a) Electricity Recruitment news, NALGO.
anti-privatisation campaigns 4, 96, 108, 125, 133, 137, 243, 250
interests of consumers 106
LyF MDP (Luz y Fuerza Mar del Plata) 122–3, 129, 132, 233
see also FUSE Campaign (Federation of Unions Supplying Electricity)
anti-unionism 67–8, 71, 91, 123, 127, 159, 196, 199
balance of forces see power relations
bargaining power 68
Argentina 196, 238
UK (United Kingdom) 81, 112, 157, 174, 178, 181, 185, 245
see also collective bargaining
corporatism 58, 78, 82, 86, 87, 88, 91, 117
denationalisation 48, 63, 65, 245
decision-making processes 5, 27, 28, 35, 37, 44, 207, 236, 238–9, 246, 248, 249, 250, 253
Argentina 120–1, 130–2, 132, 134, 186, 229–31, 234–5
UK (United Kingdom) 83, 108–9, 112, 219, 225
dialogical democracy 26, 219, 248, 250
see also participatory democracy
economic emergency law 114, 122
direct public ownership (DPOs) 48, 63, 65, 73
DCs (developed countries) 48, 63–4, 73
DESTUC (Divisional Electricity Supply Trade Union Councils) 97, 110
early retirements 70, 123, 140, 149
Economic Emergency Law 114, 122
ESOPs (employee stock ownership plans) 59, 131–4
Argentina 91, 114, 118–20
UK (United Kingdom) 101, 141, 217
see also PPP (programas de propiedad participada)
entrepreneurial unionism 121, 129, 131, 138, 224–5, 233, 238, 243
ESTUC (Electricity Supply Trade Unions Council) 81, 97–8, 100, 103–6, 109–12, 135, 173, 220, 248
national negotiating machinery 170
share ownership arrangements 152
formal democracy see representative democracy
FUSE Campaign (Federation of Unions Supplying Electricity) 97–8, 102, 106–7, 109–10, 112, 220, 250
hegemony 21, 96, 105, 118, 128, 129, 133, 156, 177, 234, 253
homologación 85, 147, 150, 192, 232
hyperinflation 73, 92, 114, 116
industrial actions 2, 4, 51, 116, 250
Argentina 73, 85, 88, 89, 91, 117, 188–9
LYF CF (Luz y Fuerza Capital Federal) 113, 150, 167, 190–2, 228, 230
LyF MDP (Luz y Fuerza Mar del Plata) 122–3, 128, 148, 200, 235, 244
UK (United Kingdom) 77, 82–1, 91–4, 97–8, 100–1, 112, 220
IMF (International Monetary Fund) 30, 49, 63–4, 69, 70, 72, 112, 114, 117, 124, 150, 244
see also international financial institutions
interest definition 3, 7, 11, 15–17, 19, 25–8, 118, 167, 207, 243, 244, 248, 249, 251, 252, 253
Argentina 156, 161
UK (United Kingdom) 81, 108–9, 224

Index

entrepreneurial unionism 121, 129, 131, 138, 224–5, 233, 238, 243

international financial institutions 64, 73, 74, 75, 185, 244, 245
see also IMF (International Monetary Fund); WB (World Bank)

inter-union competition 23, 40, 204, 245
Argentina 90, 129–30, 192, 193–5, 201, 227
UK (United Kingdom) 81, 174–6, 180–2

job loss 2, 4, 24, 31, 58, 138, 238
Argentina 111, 149, 217, 236–7, 246
United Kingdom 141–3, 147, 174, 176
see also severance packages

Keynesianism 77–9, 82, 87, 113

labour law 8, 242
Argentina 88, 86, 145, 187, 189

legal offensive against trade unions 82–4, 90–2, 114
UK (United Kingdom) 77

labour legislation see labour law

Labour Party 79, 100

leadership styles 5, 17, 15, 44, 96, 134, 207
Argentina 186, 220
UK (United Kingdom) 109, 219–22, 224

LDGs (Less Developed Countries) 48, 55, 59, 63–4, 73

liberal democracy see representative democracy

market reforms 113, 114, 161, 162, 228
Menem, Carlos 113, 116, 118, 122
see also Menemism

Menemism 90, 115

methodological individualism 12–15

military coup 50

military government 84, 87, 88–9, 230
see also military coup

military repression 120

Ministry of Economy 18, 41, 92, 185, 186, 188

Ministry of Labour 39, 41, 85, 89, 92, 127–9, 143, 147, 150, 187–8, 192, 194–5, 198, 204, 232

Ministry of Public Works 113

Multi-National Corporations (MNCs) 9, 55, 64

multi-unionism 81, 108–9, 191, 196, 204, 245, 248

nationalisation 50–3, 80, 119, 125, 236, 245
see also negotiating machineries

Argentina 118

UK (United Kingdom) 77, 80, 100, 103, 104, 105, 138, 170, 174, 177, 179

obras sociales 89–90, 91, 114, 118, 121, 129, 162, 163, 116, 238

opportunity to act 3, 4, 7, 11, 17, 19, 21–3, 28, 35, 44, 241, 244–6, 251, 253
anti-privatisation campaigns 95–6
Argentina 114, 120, 124, 237

politics of money 138, 165, 167
UK (United Kingdom) 91, 101, 108
see also opportunity structure

opportunity structure 27, 61, 65, 73, 113, 114, 205, 242, 243, 248, 249, 250
Argentina 115, 123, 129–30, 147, 166, 186, 203
industrial relations institutions 75

political process approach 18
power, concept of 20

UK (United Kingdom) 91, 106, 110, 112, 209, 220, 221
see also opportunity to act

participatory democracy 109, 131, 221, 230, 231, 244, 245
see also dialogue democracy

PJ (Partido Justicialista) 87, 113, 115–16, 130, 133

Peronism 51, 86, 87, 113, 115, 125

personería gremial 84–5, 89, 90, 112, 194, 200

Privatisation Bill 81, 98, 104, 125

privatisation programmes 1, 48, 64, 73, 94, 95

Argentina 70–1, 84, 130, 135

concept of 46–9
counter-mobilisation 28, 38–60, 243
driving-forces of 1, 4, 63–5, 66–7, 70–1

UK (United Kingdom) 65, 99, 109

political exchange 75–6, 79, 93–4

Argentina 51, 88–9, 114–6, 120, 121, 114–5, 164, 165, 170

micropolitical exchange 75, 78–9, 80, 89

UK (United Kingdom) 81

political process analysis 13, 18

power relations 16, 17–21, 28, 95–6, 253

Argentina 115, 117–18, 125, 134, 150, 156, 192

UK (United Kingdom) 99, 105, 171, 209

PPP (Programas de Propiedad Participada) 157, 155–6, 162, 201

rational choice 12–13, 15

redundancy packages see severance packages

re-nationalisation see nationalisation

representative democracy 111, 220, 230–1, 233

resource mobilisation theory 13, 18
workers’ collectivism 1–5, 7, 15, 27, 28, 36, 44, 133, 200, 207, 219, 243, 248, 253
explanation of 45, 206, 252
privatisation and 1, 4, 30, 61, 241, 246
undermining of 19, 165, 167, 186, 196, 199, 201, 241, 242, 247

workers’ democracy 233
workplace structures 37

Argentina 110, 246
UK (United Kingdom) 77, 143, 147, 212, 216, 221
see also Comisiones Internas

(re)sources of power 4, 22, 36, 75–6, 92, 94, 95, 96, 242, 247, 251
Argentina 87, 118, 120, 125, 127–8
UK (United Kingdom) 80, 99, 114, 243

sectionalism 5, 23, 40, 246, 247
Argentina 228–9, 238
UK (United Kingdom) 208, 216–19, 223
severance packages 24, 137, 141, 238
Argentina 71, 127, 149, 150, 161, 163, 244
UK (United Kingdom) 141, 143–6, 184
STB (Single Table Bargaining) 171, 173, 174–5, 176–9, 181–4
social psychological approach 12–15, 15, 17
State Reform Law 114, 117, 122, 153
strategic choices 4, 9, 44, 74, 93–6, 241, 244, 249, 250, 253
Argentina 121, 132, 237–8
UK (United Kingdom) 224
Thatcher, Margaret 67, 69, 103
see also Thatcherism
Thatcherism 65, 82, 84, 101, 105
TUC (Trade Union Congress) 39, 50–1, 99, 106, 111, 174, 176, 207
trade union organisation
category organisation, the 4, 11, 18, 19, 23, 28, 76, 108–9, 117–8, 126–7, 140, 244, 249
change of 40, 111, 127–8, 124, 126, 237, 250
ESI (Electricity Supply Industry) 81, 89–90
membership loss 58, 147, 159, 207, 237, 246
scope of representation 23–4, 202, 225, 227, 236
sophistication of 23–4, 208, 227, 236, 246
union density 41, 77, 80, 83, 183, 207–8, 209, 214, 236
union internal democracy 83, 120
see also participatory democracy; representative democracy
union membership 35, 121, 147, 174, 227
union mergers 41, 81, 208, 213, 236, 246
union organisational structures 5, 14, 35, 36, 135, 169, 205, 237, 250
trade unions’ ability to act 1, 4, 7, 16, 24, 38
trade unions’ political influence 22, 93–4, 243
Argentina 86–7, 115–16, 121, 126
UK (United Kingdom) 75, 78, 99–101, 111, 134
trade unions’ strategies 3, 19, 28, 40, 98, 133, 195
TTB (Two Table Bargaining) 173, 175, 176–7
ultra actividad 86, 186, 189
voluntary redundancies 71, 130, 138, 140, 142–5, 147–51, 163, 165–7, 199, 225, 232, 244, 250
voluntary system 76–8, 82
World Bank (WB) 30, 49, 61–4, 70–1, 72, 92, 114–5, 117–18, 124, 130, 147, 186, 244
see also International Financial Institutions