

The trajectory of the Chilean labour movement during the governments of the Concertación. Framework agreement on strike subcontractors of CODELCO, 1990-2010

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ABSTRACT

The article analyses the trajectory of the Chilean labour movement during the new democratic period, specifically the action of the United Workers Central (CUT). We argue that the unions faced a complex scenario because of the characteristics of the transitional democratic process, marked by the dictatorial heritage with a structural position of weakness as an effect of the neoliberal model. In response, CUT went from a position of cooperation with a democratic confrontation because of dissatisfaction with the results of incomplete democracy governments, becoming a reference opposition to neoliberalism.

KEYWORDS

Unionism, transition, labour reform, neoliberalism

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This article aims to analyse the trajectory of the Chilean labour movement during the governments of the Coalition of Parties for Democracy (*In Spanish: Concertación de Partidos por la Democracia – CPPD*). The actions of the Unified Workers’ Central of Chile (*In Spanish: Central Unitaria de Trabajadores de Chile – CUT*) to constitute a trade unionism with greater representation at a national level will be the focus of this analysis.

We argue that during the governments of the CPPD, the union movement faced a series of problems, expressed in the loss of relevance of CUT as a political and social actor nationwide. Thus, the conflicts experienced by the unions would be a reflection of the contradictions of the process of democratic consolidation due to the different expectations of change by workers and the objective of preserving social order by the governments of the CPPD as a fundamental requirement to ensure the success of the young Chilean democracy.² That is, the lack of realization of the political and social democratization process influenced the history of the labour movement, which struggled to influence public policies and be also recognized as a valid social actor against other actors such as the business sector.³

Thus, the problems of the consolidation of Chilean unionism are linked to the demobilization of civil society, considered as an effect of the application of the neoliberal model as the policy of de-politicization of the Chilean society carried out by the military dictatorship, which sought to destroy traditional links between political parties and social movements. The dissociation between the political and the social was also stimulated by political dynamics developed by the governments of the CPPD, whose member parties, such as the Socialist Party (SP) or the Christian Democratic Party (CDP), ignored work within social organizations, favouring a type of political practice of an elitist character, which meant they lose their influence within social movements.⁴

² BOENINGER, Edgardo. *Democracia en Chile; lecciones para la gobernabilidad*. Santiago de Chile: Editorial Andrés Bello, 1997.

³ ARAYA, Eduardo; BARRIA, Diego & DROUILLAS, Óscar. *Sindicatos y políticas públicas en Argentina, Brasil, Bolivia, Chile y Venezuela. Balance de una década (1994-2006)*. Santiago de Chile: Editorial Universitaria, 2009.

⁴ BASTIAS, Manuel. *Sociedad civil en dictadura; relaciones transnacionales, organizaciones y socialización política en Chile (1973-1993)*. Santiago de Chile: Ediciones Universidad Alberto Hurtado, 2013.

Studies on the trade union movement during the governments of the CPPD have been scarce because the academic production on trade unionism focused at first on the effects of the Labour Plan in the union action.⁵ Once democracy was restored, researchers linked to the sector of labour, such as Guillermo Campero⁶ and Patricio Frias⁷, studied the the orientations of the unions, included discussions on labour reforms and integration of trade unionism in the new democratic regime. The scarce progress made by the unions in the recovery of their rights led to the development of a critical literature, which highlighted the contributions of foreign authors like Joel Stillerman⁸ and Volker Frank.⁹ In recent years, there have been a number of studies that have analysed the problems of the labour movement due to the continuity of the inherited labour model from the dictatorship, highlighting the contributions of Sebastian Osorio, who approached from a Gramscian perspective the trajectory of CUT during postdictatorial Chile¹⁰ and Antonio Aravena, Daniel Núñez and Sandra Leiva¹¹, among others, who have studied the movements of subcontracted workers in an interpretive framework that refers to the concept of a new social question, to understand the effects of the neoliberal model in the working world.

Bearing in mind the above contributions, this work will focus on the history of the union movement, represented by the CUT, as a political-social actor in a dynamic relationship with the governments of the CPPD.

⁵ For a global vision of unionism during the dictatorship, see CAMPERO, Guillermo & VALENZUELA, José Antonio. *El movimiento sindical chileno en el régimen militar chileno: 1973-1981*. Santiago de Chile: ILET, 1984.

⁶ CAMPERO, Guillermo. “La economía política de las relaciones laborales, 1990-2006”. Documento CIEPLAN, 2007.

⁷ FRÍAS, Patricio. “El movimiento sindical chileno en el primer año de transición a la democracia’ (1990-1991)”. Documento de Trabajo N° 84, Santiago de Chile, PET, 1992 and *Desafíos del sindicalismo en el siglo XXI*. Santiago de Chile: CLACSO, 2008.

⁸ STILLERMAN, Joel. “Continuidades, rupturas y coyunturas en la transformación de los obreros de MADECO, SA”. *Revista Política*. 44, 2005.

⁹ FRANK, Volker. “Sindicalismo y democracia en Chile: percepciones, esperanzas, novedades y posibilidades”. *Revista de Economía y Trabajo*. Year II, n° 4, PET, 1995 and by the same author, “El movimiento sindical en la nueva democracia chilena. Perspectivas de los dirigentes sindicales de base: ¿Hechos o ficción?”. *Revista Universum*. n.15, Universidad de Talca, 2000.

¹⁰ OSORIO, Sebastián. *Trayectoria y cambios en la política del movimiento sindical en Chile, 1990-2010. El caso de la CUT, entre la independencia política y la integración al bloque histórico neoliberal*. Tesis para optar al grado de Magister en Historia, mención Historia de Chile, Universidad de Santiago, 2015.

¹¹ ARAVENA, Antonio & NÚÑEZ, Daniel. *El renacer de la huelga obrera en Chile*. Santiago de Chile: Editorial LOM, 2009; LEIVA, Sandra. “Trabajadores subcontractados en la minería del cobre en Chile”. *Revista Trabajo*, Year 5, n° 9, January-July, 2012.

Unionism in transitional times. Between social dialogue and debate on labour reforms.

At the beginning of the new democratic period, most of the CUT leaders belonged to the CPPD. The Central sought to adapt to the new political context initiating a dialogue with business organizations to agree on reforms to the Labour Code inherited from the dictatorship, parallel to the policy of the Aylwin of holding a social dialogue that would help consolidate the new democratic regime. Thus, there was a moderation in union actions reflected in the abandonment of a class-based discourse and demands solely related to improving the living conditions of workers. This was a policy assumed by the unions linked to Christian democracy and the renewed socialism of the SP. However, this position was not unanimous within the CUT because the sectors linked to the Communist Party (CP) were opposed to the abandonment of the policy of social mobilization, especially taking into account the programmatic definitions of the party, focused on working in social organizations as a way to cope with their position of political marginality and remain relevant at a time when its historical reference, the USSR, was in terminal phase.¹²

These changes in trade union orientations were reflected in the position taken by most leaders of CUT who supported the policy of sustained social dialogue by the Aylwin government, whose first achievement was the signing of the Framework Agreement of April 1990, highlighted by several authors as a key milestone in the consolidation of the Labour Plan. Initially, most of the leaders of CUT and sectors of the leftist CPPD would have supported the restoration of the old labour standards since it meant recovering the rights lost by the enactment of the Labour Plan.¹³ This was clear in the final declaration of the Constituent Congress of the CUT that demanded “that the Labour Code be repealed, imposed by the dictatorship and legislation passed with active

¹² RIQUELME, Alfredo. *Rojo Atardecer. El comunismo chileno entre dictadura y democracia*. Santiago de Chile: DIBAM, 2009.

¹³ The Labour Plan consisted of a set of decree-laws dictated in 1979 whose objective was the liberalization of labour relationships and depoliticization of union action, being reduced exclusively to the company level. These regulations divided unions in enterprise unions, intercompany, freelancers and temporary workers, with only the first group of unions having the power to negotiate collectively. The strike would have a maximum duration of 60 days. An overview of the impact of the labour plan in the world of work may be found in RUIZ-TAGLE, Jaime Ruiz-Tagle, *El sindicalismo chileno después del Plan Laboural*. Santiago de Chile: PET, 1985.

participation of the CUT inspired by the principles of worker protection and freedom of association and collective bargaining”.¹⁴

However, an intermediate position was imposed, pointing to a partial reform of the Labour Code inherited from the dictatorship. Thus, the coalitionist leaders of CUT supported the signing of the Framework Agreement of April 1990 in view of reaching a social pact with the government and the business community. Although the Agreement cannot be considered strictly as a social pact¹⁵, but rather as a statement of good intentions, it served to legitimize the neoliberal model on the labour side, as parties renounced a policy of confrontation and assumed the primary role of private enterprise in the country’s development, ideas that constituted a break with the historical project of Chilean unionism.

Now this first reading of legitimacy of the neoliberal model as a result of the Framework Agreement must also be analysed considering the complexity of the union sector, where a strong presence of the extra-parliamentary left remained, especially communist militants who opposed the deal.¹⁶ The Communists criticized the policy of consensus with the right wing and the responsibilities of the government forces in the slow progress of the promised changes, establishing itself as a political force which reflected the legacy of the struggle of Chilean workers, a speech that touched deeply sectors of the Chilean labour movement.

The effectiveness of the social dialogue process was tested in the debate on reforms to the Labour Plan, jointly promoted by the government and CUT, but with substantial differences regarding the matters to change, since the Central demanded the effective right to strike, negotiation by branch and the end to unfair dismissal among other matters, while the government was only willing to improve the legislation. Thus, the discussion of labour reforms represented a milestone in the history of the CUT because it questioned its influence in the areas of power, especially within the government and the parliament. The debate was high between the various actors both because of the refusal of business organizations to modify the Labour Plan and by the insistence of the Central in demanding substantive labour law changes, while

¹⁴ Final Declaration of CUT, Historical Archive Foundation Francisco Largo Caballero, Confederal Fund Comisión Executive Committee, signature 002173-002.

¹⁵ ARAYA, Rodrigo. “*El Acuerdo Marco, ¿Un caso frustrado de pacto social?*”. *Tiempo Histórico*. nº 2, Escuela de Historia Universidad Academia de Humanismo Cristiano, 2011

¹⁶ According to a note from the communist newspaper *El Siglo*, union leaders of the party opposed the signing of an agreement with employers because of the refusal of the latter to any changes to the Labour Plan and the wave of layoffs, which was affecting many workers. *El Siglo*, week 6 to May 12, 1990.

the Aylwin government tried to mediate between the two players with the aim to secure an agreement on some reforms.

CUT leaders made several attempts to get support from Congress for their proposals, supported by parliamentarians of union origin. Thus, there were numerous summonses by the Central to the Congress to approve changes to the Labour Plan, even threatening protests if changes were not supported. However, there was no will to interpellate congressmen, who negotiated the reform process according to parliamentary dynamics itself, leaving CUT relegated to an interlocutory role in the social sphere but lacking binding powers. Thus, the discussion for labour reform was centred in the Congress, with no real presence of social actors, who have become mere spectators in a scenario that ceased to belong to them.

After several months of parliamentary debate, the pressure of the rightist bloc in the Senate persuaded the government to accept a counterproposal reform even if it was rejected by CUT, which regarded that most proposals were left out of the debate. Therefore, the negotiation process reflected the limits of the transitional process, as the approved changes were made “to the extent possible”, that is to say, according to the correlation of forces and the current economic thinking, inclined to neoliberalism, but with a different name.

Thus, the result of this first debate was negative for the Central because it could not successfully defend their approaches, losing the political initiative against the government and parliament. Despite this failure, the leading members of CUT refused to change their policy, due to the relationship of loyalty and collaboration established with the government, which led them to value the obtained changes to the legislation, a position defended by the unions linked to the Christian Democrats and the Socialist Party.¹⁷

However, the debate sparked by the reforms eroded the official leadership of the Central, who were questioned by the leftist extra-parliamentary opposition and a number of union organizations. The official position of most leaders of the Central provoked the departure of a number of organizations that once supported the formation of CUT with the result of a gradual reduction in members. Therefore, the debate over labour reforms put a strain on the Central and divided its leadership, and strengthened the position of the Communist Party, an organization that was slowly recovering in the union world that it had lost after the reconstitution of CUT in August 1988.

The insufficiency of the approved reforms and even the negative effects of some changes, as occurred with the addition of the “business necessity”

¹⁷ In the bulletin *Union y Trabajo*, official organ of CUT, changes to labour legislation were assessed, although considered insufficient. *Union y Trabajo*, Bulletin n°5, November 1990, p. 3.

clause instead of the “without-cause” dismissal, led to new demands from trade unions, which continued to demand changes to the labour laws inherited from the dictatorship. Thus, expectations of change for the trade union movement during the Aylwin government were frustrated by the lack of reforms to consolidate the Labour Plan. In addition, CUT weakened due to questionings of its leadership and the development of a series of processes that demonstrated the existence of a crisis in union activity, such as the reduction of its rate of membership and the coverage of collective negotiation after a brief rise in union activity indicators from 1990 to 1992. These problems showed a phenomena existing not only in Chile, but globally, where unions lost influence as social organizations at the expense of individualistic practices in free market societies, while traditional labour-based leftist parties experienced changes of leaders and militants, as occurred with the Chilean Socialist Party.

Dissatisfaction with labour reforms was reflected in the proposals by CUT to the presidential candidates in 1993, being favourably considered by candidates from the leftist *Movimiento de Izquierda Allende*, Eugenio Pizarro, and Eduardo Frei Ruiz-Tagle from the CPPD. The latter was supported by Manuel Bustos and Arturo Martínez, despite existing disagreements between the Central and the Aylwin government. The candidate Frei Ruiz-Tagle promised to make further changes to labour legislation, an understandable position within the electoral situation, but observers cast doubts on the real will to change according to the political trajectory of the coalition and the continuity of the authoritarian enclaves.¹⁸

The CPPD retained power by the triumph of Frei Ruiz-Tagle while Pizarro, the candidate supported by the Communist Party, counted with a small percentage of votes. In Congress, a correlation of forces remained favorable to the Coalition, although it was influenced by the presence of designated senators, a fact that anticipated difficulties in the compliance of labour promises made by Frei Ruiz-Tagle.

Therefore, at the beginning of the government of Eduardo Frei Ruiz-Tagle (1994-2000), the labour movement found itself in a situation of latent crisis, which increased during the years of the second Christian Democratic president. The absence of a cordial relationship between the Central and the new government became apparent with the failure of the minimum wage negotiations of that year, since the government did not accept the proposal by CUT, sending the readjustment bill without agreement from social actors, a situation which also represented a failure of the almost exhausted social

¹⁸ *La Época*, 13 August 1993, p. 11.

coordination policy.¹⁹ The discontent in the Central was also expressed in its removal from the trilateral commissions, arguing against neoliberal turn of the CPPD governments and showing dissatisfaction with the changes to labour legislation.²⁰ The executive branch, meanwhile, rejected this argument and even seemed to accept the claims from union members to decide to raise a new bill to the labour reform in 1995.

The constant clash of positions between CUT and the government finally took its first political victims in the trade union sector. Indeed, the Bustos leadership, worn out by years of presidency and work with the government, was questioned by the opposition represented by the Communists and by sectors linked to socialism.²¹ Moreover, the proposed new labour reforms introduced in 1995 continued with the dynamics of the previous proposal, that is, they had to be negotiated in Parliament under the conditions of the parliamentary right, which had power of veto to prevent changes that were contrary to their interests, while the CUT tried to pressure the Parliament through demonstrations or public campaigns denouncing parliamentarians opposed to labour reforms.

Thus, CUT was unable to obtain positive results in the discussion on labour reforms, which contributed to a breakdown of the rule of the Central during the elections of April 1996. This situation was relevant, because unlike the previous elections, there was no unanimity within the union currents about the presidency of the entity, as had happened with Manuel Bustos, who had exercised leadership in the trade union movement since the late 70s when he presided the Coordinadora Nacional Sindical (National Union Coordinator). The parties linked to the CPPD were on separate lists, a fact that favored the Communist Party, who went upward in relation to its support among working sectors. The Communists aspired to regain their seat in the union movement, protected by base work and electoral successes in social organizations, where they picked up the discontent of sectors disenchanted with CPPD policies.

In March 1996, the Communists announced their proposal to workers, containing various thematic areas with an approach based on their conception of CUT. Thus, the Communists proposed as objectives for the Central: “We promote the need for a class-conscious, powerful, unitary, broad, democratic, representative, pluralistic and unique organization, qualities that should be the conclusion of a collective consciousness that reach workers”,²² and with

¹⁹ *La Época*, 6 May 1994, p. 4.

²⁰ The trilateral commissions consisted of workshops with economic content that brought together government representatives, trade union and employers.

²¹ In the commemoration of 1 May 1995, Manuel Bustos was attacked by left-wing extremist protesters. *La Época*, 2 May 1995, p.12.

²² *El Siglo*, week 8-14 March 1996, p. 14.

it they defended the autonomy of the labour movement. Finally, the Communists proposed the formation of strong unions that were able to make their agreements respected by the government and business organizations, moving towards the unity of the unions by industry.

Therefore, there were many factors involved in the internal elections of the Central, even though political influence had diminished compared to the beginning of the new democratic period. The results were favourable to the Communists who upped their number of directors from 10 to 16 while the Christian Democrats fell from 17 to 11 directors and the Socialist Party fell from 16 to 15 directors. The Communists interpreted these results as a triumph by becoming the main political force in the Central, an accomplishment that came to confirm their questioning approach of the model, expressed in the adhesion of sectors that had previously voted for candidates linked to the Coalition.

After complex negotiations, an intermediate formula was reached, by which a socialist leader with little public presence, Roberto Alarcón, was elected president. This was consequence of an agreement between the Communists and the supporters of Arturo Martínez. The new direction would be temporary, promising to hold elections in 1998, which would be a future factor of instability for the Central.

The change in the correlation of forces had a twofold effect: on the one hand, it weakened the internal cohesion of the Central, with the emergence of a constant antagonism between those linked to the Coalition and the representatives of the leftist trade unions; and on the other hand, it questioned the foundations of the union sector, on which union action was based, as a discussion was held on the legitimacy of the neoliberal model and the continuity of it during the democratic governments, a problem that would be reflected in the debate over labour reforms. Thus, the trade union movement represented by CUT was turning to questioning the neoliberal model, considering formulating an alternative project that considered the historic demands of Chilean unionism, for which it defended the validity of social mobilization as an instrument of struggle, but also being aware that the structure of political opportunities was not favourable to that expression of collective action. Therefore, many times throughout the study period, threats to call strikes remained at the rhetorical level, reflecting a language that some critics would consider as stagnant and outdated.

Finally, we note that the weaknesses and contradictions of the labour movement represented in CUT were again put in evidence during the debate on new labour reforms, a project whose state of discussion remained in the

background in the context of a new electoral situation in the 1999 presidential elections, in which the socialist Ricardo Lagos from the CPPD was presented as a candidate. In this electoral context, the government treated with utmost urgency the labour reform bill, which had been stalled in Congress since January 1995, forcing the Senate to vote on it in November 1999. The Frei government's decision attracted immediate rejection from business organizations and in the debate the reforms became polarized between supporters of both candidates because the right wing was strongly opposed to its approval by appealing to the majority it had in the Senate, so that the project was rejected in an intense voting session, which was postponed until the new year. Now, the CUT had no more interference in that debate, which stood at a parliamentary level, where its influence or pressure was lower compared to the employers' organizations. The Central supported the project, rejecting the attitude of employers and some government MPs who were likely to again postpone the parliamentary process.

The position of CUT was expressed by the acting president, the Communist Etiel Moraga who along with other leaders argued that although “the proposed reforms are still insufficient, they consider them at least a partial advance, warning that its approval does not mean that the Central would stop to insist on a serious and profound reform to the legislation that governs us”.²³ Therefore, the possible rejection or approval of the labour reform bill would not mean that the CUT would renounce its demands for changes, bearing in mind that the forthcoming Ricardo Lagos government announced, in theory, a new political air in the country.

A new CUT? The union movement in the XXI century

The government of Ricardo Lagos (2000-2006), was a milestone for the development of democratic governments, as he was the first socialist president after Salvador Allende. The new Minister of Labour, the socialist Ricardo Solari, maintained a collaborative relationship with the president of CUT, Arturo Martínez, as both shared militancy in the SP. The leader of CUT had managed to be elected president of the Central, in August 2000, replacing the communist leader Etiel Moraga, who was the acting president.

Despite the presence of a socialist militant in the Ministry of Labour, the dynamics of negotiation of labour reform bills did not experience major changes, continuing the transactional logic born in the Aylwin years. That is, the government sought consensus among the actors involved: workers and employers during the pre-legislative work, in order to facilitate discussion in

²³ *El Siglo*, week 26 November-2 December 1999, p.5.

Parliament and subsequent approval of the project. However, this method of working was detrimental to CUT, because both the Central and employer organizations had irreconcilable differences over the so-called “hard reforms”, such as collective bargaining by branch, the end of replacement workers during strikes or the regulation of outsourcing.²⁴ In essence, the approach of CUT corresponded to the pending debt of the so-called transitional process, demands that had been systematically postponed because they would affect the foundations or pillars of the neoliberal model, a reason that would explain the cutting rejection from business to incorporate them in the debate on the reform of the Labour Code.

In addition, an important part of the debate was confined to parliament, a stage that remained immune to possible pressure from social movements, but prone to the practice of lobbying, especially from the business sector. However, CUT leaders themselves established relationships with the government, failing to debate the reforms among its union base, a practice that did not stimulate the development of a more active trade union movement.

The debate also raised differences within the CPPD, since the “liberal wing” of the Christian Democrats opposed aspects of the proposed reform, coinciding in their positions with the parliamentary right and the business sector. On the other hand, the employers’ associations developed a strong media campaign against the reforms, also supported by the unfavourable economic context marked by the “Asian crisis” that served to justify the fears of a deceleration in economic activity because of rules that would alter labour flexibility or stimulate the power of the unions.

Finally, the Lagos government supported a bill that would consider the points that were agreed between entrepreneurs and workers, leaving matters where there was no consensus aside, as was the case of the “hard reforms”. Thus, a transitional logic that is not justified considering the changes in the situation was followed, represented in the loss of power of General Pinochet and therefore in the threat of an authoritarian regression, an argument that had been useful to align positions in complex moments of parliamentary discussion. Basically, the type of political practice of the Aylwin and Frei Ruiz-Tagle governments were anachronistic in the new century, a problem that contributed to the separation of the political class from civil society.

The CUT attended, with no power, to the development and approval of the new package of labour reforms in September 2001, a process that generated

²⁴ According to CUT, “business has blackmailed the government and boycotted the country, to preserve the privileges of the labour plan imposed by the dictatorship which have maintained their full vigilance”. *El Siglo*, 30 March 2001.

much criticism against the government senators who supported the business approaches. The secretary general of the Central, the communist Jose Ortiz, declared:

While the current project is less bad than current legislation and that which emanated from the Senate project, the reforms ‘do not meet expectations or the workers or the CUT’, because the more substantive topics remain unresolved, such as eliminations of intercompany strikebreakers and negotiation, and the concept of what a company is is quite diffuse.²⁵

Although the new approved norms constituted a breakthrough, with Frías²⁶ arguing that the new legislation ended the union transition, the continuity of demands for further changes to the Labour Code revealed the dissatisfaction of many working sectors to the policy followed by the Central, a disaffection that contributed to the permanent crisis of CUT.

Now, CUT sought to adapt to the challenges of the XXI century by updating its mission statement, but without renouncing traditional instruments of struggle such as strikes. Thus, the Central began a slow path to social opposition against the Lagos government, despite its socialist militant President Martinez. Given the government's decision to advance in the signing of free trade agreements without considering the opinion of the workers' organizations and suggesting the possibility of studying the application of rules of labour flexibility according to requests from business associations, CUT resolved to call for a general strike on August 13, 2003.

This call for a national stoppage was the first of its kind since April 1989 and marked a turning point in the history of trade unionism, increasingly aligned to anti-neoliberal positions. While the labour movement had no ability to conduct a strike that would alter production processes, it could question the apparent unanimity against the neoliberal model, considered as a key task by the CPPD a decade ago. The strike was carried out despite the dissent of leaders linked to the ruling party and the hostile right wing media campaign. For the leaders, the strike was successful because it had shown a mobilized people, with *El Siglo* remembering the old days against the Pinochet dictatorship.

In parallel to the call for a general strike, there was also a refoundational Extraordinary Congress of CUT, which ended on 24 August 2003. This instance, the highest level contemplated according to the statutes of the organization, aimed to develop and update the statement of principles and platform of struggle according to the changes experienced by the country over

²⁵ *El Siglo*, 6 September 2001.

²⁶ FRÍAS, Patricio. “*El impacto de las reformas laborales en las relaciones laborales*”. Santiago de Chile, Documento Dirección del Trabajo, 2003.

the past 15 years since Chile had consolidated its position in the globalized world.

According to reports from *El Siglo*, Congress resolutions determined the rejection of the signing of the Free Trade Agreement with the USA and the support for regional integration initiatives such as MERCOSUR (Southern Common Market). In addition, resolutions argued that “through its actions, CUT must pursue to influence the reorientation of national economic growth and distribution of wealth that would mean greater investment in health, education and social security,” adding that “it is urgent to build a solidarity state for equity, concerned for welfare, democratic, pluralistic and participatory. For these reasons, the Congress resolved to fight to re-nationalize the basic services that were privatized”.²⁷

Finally, the Congress concluded with a resolution that proposed the transformation of CUT into a socio-political movement that would lead the fight against neoliberalism. Therefore, this instance was important because it placed the Central in a position of clear opposition to neoliberalism, unlike the earlier declaration of 1988, so that the traditional character of unionism was reconsidered as an agent of change, a fact that for some leaders was a regression within the modern definition of unionism while others embraced the deep sense of unionism as a social movement.

Arturo Martínez added that defining unionism as a socio-political movement involved:

persevering for an integral quality-life for workers contemplating the conquest of work and decent wages, the right to health, education, social security. Rights that can only be achieved and exercised in a true democracy, with liberty and justice. Because democracy is not only electing and being elected, democracy also means rights and if they have not reached the people, democracy will not have reached them.²⁸

Therefore, the CUT president referred to a substantial concept of democracy, based on the full enjoyment of economic and social rights by citizens, a goal the Central aspired to reach, while it also openly criticized the problems of inequality that had increased during the democratic governments.²⁹

The conclusions of the Congress pointed to an *aggiornamento* from the Central and an increase in its membership to strengthen the union within an unfavourable context for collective action. However, despite the challenges

²⁷ *El Siglo*, n° 1155, week August 29-September 5 2003, p.6.

²⁸ *El Siglo*, n° 1155, week August 29-September 5 2003, p.5.

²⁹ See GARRETÓN, Manuel Antonio. *Hacia una era política. Un estudio sobre las democratizaciones*. Santiago de Chile: FCE, 1995.

to the validity of the union as an effective and legitimate tool for defending the interests of workers, the fundamental element of union action, the collective action of a group of people who share certain working conditions, will remain in force and will continue in the next few years with the emergence of new trade unions.

Thus, the concept of the “new social question”³⁰ becomes relevant due to the formation of a new political and social scenario marked by the precariousness of working conditions and the emergence of labour organizations that contradicted the voices that claimed the anachronism of the union. Indeed, we propose that during the first government of Michelle Bachelet (2006-2010), there would be a revival of the labour movement from the base, surpassing the margins of action of CUT itself. Indeed, from the most dynamic areas of the national economy, such as the fishing industry, forestry and mining new representative organizations of workers emerged, who would try to conduct negotiations by branch despite its legal prohibition bearing in mind that the vast majority of them corresponded to subcontracted workers. Therefore, new demands aimed at improving the contract conditions of those considered as second-class workers due to their lack of labour and social rights.

The subcontractors’ movements had mixed results according to the collective force they managed to gather: the most successful mobilization of subcontracted workers being at the state mining company, Codelco, which won a number of concessions from the company, while they also created a stable union, the Confederación de Trabajadores del Cobre (*Confederation of Copper Workers*)³¹, of great relevance to the present by its impact on a strategic sector of the Chilean economy.

In the face of the union challenge, the state reacted in the traditional way, using, on the one hand, a policy of repression, resulting in injuring and even killing workers, such as the murder of a forestry worker by a police bullet during a clash with the police.³² On the other hand, the first Bachelet government tried to make a new labour reform initiative that was supported by the Minister of Labour Osvaldo Andrade. The project was directed to solve the problems of subcontracted workers clarifying the responsibilities of the

³⁰ ARAVENA, Antonio & NÚÑEZ, Daniel. *El renacer*. Op. Cit.

³¹ The first president of the CTC was the communist militant Cristian Cuevas, who praised the creation of the organization as a milestone, adding “an infinite possibility opens to a new struggle, a new boost to the movement of workers, at the level of our country and especially to end of the insecurity and advance of intercompany collective bargaining and this will do, but is in the legal framework where we will break the locks of the inherited institutions of the dictatorship.” *El Siglo*, 15 August 2007.

³² In a stoppage of subcontracted workers in the forest companies, the worker Rodrigo Cisternas was killed by a police bullet.

parent companies and subcontractors, for which a broad concept of “company” was defended. In turn, the ministry and the Labour Directorate had a more sympathetic position towards the trade union movement, even when they conducted illegal strikes, contrary to the reluctance of the Finance ministry to accept changes in labour questions.³³

This situation was relevant for the labour movement in general, because it put a strain on a political system that increasingly showed signs of exhaustion and the delegitimization of its institutions. However, the action of political authorities continued the logic of the past decade, that is, formation of commissions, dialogue between political leaders and debate within the Congress, so that any changes to labour legislation were softened as had already happened in 1990 and 2001. Moreover, as a symbol of the limits of Chilean democracy, the concept of enterprise approved by Congress that favoured workers, unionized or not, was appealed by two opposition senators to the Constitutional Court, making the definition of Enterprise in the subcontracting law unconstitutional. That is, ultimately, the Constitutional Court became a brake on the demands of the CUT, an organization that in spite of its combative speeches had persisted in their struggles for change through institutional channels.

Despite these problems, CUT renewed its program, outlining in short the installation of a Solidarity and Democratic Social state that would replace the Subsidiary state, a pillar of the neoliberal model³⁴, an essential demand that summarized the history of struggle of trade unionism in the democratic period. It would face a new challenge at the end of the Bachelet government with the return of the right wing to power by democratic means, after 20 years of Central-left governments. Thus, with an uncertain scenario, the Chilean labour movement will face a new challenge, having the political heirs of the military dictatorship as an interlocutor in the government.

Conclusion

Finally, we argue that the evolution of the CUT during the period ranged from a collaborative relationship with the government to a position questioning the

³³ Rolando Álvarez argued that there was a new situation that contributed to a change in the structure of political opportunities, which enabled the developing of demanding actions by working sectors with scarce unionist tradition. See ÁLVAREZ, Rolando. “¿Desde fuera o dentro de la institucionalidad?” in ‘*La huelga larga del salmón*’ and ‘*Las nuevas estrategias sindicales en Chile*’ in ARAVENA, Antonio & NÚÑEZ, Daniel Núñez. *El renacer...Op. Cit.*, pp. 75-116.

³⁴ *El Siglo*, 25 January 2009, p. 21.

neoliberal model. Indeed, in the first leadership of CUT the majority favoured the policy of consensus as a tool to ensure the success of a complex transitional process to democracy while the old power bloc, represented in the figure of Pinochet as army commander in Chief, was still present. Therefore, the demands of the labour movement remained subject to the objectives of governance and the confines of social peace of democratic governments, so that changes made in labour matters were lower compared to the expectations of workers. Thus, this shift is largely explained by the failure in its policy of supporting social agreements and the few achievements regarding changes in labour legislation.

Therefore, the internal crisis of the CUT was a reflection of the problems faced by various social movements, unable to adapt to the new political scenario, but also disappointed in the results of democratization process, which aspired to be heard and especially be recognized as key players in the new democracy that emerged on 11 March 1990. However, the trade union movement and other social actors maintained a constant struggle to move towards a more inclusive type of democracy, seeking to move the boundaries of the “possible”, in other words, to undo the legacy of an unfinished transition.

