Privatisation and trade unions’ mobilisation: a comparative study on the privatisation of the electricity industry in UK and Argentina. A test for mobilisation theory.

By

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The thesis represents the candidate's own work and has not been submitted for a degree at another University.
To Mariana, who knows why;
to Catalina, who will;
and to Tecla, who won't.
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Abstract

This thesis explores the relationships between the privatisation of the electricity supply industry and workers' collectivism in two countries, United Kingdom and Argentina. Drawing upon mobilisation theory, the thesis understands the process of privatisation as a key counter-mobilising force of the last cycle of state and capital counter-mobilisation against organised labour. Thus, the research aims at identifying why and how privatisation contributed to hinder workers' collectivism and how ESI trade unions responded to that challenge. Concomitantly, it intends to test the utility of mobilisation theory for such purpose.

At empirical level, the thesis carries out a comparative study of the anti-privatisation campaigns in United Kingdom and Argentina, the mobilisation of money resources to prevent trade unions from mobilising workers against the sale of the industry, the effects upon labour of the fragmentation and decentralisation of collective bargaining, and the impact of all these events on the organisational strength of trade unions and the social processes involved in the collective definition of interests.

At theoretical level, the research intends to evaluate the potential contribution of applying mobilisation theory in a cross-national comparison through a research design, which unfolds at micro, meso and macro-analytical levels, and the place of agency type variables within this conceptual framework.

Overall, the thesis substantiates, on the one side, the case for privatisation as a counter-mobilising force as it reduces the opportunity for trade unions to act and promotes division, competition and sectionalism on the workers' side; but it also points to the role of leadership and the processes of decision-making to explain the concrete responses essayed by trade unions in this particular context. On the other side, it proves that the cross-national comparison and the scope of the analysis contributed to put in evidence the relevance of various mediating
factors in the explanation of variability in the opportunity-to-act, in the empirical forms taken by counter-mobilisation and in the (re-)sources of power mobilised defensively by unions, while agency type factors were paramount to explain variability at national level between unions facing similar opportunity structures and similar counter-mobilising policies.
Acknowledgements

Now, that the time to write the acknowledgements has arrived, I do realise that a cycle is finally coming to an end. For my wife, Mariana, and for me, this means that four years of traveling between The Netherlands, United Kingdom and Argentina are coming to an end; that our daughter, Catalina, was born in springtime, but now is an autumn girl; and all this reminds me that there is something strongly emotional in every finale.

I want to say thanks, first of all, to my supervisors, Trevor Colling and Anthony Ferner. They were masters in the art of empathy. Their balance of encouragement and criticism was a stimulating force all over the research. I have learned greatly from both, especially, from our disagreements. I take with me the intangible satisfaction of having discussed with passionate people my scientific certainties and uncertainties.

I take advantage of this academic ritual to express my gratitude as well to those who read parts of the thesis and shared with me their views, which often served to improve my work: Maurizio Atzeni, Guglielmo Carchedi, John Kelly, Marcelo Raimundo, Mabel Thwaites Rey and Peter Waterman.

I would like to mention too the institutional supports received over these years. De Montfort University awarded me a research bursary; the Society of Latin American Studies financed my ticket to Argentina to carry out fieldwork; the Public Service International Research Unit gave me access to their databases; the Universidad de La Plata maintained my job position while studying abroad; librarians from the Warwick Record Centre, the TUC Library in London and the Biblioteca del Ministerio de Economía in Buenos Aires showed always a lively disposition to satisfy my demands and enquiries.
Finally, special thanks to all those trade unions' officials, lay representatives and workers, who spoke with me frankly about their views, feelings and hopes. For them is this thesis.
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 Argentinos
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-Owned Shares Programmes
ESTUC Electricity Supply Trade Unions Council
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>FATLyF</td>
<td>Federación Argentina de Trabajadores de Luz y Fuerza</td>
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<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>
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<tr>
<td>FTO</td>
<td>Full-Time Officer</td>
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<td>FUSE</td>
<td>Federation of Unions Supplying Electricity</td>
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<tr>
<td>GMBATU</td>
<td>General, Municipal, Boilermakers and Allied Trade Union</td>
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<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>IR</td>
<td>industrial relations</td>
</tr>
<tr>
<td>LyF CF</td>
<td>Luz y Fuerza Capital Federal</td>
</tr>
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<td>LyF MDP</td>
<td>Luz y Fuerza Mar del Plata</td>
</tr>
<tr>
<td>NALGO</td>
<td>National and Local Government Officers’ Association</td>
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<td>NEC</td>
<td>National Executive Council</td>
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<td>NGC</td>
<td>National Grid Company</td>
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<td>NJB</td>
<td>National Joint Board</td>
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<td>NJC</td>
<td>National Joint Council</td>
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<td>NJIC</td>
<td>National Joint Industrial Council</td>
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<td>NJMC</td>
<td>National Joint Managerial and Higher Executive Grades Committee</td>
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<td>NORWEB</td>
<td>North West Electricity Board</td>
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<tr>
<td>PAG</td>
<td>Partido Justicialista</td>
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<td>PJ</td>
<td>Partido Justicialista</td>
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<tr>
<td>PPP</td>
<td>Programa de Propiedad Participada</td>
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<tr>
<td>PRP</td>
<td>performance related pay</td>
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<tr>
<td>REC</td>
<td>Regional Electricity Company</td>
</tr>
<tr>
<td>SEEB</td>
<td>South Eastern Electricity Board</td>
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<tr>
<td>SEGBA</td>
<td>Servicios Eléctricos del Gran Buenos Aires</td>
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<tr>
<td>PSBR</td>
<td>Public Sector Borrowing Requirement</td>
</tr>
<tr>
<td>STB</td>
<td>single table bargaining</td>
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<tr>
<td>Sutecba</td>
<td>Sindicato Único de Trabajadores del Estado de la Ciudad de Buenos Aires</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>SWALEC</td>
<td>South Wales Electricity</td>
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<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>
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<tr>
<td>TTB</td>
<td>two-table bargaining</td>
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<tr>
<td>TUC</td>
<td>Trade Union Congress</td>
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<tr>
<td>UOCRA</td>
<td>Unión Obrera de la Construcción de la República Argentina</td>
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<tr>
<td>UOM</td>
<td>Unión Obrera Metalúrgica</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>YCF</td>
<td>Yacimientos Carboníferos Fiscales</td>
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Chapter 1

Introduction

The thesis has two main objectives. On the one side, it aims to explore, empirically, the relationships between privatisation and workers' collectivism. On the other side, it intends to test the utility of mobilisation theory for such purpose. As for the former, the research focuses on the privatisation of the electricity supply industry (ESI) in two countries, United Kingdom (UK) and Argentina: that is, how it 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, thus, arose at the crossroads of a variety of literature. It comprised studies on the rationale and the driving-forces behind the development of privatisation worldwide, particularly, about the privatisation programmes in UK and Argentina; the relationships between privatisation and organised labour; and, lastly, the use of mobilisation theory in the field of labour studies. The coming chapters will review these strands of the literature, when 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 their 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 to
overcome obstacles to capital accumulation (Cook & Murphy 2002; Dinerstein 2001; Thwaites Rey 1994). 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 4 and 5 will discuss this perspective, concomitantly justifying the empirical focus of the thesis.

As for the relationships between privatisation and labour, scholars mostly concentrate on the impact of privatisation on job loss, industrial relations issues and collective bargaining (Báez-Camargo 2002; Cook & Murphy 2002; Colling & Ferner 1995; de Luca 1998; Ferner & Colling 1991; 1993a; 1993b; O'Connell Davidson 1993; Murillo 2001; Ogden 1993; Pendleton & Winterton 1993; Pripstein Posusney & Cook 2002; Riethof 2002; Van der Hoeven & Sziraczki 1997; Wallis 2000; among many others). Chapter 3 will address this literature, insofar as it relates to the aims of this research. This thesis, instead, aims to study how this type of changes (and others) conditions workers collectivism, a topic rather neglected in the literature.

Lastly, mobilisation theory, as promoted by Kelly (1998), has been mainly used in the field of labour studies to analyse and conceptualise union revitalisation. In this research line, mobilisation theory plays different roles. In the main, it contributes, together with insights from other theoretical frameworks, to conceptualise partial aspects of the process of union revitalisation. In this vein, it is loosely applied to analyse 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 & Turner 2003; Frege & Kelly 2003, 2004; Heery, Kelly & Waddington 2003; Heery et al. 2003; Kelly 2005). In the cases in which it is strictly applied, the focus shifts to discrete events; for instance, organising campaigns (Kelly & Badigannavar 2003), or struggles around the statutory recognition process (Moore 2004). Besides this strand, the categories offered by mobilisation theory have also prompted a variety of
Almost all these works share a preference, particularly, when they heavily draw on mobilisation theory, for micro-analytical levels. This suggests that, as Gall (2000a) stressed in his review of the book *Rethinking Industrial Relations*, there is still a lack of intellectual engagement, at meso- and macro-analytical levels, with the theoretical framework developed by Kelly. This research is intended, partly, as a contribution to balance this situation.

The core idea of the research is, thus, that a focus on the consequences of privatisation on organised labour is appropriated 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-run (opportunity-to-act, mobilisation, organisation, interest definition, collective action). The research conceptualises privatisation, as not only part but also in itself, a process of counter-mobilisation, which decreased the opportunity for trade unions to engage in collective action. And 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.

The most basic empirical research questions directing the enquiry may be sketched as follows:

Why and how did privatisation hinder workers' collectivism? What were the dimensions targeted by state and capital counter-mobilising policies during and after the process of privatisation? How have ESI unions responded to privatisation? What are the main sources explaining variability in unions' responses between and within countries? What sort of resources did trade unions mobilise to counteract privatisation and its consequences?
Concerning theory:

What is the potential contribution of a cross-national comparison to the development of mobilisation theory? What are the advantages and disadvantages of mobilisation theory when it is applied in a research design, which unfolds at micro, meso and macro-analytical levels? What is the place of agency type variables within this conceptual framework? What is the contribution of mobilisation theory to the understanding of comparative privatisation? What are the limits of the mobilisation perspective?

Outline of the thesis

The argument of the thesis unfolds by gradually building the theoretical and empirical foundations (chapters 2 to 6), which frames the case-studies research (chapters 7 to 9).

Chapter 2 discusses mobilisation theory. While the 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 inadequate to analyse how ESI privatisation conditioned trade unions' ability to act. Thus, when setting up the analytical framework of the research, the chapter puts forward an alternative approach to the category interest, which stresses the collective interactions by which workers process their multiple needs into specific demands and strategies. Concurrently, the discussion underlines the importance of the categories opportunity-to-act (or opportunity structure) and organisation for explaining workers collectivism, and shows how they are understood and used in the study.

Chapter 3 presents the methodology, whose design combines a case-study approach and the comparative method, and justifies the selection of the empirical field.
In the chapters 4 and 5, the aim is to explain why the process of privatisation was, arguably, one of the most salient aspects of the latest cycle of capital counter-mobilisation. After illustrating the various meanings of the term privatisation, chapter 4 provides a set of arguments to assert its counter-mobilising content against labour. By exploring the driving-forces and rationales of their respective programmes, chapter 5 compares the contextual conditions of privatisation in UK and Argentina; in this way, it highlights how far contextual variability contributed to shape differently the opportunity structures of ESI trade unions in both countries.

Then, chapter 6 analyses, comparatively, how national industrial relations institutions, as intermediate variables, constrained differently trade union resources of power, affecting by this manner the opportunity structure and the forms taken by state and capital counter-mobilisation during the process of privatisation.

The remaining chapters of the thesis explore the relationships between privatisation and workers' collectivism through an empirical analysis of certain counter-mobilising contents of ESI privatisation, their impact on the mobilising capacity of ESI unions and their strategies.

Chapter 7 focuses on the anti-privatisation campaigns held by ESI unions, paying particular attention to the category opportunity-to-act to which those campaigns were directed. However, as changes in the opportunity structure cannot explain by themselves the strategic choices of the actors, the analysis turns, then, to union organisational features, leadership styles and decision-making processes. Chapters 8 and 9 address two crucial aspects of the counter-mobilising content of privatisation: firstly, by analysing how money 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 10
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 thesis closes with a summary of the main arguments and findings of the research.
Chapter 2

Developing the Analytical Framework

Mobilisation theory, as adapted by John Kelly for the field of industrial relations, following the insights developed within the social movements and collective action traditions, appears as a powerful framework to analyse workers' collectivism (Kelly 1998). Drawing upon long-waves theory too, his formula combines a long-run 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-run (opportunity-to-act, mobilisation, organisation, interest, collective action). Thus, it suits, in principle, the empirical aim of the research: to analyse 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 birthmarks. Besides, the comparative framework in which mobilisation theory is applied adds complexity to the whole theoretical endeavour. Thus, after explaining why mobilisation theory is more appropriate for this study than standard comparative approaches, the following sections will, first, address certain birthmarks of mobilisation theory; second, ponder their potential shortcomings for answering the research questions; and third, argue that some of these birthmarks underpin the micro-level framework adopted by Kelly to account for the category interest. Then, the analytical framework of the research is outlined on the base of the elements of Kelly's model, which are most relevant for the aims of the thesis, but following an alternative approach to interest definition, which emphasises collective dimensions rather than individual experiences and subjective perceptions.
Mobilisation theory in comparative perspective

There exists a shared understanding about the advantages of comparison for the practice of sociology that highlights its role in promoting deprovincialisation, and revealing both the systematic nature of variations and broad similarities, which facilitate the identification of what is generally true about a number of cases (Crow 1997). In this view, it is also stressed, as Durkheim put it, that 'only comparison affords explanation' (Durkheim 1970: 41). In turn, comparative historical analysis has been recently defined as comprising three specific emphases: 'a concern with causal analysis, the exploration of temporal processes, and the use of systematic and contextualized comparison' (Mahoney & Rueschemeyer 2003: 15).

Within the field of industrial relations, Hyman has praised the comparative approach on similar basis (Hyman 1994c). 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, always according to Hyman, 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 the early appeal of the comparative method for 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 or 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 in the role of employers as a key variable to explain divergences.

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 developed, firstly, by the book *Industrialisation and the Industrial Man* (Kerr et al. 1960), but this time, as a consequence of forces unleashed by globalisation, mainly, the increased international competition and the new production technologies (Bamber & Lansbury 1993; Bamber, Lansbury & Wiles 2004; Bean 1994; Eaton 2000).

However, despite advocacies of convergence, most comparative studies ended up painting a picture of continuing diversity in the national systems of industrial regulation, while at the same time, recognised common challenges due to the introduction of new product and informational technologies, industrial restructuring, and managerial pressures towards flexibilisation and decentralisation (Bamber, Lansbury & Wiles 2004; Ferner & Hyman 1998; Locke & 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 of the different actors to understand how the global forces interact with national situations (Katz 1997; Katz & Kochan 2004; Kochan, Katz & McKersie 1987). Besides, the role of nationally specific institutional factors to explain persistent variation in industrial relations across countries was also typically emphasised by those criticising the convergence thesis. Lastly, the literature, which started to pay attention to the international diffusion of employment and human resources management policies due to the global expansion of MNCs,
accentuated the role of, not only legal and institutional aspects, but also different cultural frameworks (Ferner 1997).

Yet, several scholars began 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.

For Locke and Thelen, the explanatory power of the conventional model is undermined by three basic assumptions. Firstly, conventional comparative analyses often portray external pressures as "equally pervasive or intense to all national economies" (Locke & 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 & Thelen 1995: 343). Their main finding was that the specific interaction between institutions and actors' identities, particularly traditional trade union identities, is key to understand cross-national variations.

Others scholars, instead, 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 & Lansbury 1993; Bamber, Lansbury & 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 most, 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 5, for example).

In short, this introduction, though schematically, helps to understand why the conventional approaches are inappropriate for a thesis 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, a systematic comparison following a mobilising perspective, unlike other recent comparative studies on union' strategies, in which the mobilisation theory is only loosely applied (Frege & Kelly 2003, 2004; Frege, Heery & Turner 2004), allows for the different stages of mobilisation to be conceptualised and studied within specific contexts.

Thus, if it could be argued that this study does follow, in part, the conventional approach insofar it examines a similar development, that is, 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 place to the mediating role played by institutions – through the categories opportunity-to-act and organisation. Yet, it puts forward a more sophisticated apparatus to account for trade union's agency – through the categories organisation and interest, which is, precisely, one of the main objectives of this research. In this sense, mobilisation theory outperforms too, 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 to account for trade unions' responses to change. As a result, it is fruitful to develop the model in a
comparative perspective, as whether the advantages of comparison are still advocated by scholars from 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 union's agency. Yet, the theoretical development of mobilisation theory for a comparative study requires an appropriate methodological design. This latter aspect is to be discussed in the next chapter.

**Contentious collective action and social movements: theoretical insights and theoretical birthmarks**

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 pointless for the purpose of this study. Instead, the examination of some controversial views, shared by these trends of thought, is crucial to ponder the prospects for a successful theoretical transposition to the field of labour studies.

The basic questions are what these theoretical traditions stand for, whether they focus on identical or dissimilar objects of study, and what connotations have the answers to those questions 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 1980s, a common research agenda emerged as the outcome of consecutive reactions to structuralism (McAdam, Tarrow & 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 individuals join contentious collective action and what the social-psychological processes involved are.
The story behind this development is complex. It includes, at least, two processes.

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

Indeed, some formulations combined theoretically both perspectives. Characteristically, Klandermans (1984: 584) made the explicit case for the renewal of social-psychological approaches upon expectancy-value theory, a typical rational-choice framework, which posits the problem in terms of costs and benefits. This renewal, irrespective of whether or not still keeping 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 cascade of models to address 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 & Benford 1988).

What, then, about the object of study of these intellectual schools? Certainly, despite an obvious overlap, there is a difference of scope. While some scholars group 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 1960s and 1970s, mainly, in Western Europe and United States (USA).

In the former case, theory building rests on a violent abstraction that reduces the importance of the enduring 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 starts to dominate the research agenda.

In the latter case, the same concern has spread widely as well, but not at the expense of historical perspectives and social structures. However, while collective action traditions does 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, but also 1970s (Rucht 1988). Theory-building within this trend grounded in the study of the students and civil rights movements first, the
environmental and women's movements then, and finally the peace, anti-nuclear, neighbourhood movement and the like (Klandermans & Tarrow 1988; Klandermans 1988; Rucht 1988). It was not organised labour, then, the soil where most social mobilisation frameworks developed, tending to assimilate since then "other forms of contention to prevailing explanations of social movements" (McAdam, Tarrow & Tilly 2001: 14). Indeed, many scholars 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. In the research agenda of this trend, given the type of objects under study, the very process of building an organisation and engaging in collective action often overlaps theoretically, damaging their appeal for the field of labour studies. Typically, the starting point is individual subjectivity (awareness of grievances), and then, through organisation to collective action.

Summarising, individualistic and social-psychological standpoints to explain 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 risky birthmarks of social mobilisation theories when attempting their transposition to the field of labour studies. Then, it is time to analyse as to whether any of those birthmarks infiltrated Kelly's endeavour.

**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 his model when approaching the problem of interest definition.

Kelly offers a balanced theoretical framework to study workers' collectivism by taking insights from different sources. Crude versions of the aforementioned birthmarks will neither be found in his theoretical presentation nor in his empirical work. In accordance to his own Marxist background, and having as starting point Tilly's (1978) aged but exceptional discussion of mobilisation theory, the institutions and dynamics of the labour movement, and the enduring social relationships that structure interaction, are his prime concerned. 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, my argument is that, in fact, Kelly's framework to account for interest definition rests on individualistic assumptions, and hence, it is not adequate for the object of study of this thesis. Although Kelly rebalances the argument by engaging in worthy discussions of some social processes involved, a methodological risk remains. The latter becomes apparent when the origin of collective action is continually portrayed as an aggregation of individuals (Kelly 1998: 24, 27, 29, 31, 33, 34), and concomitantly, socio-psychological mechanisms overshadow other factors in Kelly's theoretical presentation. Gradually, ideational motives and individual dimensions, essentially, the notion of injustice, seem to prevail upon other levels of analysis. And this impression is reinforced by the comparatively little attention paid to the remaining categories of social mobilisation.

In addition, his book unfolds a linear discussion of the process of mobilisation, frequent in social movement studies: that is, from injustice to attribution to collective organisation to mobilisation. However, this discussion is more appropriate for the exploration of the rise of new social movements than for the analysis of the dynamics of organised labour. In the former case, this
progression parallels, to some extent, the empirical development of the organisation of previously disorganised - or at best, loosely organised - people, who share a common concern or grievance, but not a structural antagonism due to capitalist production. That is the reason why, underlying that enquiry is, often, a counter comparison, explicitly or not, with the realm of class movements. In the latter case, the very existence of a structural antagonism at the root, and the plethora of organisations and institutions in which it is expressed, urge for a starting-point other than individual perceptions of injustice. Moreover, in cases like those of this study, in which well-established organisations have been involved in a long history of interactions with employers and governmental institutions, it is recommended a strong focus upon collectivities and power relations rather than on individual subjectivity.

The point is not that such an approach explains nothing; it may always be possible to manufacture an individualistic explanation of most social events. Indeed, insofar as Kelly focuses on the development of a collective consciousness, which transcends the aggregation of individual interests, this standpoint might be most suitable. But these assumptions are not appropriate to our object, that is, the effects of privatisation upon trade unions’ ability to act, particularly, through collective action. This means that it is not what happened to individuals and their perceptions what crucially limited - or not - trade unions’ power. Indeed, as ESI unions are very well established and workers are habituated in this industry into relying upon them, it is fair to say that there is a strong sense already of a collective identity. Thus, the methodological preference here is to start from the irreducibility of collective action and trade union’ 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 & Lewontin 2005). Thus, in order to explain workers’ collective responses to privatisation, it will be pursued a contextual analysis of the impact of the latter upon the opportunity-to-act, trade unions’ organisational features, and 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 on 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. Its 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 by theoretical efforts directed to overcome social-psychological explanations of collective action (McAdam 1988: 125). In the case of resource mobilisation theory, by underlying that grievances are ubiquitous in society, and hence, it is the availability of resources the crucial dimension to explain collective action, that is, the degree of mobilisation (Jenkins 1983; McCarthy & Zald 1977). In the political process approach, by emphasising 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 upon the resources needed for action (Tilly 1978: 7; Kelly 1998: 25), but
also upon social processes, interactions and practices that enable it. However, it is, up to certain extent, a function and a qualification of the other categories of mobilisation theory. In other words, it is, for instance, a function of the opportunity to increase the amount or control or both upon resources as well as a qualification of the ability to make them available for collective action. Likewise, the category organisation is of main 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 workers' ability to exercise collective power. But also, because an organisation may be needed to frame workers' willingness-to-act. Indeed, the ability to exercise collective power is intimately linked to whether or not 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. Particularly, within the field of industrial relations, Kelly shows that these conflicting movements tend to be cyclical; 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-mobilizations 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.

As chapter 4 shall discuss, privatisation is arguably the most salient aspect of one of those cycles of counter-mobilisation. Hence, this study privileges as starting point, the impact of ESI privatisation upon, first, the opportunity-to-act, and second, workers' organisation and interest definition, to evaluate then 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 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 part, but also in itself, a process of counter-mobilisation, first, it should have entailed a decline of workers' collectivism, and second, 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 not only differences in the opportunity structure, but also differences in organisation and the dynamics by which workers process their interests and define their strategies.

So far, the discussion referred to the notion of power freely. Hence, it is time to sketch the understanding of power applied here, prior to examining in detail, the notions of opportunity-to-act, organisation and interest 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). Hence, this section avoids engaging in these endless debates; instead, it makes, briefly, the positive case for the use of Jeffrey Isaac's (1987) realist perspective of power, and Steven Lukes' (2005) three-dimensional view.

On the one side, the realist view defines "social power as those capacities to act possessed by social agents in virtue of enduring relations in which they participate" (Isaac 1987: 80). In this manner, while it locates agency at the heart of power – as 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 root in the social structure, that is, a necessary property independent of its exercise in particular occasions and its contingent effects. It refers to the things an agent may or might do. This approach is relevant, for it is this understanding of power what underlies the notion of opportunity structure.

On the other side, the three-dimensional view also stresses that power is a capacity not only its exercise, but 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 to address changes in the opportunity structure due to privatisation will be based in this three-dimensional understanding of power.
Opportunity-to-act

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, leading to the analysis of power relations in a wider field of enquiry, which comprises the study of governmental policies and capitalists' strategies; thus, it is a critical dimension when analysing a process of state and capital counter-mobilisation. While, as stated above, at its base lays a realist understanding of power as capacity, opportunity-to-act intends an examination of the contextual conditions that constrain its exercise. It refers, analytically, 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: 37), and 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 rested on analytical models developed upon 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 in or off the agenda in the face of opposition; 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 to evaluate power relations given its relative simplicity, relational character, and its focus on behavioural outcomes (Batstone et al. 1978; Frege & Kelly 2004; Kelly & Heery 1994. But see Edwards 2006, for a recent critique).
In turn, the literature about union power oscillates between the overlapping notions of sources and resources of power (Batstone 1988; Kelly & Heery 1994; Martin 1992, 1999; Varman & Bhatnagar 1999). It is possible to argue that the notion of sources of power concerns the structural determinant of power (Varman & Bhatnagar 1999); whereas resources of power refers to assets, money, legislation, rules, support, allies, organisational resources, an actor may mobilise to achieve an aim (Kelly & Heery 1994). However, this distinction is far from obvious in most cases.

Nevertheless, Batstone underlines three sources of power, as analytically important for the field of labour studies: the ability to disrupt production, the state of the labour market and the scope of political influence (Batstone 1988: 223). While privatisation affected all these sources, its principal and immediate 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, relationship with political parties, frequency of contacts with governments and other potential allies, among others.

Kelly and Heery incline to use the notion of power resources, and offer a classification (Kelly & Heery 1994). In this classification, some resources are organisational, which are to be discussed below. Others resources, instead, correspond to union' external relationships with management, government, other unions, and the general public, all aspects which were influenced, or distorted by privatisation. 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 to the government, key aspects are its intervention in disputes and conflicts, basically, the legislation. Lastly, Kelly and Heery draw attention to two sources of support: other trade unions and their members, and the public opinion.
Beyond the usefulness of this demarcation, the point 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 this section, if Tilly (1978) is right, competition decreases workers' chance to gain and control power resources collectively and therefore, it reduces the opportunity for collective action to arise. Furthermore, he maintains that while competition is detrimental for workers' mobilisation, it would enhance the opportunity of capital's counter-mobilisation, for it increases its chances to accumulate and control 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. Trade unions are, in this argument, an instance of combination that reduces competition between individual workers, and therefore, an expression of the political economy of the working class, whereas competition among them, for instance, may recreate 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 side, as privatisation spurred inter-union competition; on the other side, as 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). Thus, it is narrowly related with the ability of workers to combine and mobilise resources to impose defensive or offensive sanctions upon the employer.
Batstone (1988) identified three main factors, which affect the organisational strength and the extent of union influence: membership/density, scope of representation (or inclusiveness - Kelly 1998) and organisational sophistication.

Labour scholars have often seen certain degree of membership/density as a basic aspect, as a kind of necessary but not sufficient condition for mobilisation and collective action. It is taken as a sign of workers' identification with the union, and perhaps, even of potential support. It is assumed to heighten the representative role of unions' officials in negotiations and make threats of industrial action, and sanctions, more convincing. Besides, an increase, or decrease, in membership has direct consequences upon the financial resources of a trade union.

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

Finally, organisational sophistication is expected to be adequate to 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 evaluate 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 & Wiesenthal 1985). For that reason, privatisation challenged and posed trenchant pressures upon these three factors – directly or indirectly. Thus, the study needs to explore how trade unions responded to the privatising context in which, for instance, job loss cuts not only into membership but also through redundancy packages into skills, knowledge and expertise of the 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 category 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, the best seems to be that the analysis accepts diversity and political connotations, explains the rationality of the choice, and once more, avoids engaging in hopeless 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, concluding 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 worth of examination (Armstrong et al. 1981) or deducing objective interests from agent structural position disregarding their
actual pursuit or recognition by the agent (Edwards 1986). Indeed, Edwards suggested years ago to simply abandon any reference to interests, and to rely, instead, on the analysis of how objective conditions encourage among workers the growth of some preferences and not others (Edwards 1986: 28).

Yet, Kelly has insisted in 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 as if ignored, there is no way to sort out the paradoxes alluded to by scholars: if the conceptualisation is reduced to bargaining what happen when a reduction in its contents occurred (Kelly 1998: 4); if the focus rests, exclusively, on what workers do rather than what they say, how is to be conceptualised the gap between both levels (Edwards 1986); if it is just stressed that demands are contingent products of social construction how to avoid losing sight of the structural antagonism as a crucial determinant of class identities under capitalism (Issac 1987: 103). But as stated above, in Rethinking Industrial Relations, Kelly overstresses the links between individual subjectivity – the individual perception of injustice - and interest definition. On the contrary, in this study the emphasis will be on the social processes by which collective demands and ways of action are defined. This standpoint lays in the conviction that Kelly’s discussion seems a too narrow platform to explore the 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 & Wiesenthal 1985, Pizzorno 1978) have traditionally argued that the empirical manifestation of workers’ interests, is constantly trapped between workers’ collective and particular needs due to the fragmentation, subordination and exploitation of the working-class; hence, that workers’ interests can only be advanced, insofar they are up to certain extent collectively reworked. In short, they 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 interest, most labour scholars refer to concrete demands (and mostly, the contents of bargaining) and methods to pursuing them (actions, policies and strategies). The essential point is, however, 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 in which multiple and sometimes conflicting interests are collectively dealt with.

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 & Wiesenthal 1985; Smith 2001; Hyman 1989) and an appropriate leadership (Batstone et al. 1978; Darlington 2001; Fantasia 1986).

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 & Wiesenthal 1985). It can be assessed, empirically, on the one side, by the type and frequency of meetings, ballots, assemblies, that forms the mechanisms of debate and decision-making of the organisation. On the other side, through 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 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 to 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 to study 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 comes out, in principle, as a powerful instrument to study how the privatisation conditioned workers' collectivism and how trade unions responded to this challenge. The main advantage of mobilisation theory would rest on its scope and flexibility. On the one side, it offers a cyclical and long-run account of capital and labour conflicting movements. On the other side, it identifies certain dimensions, which are critical to the presence or absence of collective action, and for that reason, make theoretically informed explanations of specific empirical outcomes possible. It provides too, a set of categories to this endeavour: opportunity-to-act, mobilisation, collective action, organisation, interest.

The 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 a too
narrow platform to explore 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.

Summarising, the long-run perspective of mobilisation theory permits to postulate that ESI privatisation programmes were counter-mobilisation events, as shall be discussed in detail in chapter 4. Hence, that they 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. But, in this context of tough external conditions, variability in trade unions' strategies should be explained for mobilisation theory too, partly, by variability in the categories organisation and interest, as defined above.
Chapter 3

Research Strategies and Methodology

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 or the possibility to produce 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; and (d) they are scientific and rigorous in terms of data collection and analysis.

The case-study approach and the comparative method were the two strategies chosen to carry out the research. Hence, in what follows, and bearing in mind the aforementioned criteria, it is necessary to consider whether or not they are pertinent to the research project.

\[a) \textit{the aims of the research and the object of the study}\]

As already stated, 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 4 and 5, the sale of public companies has been a key aspect of the last cycle of state and capital countermobilisation. This implies to study 'how' and 'why' ESI privatisation conditioned trade unions' ability to engage in collective action; but also, to study trade unions' concrete responses. The theoretical objective is to test the potential of mobilisation theory to carry out such task within a comparative perspective. Thus, a case-study method
appears as appropriate, for the research is driven by explanatory questions and a focus on a small number of cases from UK and Argentina in order to gather detailed qualitative data.

Why these two countries? From late 1970s until 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 America and Western Europe. This feature may give us a positive basis for comparison, for both countries experienced along the same period, the decline of the most visible forms of worker collectivism. Yet, there are important differences too, which provide basis for testing mobilisation theory in different contexts. These differences not only include their institutional backgrounds, in terms of politics and industrial relations, but also their world market position and the policy forces driving privatisation. While UK is a G8 economy and 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, for this policy was largely the outcome of external pressures from international aid donors and banking agencies, such as World Bank (WB) and the International Monetary Fund (IMF) (Dinerstein 2001; Thwaites Rey 1994, 2003).

Why electricity? There have been huge differences between privatised enterprises in terms of activity, size, market exposure, profitability or otherwise; still, there is a set of activities that shares some basic features which allows a common approach, the so-called 'natural monopolies', that is the major public utilities. Following Ernst (1994) the rationale of grouping utilities (gas, electricity and water) rests on four defining features: essentialness, inelasticity of demand properties, natural monopoly provision and externalities. Electricity emerges as a good test-case because it is a 'network' industry with similar characteristics in both countries. ESI involves five vertically related stages of production, supply of energy inputs, generation, transmission, distribution, and supply to final
customers. The structure of ESI determines a natural monopoly in the transportation activities of transmission and distribution, but not in generation or retail supply, and the need for very close vertical coordination, especially, between generation and transmission. The industry was in both countries divided in several firms producing divergences from company to company. This led to the end of common collective bargaining arrangements. Besides, in both countries, the ESI was hit by significant workforce's reductions, and hence, passed through an initial tension between pressures to cost-cutting (clearly visible in the rate of job loss) and establish a high-quality, customer oriented service based around employee skills and commitment (Colling & Ferner 1991, 1993a, 1993b, 1995; Duarte 2001). Also, in both countries, the public sector legacy in ESI, had contributed to a relatively high level of unionisation; thus, private managers had to face strong trade unions. Lastly, new structures of public regulation for ESI were put in place in UK and Argentina, as a consequence of privatisation.

As for the potentiality of the case-study approach, even though, there are alternative ways to examine the interaction of variables, it has proved to be appropriate to explore how complex variables interact with each other (Ferner 1988). It seems particularly suitable for researching open systems of social relationships in which variables are to be considered as reacting upon each other. As for the comparative dimension of the methodological design, the objective of looking at the relationships between privatisation 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: 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 in extending (or
limiting) the generality of mobilisation theory, that is, in enabling the pinning down of a range of intermediate variables and their diverse impact.

\[ \textit{b) methodological traditions in industrial relations} \]

Both strategies, the case-study approach and the comparative method, have been widely used in labour and industrial relations studies. On the one side, there is a huge tradition of case study research in these fields. It ranges from the classical ethnographic case studies (Batstone et al. 1977, 1978; Beynon 1984; Edwards & Scullion 1982) to the common use of this approach to analyse, for instance, the effects of privatisations upon industrial relations and labour conditions (O'Connell Davidson 1993; Pendleton & Winterton 1993) and test and advance general or theoretical propositions (Crouch 1994; Darlington 2001; Gall 2003; Kelly & Willman 2004; Smith 2001). On the other side, the role of comparative studies in the development of the discipline of industrial relations is also a well-established fact. 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 & Lansbury 1993; Bamber, Lansbury & Wiles 2004; Bean 1994; Ferner 1988; Hyman 1994c), and have usually attempted to combine both approaches (Clegg 1976; Edwards 1986; Hyman and Ferner 1994).

As Hammersley and Gomm (2000) remind us that there is not a 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 in a small number of cases, gathering a large amount of detailed qualitative rather than quantitative data of 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. But this is not inevitably the case. Yin (1994), for instance, offers a different though similar picture. He also understands a case-study as an empirical enquiry of
contemporary phenomena, but, in which, context become explanatory meaningful and the researcher has not control over the events. This author stresses the desirability of theory development as a previous step of any case-study in order to guide data collection and analysis. Also according to Yin (1994), there is another factor, which increases the appeal of this approach. That is, what sort of research question the researcher seeks to address. 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 puts into play both convergence and divergence analyses to identify patterns of similarities and diversity (Hyman 1994a; Mahoney & Rueschemeyer 2003; Oyen 1990; Ragin 1994; Teune 1990). Notwithstanding, 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, nowadays, this research strategy has become even more important in the current period of increasing internationalisation (Bamber & Lansbury 1993); and 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 though in highly different institutional contexts, to the ability of workers to act collectively.

Contrary to the vacillation referred 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, to place a set of case-studies within a comparative perspective may help to balance any misgiving 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 a goal in itself in mainstream academic practice.

c) and d) data availability and collection

With regard to the last two aspects, data availability and collection, being privatisation a recent phenomenon, access to data benefits from the use of multiple sources of mainly qualitative evidence, basically, documentation, archival records and interviews. Yet, a better examination of these aspects, availability, collection and analysis of data, demands the presentation of the details of the methodological design.

**Methodological design**

The methodological design of the research comprised 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), and two countries (three of them were from UK and two from Argentina) (Table 1). Chapters 7 to 10 organise findings according to certain relevant topics with regards 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.

**Table 1: Detail of case-studies**

<table>
<thead>
<tr>
<th>Country</th>
<th>Trade Unions</th>
<th>Membership before privatisation*</th>
<th>Membership today</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>EETPU** (AEEU – AMICUS)**</td>
<td>36000</td>
<td>20000 energy and utility sector</td>
</tr>
<tr>
<td></td>
<td>EPEA** (EMA – PROSPECT)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NALGO** (UNISON)**</td>
<td>34000</td>
<td>14000 gas/water/electricity</td>
</tr>
<tr>
<td>Argentina</td>
<td>Luz y Fuerza Capital</td>
<td>22000</td>
<td>4000 (only ESI)</td>
</tr>
<tr>
<td></td>
<td>Luz y Fuerza Mar del Plata</td>
<td>4000</td>
<td>3000 (only ESI)</td>
</tr>
</tbody>
</table>

* Approximate figures of membership in ESI only.
** Names at the time of privatisation.
This design permitted comparison at two levels: international and national. For, to anticipate the argument of later chapters, if the impact of privatisation upon the opportunity-to-act and the organisational features of trade unions are relevant to understand variability in unions' strategies, a methodological design should allow variation in the opportunity structures and the organisational domain. As well, it is argued that in a context of reduced opportunities for trade unions to engage in collective action, the characteristics of the internal processes of decision-making and leadership style may also contribute to explain strategic variability. Then, it is necessary to have the chance to narrow differences in both, the opportunity-to-act and union organisational structures, in order to compare different courses of action taken by trade unions under similar conditions.

In this sense, it is assumed that variability in the opportunity structure stems, mostly, from differences in two key intermediate variables: industrial and market factors, and industrial relations institutions. It is also assumed that broader differences in national politics are embedded in the dynamics of the latter.

Then, following a well established practice within cross-national comparative studies, the design holds the industry factor constant (Bean 1994; Ferner 1988). Hence, the research focused on the privatisation of one industry, which, in turn, allows a better appreciation of change in market and industrial structures due to privatisation. National variability in the degree of fragmentation, restructuring, and boundaries redefinition of the ESI, and the forms and intensity of capital competition, concentration and integration, are, in this regard, crucial, for those 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 Argentinean industrial relations systems are to be analysed, insofar as they affect patterns of power resources allocation. In particular, the research paid attention to factors, which have determined dissimilar correlations between the political and industrial dimensions of trade unions' (re-)sources of power.

As for the data collection, it comprised interviews and archival documents. The principal targets of the interviews were trade union officials, who 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 not regional officials. This choice pursued a balance between different levels of officialdom and between different unions. The rationale for the selection of interviewees for the higher levels was their first-hand knowledge about the process of privatisation. All national and regional/branch union officials had at the moment of privatisation negotiating and political responsibilities. Concerning workplace representatives, interviews looked for information on the recent evolutions of collective bargaining, grievances and conflicts, workplace structures of representation, rank-and-file participation, mechanism of decision-making at shop-floor level, and so forth.

As the aim of the research is how privatisation impacted upon trade union ability to engage in collective action, the design did not attempt to limit the enquiry to geographical boundaries or a particular firm. On the contrary, to survey diversity has been a positive insight and a finding in itself.

A total of 53 interviews were carried out: 47 in-depth unstructured and semi-structured interviews, conditional on the research objectives and the status of the informants, and six focus groups with workplace representatives. When possible, the interviewee received via email a brief with information about the research objectives and the expectations of the interviewer. In the case of the focus groups, this brief was sent to the person in charge of organising the
meeting. In Argentina, however, e-mail communications among union officials are limited to higher positions, so that, this procedure was not always followed. An interview guide about relevant issues was prepared for each interview. All interviews were recorded and transcribed, except for one focus group. In this case, field notes were taken. The focus groups were organised with the assistance of national trade union officials. The purpose of them was to collect data of the social interactions among lay reps from both the same and different trade unions, and between lay reps and other groups, like regional and national officials, supervisors and managers, taking advantage of a more relaxed atmosphere. The information elicited from these meetings was of a high-quality, given the details provided about critical events, which were of use to understand wider social processes.

The distribution of the 53 interviews was as follows:

Table 2: Distribution of interviews among trade unions

<table>
<thead>
<tr>
<th>Trade union</th>
<th>Nº interviews</th>
<th>National officer</th>
<th>Regional/branch officer</th>
<th>Lay reps</th>
<th>Focus Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>groups</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>people</td>
</tr>
<tr>
<td>Amicus</td>
<td>9</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Prospect</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unison</td>
<td>9</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>13</td>
<td>8</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trade Union</th>
<th>Nº interview</th>
<th>Union Officers</th>
<th>Lay reps</th>
<th>Focus Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>groups</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>people</td>
</tr>
<tr>
<td>Luz y Fuerza CF</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Luz y Fuerza MDP</td>
<td>11</td>
<td>6</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>11</td>
<td>10</td>
<td>3</td>
</tr>
</tbody>
</table>

Selection of respondents intended to balance the representation of different market segments. In the case of UK, in order to control regional peculiarities, the research design limited interviews of regional officer and lay reps to the London region and the Midlands. In both countries, access to lower levels of the
officialdom was often negotiated through contacts with officers at unions' headquarters.

The information collected by this technique was complemented by data taken from primary and secondary sources. Indeed, the profuse use of historical and written documentation is a distinctive feature of the thesis. Nowadays, mainstream research on human resources management and industrial relations tends to focus on interviews and questionnaires, and to downplay the historical materials built around issues such as privatisation. On the contrary, in this work, given the historical perspective adopted by the research, both methods of data collection were of equal importance and supported each other. Typically, interviews enriched by the information collected from primary sources. Besides, in mainstream research, data triangulation is usually carried out by interviewing people, who are expected to hold different views about a given topic. An alternative to this procedure is to use qualitatively different sources. In this sense, written materials have proved to be useful not only to check data reliability but also to fill 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 was 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. In this sense, 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 Argentinean government in the process of dismantling the institutions of industrial relations in the public sector before privatisation (see chapter 6), the survey, in this case, was extended to relevant documentation produced by the Ministerio de Economía (Campaño & Caruso 1991; Campaño et al. 1991;

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>- Privatisation news (occasional 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>- Conferences of the Energy Service Group</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 bottom year taken as the starting point of the survey was the year in which the privatisation plan was announced. Then, the chronological reading contributed to the identification of changes in trade unions' policies, critical events and the different phases of trade unions' strategies. Besides, trade unions' journals and reports referred to - and even published - relevant written materials, which addressed privatisation issues, and in this way, oriented the fieldwork towards particular documents. For that

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 into historical questions and this research was not the 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. Written sources contributed, in this regards, to regain balance in the analysis. For instance, aspects like the different forms taken by the politics of money (see chapter 8), the contradictory evolution of the structures of collective bargaining (see chapter 9) or the scope and timing of unions' organisational change (see chapter 10) could have hardly been studied in absence of written evidence. Instead, interviews were essential to obtain information about other facets like inter-unions tensions within single table bargaining (see chapter 9) or the rise of sectionalism (see chapter 10). Yet, as a stylistic strategy, the narrative of the findings was supported, whenever possible, with quotations taken from interviews. The purpose was to elicit a more attractive expository writing.

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

In UK, interviewees manifested that their trade unions do not have a policy on documentation storage. Besides, partly due to the process of mergers
underwent by ESI unions, past records were lost or given to public institutions. In this regards, the most important collections of trade unions' documents are the Trades Union Congress Library Collections at the London Metropolitan University and the Modern Records Centre at the University of Warwick. Thus, it is 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 the 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. Besides this, the libraries of Ministerio de Economía and Ministerio de Trabajo were two important repositories of official documentation. Particularly the former, where primary sources - not used before by scholars but critical to study how the government designed its policies against public unions to ease the process of privatisation - were found during the survey (see chapters 6, 7 and 9).

In sum, the written materials collected were crucial to achieve accuracy in the historical reconstruction of the process of privatisation and how trade unions responded to it. As stated above, they were of main importance to date particular changes in trade unions' policies and to identify certain patterns, for instance, in 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 we focus on organisational resources, variables such as membership, union density, or number of lay reps and union officers, are quantifiable and apt for being analysed along time series. This is also the case about monetary resources. The same can be said about some kind of collective actions. Strikes,
overtime bans, go-slows, works-to-rule, petitions or collective appeals are suitable for quantification. In fact, there have been these types of quantitative data the basis of the debate on trade unions' power decline. But, if several trade unions resources may be translated into quantifiable variables, their use and mobilisation are not. Thus, quantitative data was often subordinated to qualitative one. Furthermore, as it was impossible to obtain similar and complete series of data, its use has been very limited, and of secondary importance.

The data analysis was organised according to the categories of mobilisation theory, and carried out using the programme NVivo 2.0, a qualitative research software. Given its flexibility, this programme facilitated the exploration and interpretation of diverse and complex qualitative data. Interviews and archival documents were coded and grouped by variables, topics, countries and organisations, which in turn eased the search for patterns, the revision of coded texts, the comparative task, and the writing-up of the analytical chapters. While coding developed, primarily, through a deductive approach in accordance to the pre-existing mobilisation categories, new areas of problems and categories emerged out of the data collected.

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 like Stake (2000) has restricted the scope of case-study research to illuminate the particular in depth, and in its uniqueness. Simons (1996) downplays this aspect by arguing that the tension between what is particular, and what is patterned and regular, undergoes any social research. She has pointed out the paradox of case study research: its strength to generate both unique and universal understanding by an in-depth focus and a holistic perspective. Yet,
Simons maintains that the advantage of a case study approach would, still, remain in dealing 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 arise. 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 needs 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 with previous theoretical developments and rival theories that findings should be considered. Finally, some scholars have questioned the traditional meaning of generalisation (Lincoln & Guba 2000; Schofield 2000). Thus, they put their efforts in reworking the notion of generalisation in order to enhance the chance of speaking beyond the immediate concerns of their case studies.

In short, generalisation remains a problematic area 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 & Fleetwood 2000; Edwards 2005; Fleetwood 1999; Roberts 1999, 2001; Sayer 1992), our approach start by positing serious reservations about the chance to identify 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 recognise 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 to be applied to organised labour, is still in its infancy. As already mentioned, Gall (2000) stressed the lack of intellectual engagement with the theoretical framework develop by Kelly, especially at meso- and macro-analytical levels. This is still the case, for the theory has often been applied to short-time events (Atzeni 2005; Brown Johnson & Jarley 2004; Darlington 2001; Gall 2000; Kelly & Badigannavar 2003; Kelly & Willman 2004; Moore 2004). This gap, together with the surprising scarcity of studies about how privatisation conditioned trade union strategic capacity, combined to reinforce the case for 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, diversity in industrial and institutional intermediate variables, which partly determine the opportunity-to-act and the allocation of power resources proves to be promising insights to evaluate the potential of mobilisation theory. Likewise, variability in leadership styles, decision-making dynamics and types of organisation serve 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

To assess the adequacy of the methodology, this chapter discussed the research strategies and methodological design, and some areas of potential concern, which stems from these choices. Yet, and before closing this chapter, it seems necessary to add a few words with regard to why there was no
triangulation through use of management interviews and, more importantly, about ethical considerations.

Concerning the former, pragmatic concerns discouraged triangulation through managerial testimonies. Given the complexity of maintaining the balance of respondents at local and higher levels across two countries plus the need for archive/documentary work to reconstruct the historical process since privatisation, a managerial dimension was deemed to be unmanageable. And more importantly, would managerial views be essential to test judgments and process, which are mostly internal to the unions under scrutiny? Undoubtedly, they could have added useful information as they have been, after all, key actors in translating the consequences of privatisation into impacts on trade unions. Yet, what managers actually think today about the impact of privatisation on trade unions' ability to engage in collective action seems to add little to a better understanding of workers' mobilisation capacity. As the research focuses on the process of privatisation, insofar as it affected trade unions, interviews with union officials, lay reps and primary sources were considered to suffice.

Regarding ethical concerns about the impact of this study on the research subjects; their interests have been protected, firstly, by guaranteeing anonymity for the interviewees. Besides, every individual received written or oral detailed explanations of the aims of the research as to allow them to decline to assist the investigation.
Chapter 2 set the analytical framework of the research from a mobilisation perspective. This theoretical starting-point has some advantages. It posits any shift in labour-capital relations in historical perspective, and in this sense, overcomes the a-historical character of most studies of union organisations (Kelly & Heery 1994: 23). It provides a model for the long-run as well as a related theory of collective action for the short-run (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 go beyond 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 1994b: 171).

The analytical framework postulates that the process of privatisation is a counter-mobilising force; chapters 4 and 5 intend to substantiate this claim. Thus, after illustrating the various meanings of the term privatisation, this chapter provides diverse arguments to assert its counter-mobilising content. In so doing, it will show, 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 will address, theoretically and empirically, the relationship between privatisation and appropriation of resources. Finally, the literature on the relationships between
privatisation and labour, particularly, the detrimental impact of the former on the latter, will be reviewed.

**On the meaning and origins of privatisation**

Once one submerges in the literature, unexpectedly, privatisation reveals itself as a fuzzy term; it is not a transparent notion and different sort of policies have been deployed under this label. As Bishop and Kay pointed out in their approach to UK's experience, "since 1979, 'privatization' 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" (1989: 643). Such usage focuses on the involvement of market forces to ensure 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 to deregulation and liberalisation. This is the normal usage of the term privatisation in most works (Austin et al. 1986; Bishop & Kay 1989; Clarke 1993; Heald & Steel 1981; Marsh 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. Thus, 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 & Waterbury 1989; Gupta 2000; Walle 1989).

For authors like Ramanadham, in turn, privatisation, basically, "represents marketization of enterprise operations and can be sought through three options - ownership changes, organizational changes and operational changes"
Such view reduces the concept of privatisation to its practical and political meaning, by referring to a wide range of actions taken and followed since the end of 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 states owns and operates itself" (Ramamurti 1992b: 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 1992a: 228). Walle expresses the same idea in 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, analytically, more useful than broader ones. As Walle (1989) has stressed, they allow, at least, the distinction between privatisation and liberalisation with regard to one essential feature of any economy: the structure of relative prices. Following Gupta (2000: 31), it would be even more important to make this difference, for the relationship between liberalisation, deregulation and privatisation is diverse and there is no one-way model.

Yet, some scholars claim that in this type of definitions an important ambiguity still persists: that the percentage of the equity sold by the state to private capitals remains unspecified. Beesley & 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 this only 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 into privatisation the relaxation or abolition of monopoly powers that prevent private sector firms
entering markets before 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 better term to speak 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, for it is distinctive of privatisation's 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, where new regulatory institutions and policies are put in place. Through denationalisation (Gupta 2000), it is referred the sale of public assets and shares, regardless of the proportion sold, and through the term commercialism (Ferner 1988), the action of extended the legal norms that regulate private sector's activities to state enterprises working on commercial basis, as an attempt to find a set of objectives and criteria which act as market proxies in the public sector. But, 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. Still, it is worth discriminating 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, for each of these separate processes might have carried 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 in some combination of multiple motives. The few who
offer a common and general reason for world-wide privatisation emphasise either the fiscal deficit (Christiansen 1989: 597; Gupta 2000: 19) or the governmental dissatisfaction with the performance of public enterprises (Walle 1989). But 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.

Yet, for the purpose of this thesis, the main deficit of mainstream approaches to privatisation is not their lack of a common use of the term, or a share understanding of the origins of privatisation, but their tendency to conceive privatisation as an administrative measure, that is, as a technical response to an economic problem (Dinerstein 2001). As a result, those studies seek to evaluate whether or not privatisation – whatever its operational definition – achieved the spoken aims. Whether it might be important to find out gaps between promises and realisations, this standpoint misses the political and counter-mobilising dimensions of privatisation, for "as the 1997 [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 & Murphy 2002: 1). Accordingly, many scholars stress that privatisations were not technically inevitable but 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 worldwide spread (Cook & Murphy 2002; Dinerstein 2001; Thwaites Rey 1994; Thwaites Rey 2003). Yet, if the picture in UK is free from the direct interference of the international actors mentioned above, it is not less true that privatisation has served also in this country, certain interests as opposed to others. Indeed, diverse accounts make clear that the agenda for privatisation, especially in UK but also elsewhere, was partly motivated, overtly and ideologically, to free 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 5.
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 came to halt a long term and widespread aspiration of the labour movement for the consolidation of state enterprises, at least, in key economic sectors (Cole 1953; Ferner 1988; Kelf-Cohen 1958; Weiner 1960). Particularly in the UK, where “TUC resolutions in favour of nationalisation go back to the 1890s, when the influence of the 'New Unionists' first made itself felt” (Cole 1953: 225), state ownership was seen as a victory for the labour movement, which supported the election of a post-war Labour government with a radical mandate to establish social provision of key services. Then, while nationalisation must be understood as a critical aspect of British post-war reconstruction, that even and despite explicit reservations Conservative Governments preserved during 1945-79, trade unions’ commitment to public ownership and nationalisation has a longer and independent history (Weiner 1960). In this history, wartimes played a crucial role. The I World War completed the conversion of nationalisation in trade unions’ policy from a liberal to a socialist conception. State ownership became a political and industrial objective through which the labour movement hoped to defeat exploitation, by means of winning a place in industrial management to plan and eliminate wasteful competition, extend democratisation and improve workers’ living standards. In this context, there was the first call for the nationalisation of power supply, in the Jubilee Congress, which took place two months before the armistice (Weiner 1960). The same year, 1918, witnessed the adoption for the Labour Party of socialist objectives and the incorporation of the nationalisation policies of trade unions as part of its programme for war reconstruction (Weiner 1960). Moreover, in 1924, nationalisation, in TUC's resolutions for 30 years so far, was added for the first time into TUC Standing Orders, among the long range economic and social objectives to be sought by the trade union movement. The II World War, in turn, opened the opportunity-to-
act. Considerable national support developed during this new war for the public ownership of certain industries and services: "wartime exigencies contributed substantially to win public support for labor's long-standing contention that only by completing the process of national ownership and coordination could electricity supply industry be 'tidied up', reorganised, and expanded" (Weiner 1960: 57). And this was precisely what TUC had already advocated in 1936. The elected Labour Party, then, nationalised the electricity industry in 1947. But, trade unions had also learnt the lesson of government retreat in the first post-war, and worked to make the objective of nationalisation appealing for wider public opinion, propagandising it as a good for British society. In this sense, in 1944, TUC declared for public corporation boards to 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 representation of the trade unions as such on any body responsible for managing nationalised industries (Cole 1953; Pendleton & Winterton 1993). But, the Morrisonian Corporation had, by statutory obligation, joint consultation and centralised negotiation procedures and institutions with all representative bodies, what strengthened trade unions' position and won their support. Although, the Morrisonian model started to be put into question by some trade unions by 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, in turn, there was no similar long-term commitment in the labour movement, at least, explicitly, to public ownership. Being the composition of the working-class, in itself an outcome of migratory trends, its multinational outlook rendered governments and the state alien to workers aspirations, mainly, because foreign workers were denied political rights, and often repressed (Falcón & 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). Besides, the
labour movement in Argentina never experienced events of exceptional governmental controls and takeovers upon industry due to war exigencies, which were crucial in UK to shape the evolution of workers demands regarding nationalisation, and make them a practical issue. Gradually, however, by the end of 1920s, some key trade unions started 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 & Monserrat 2000). The rise of Peronism in 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 nationalist objective (Cordone 1993). This trend continued well after the fall of the government at hands of a military coup in 1955, as it is shown by the political programmes of 1962 (Huerta Grande) and 1968 (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 during 1980s, witnessed strong trade unions' opposition to any attempt to privatisate state enterprises, and this political demand was included in most of the 13 national strikes launched by the CGT between 1984 and 1988, though, now completely stripped of any revolutionary connotation. LyF CF, for instance, the electrical trade union of Buenos Aires, claimed, 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 temporally solution against private monopoly powers, a nearly complete nationalisation of the industry but with the intention to re-privatised 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 in developing workers self-management in the public sector, but, again a
military coup eradicated the experience. The collective agreement (CCT) negotiated in 1975 by the electrical union was, perhaps, the most advance ever in Argentina and Latin America, from the point of view of social protection to labour, and considered as a model to imitate for other public unions. In short, state control over the industry was the political position of the electrical trade union all over 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 UK, it is clearly not for Argentina – but, simply, that nationalisation was amongst, or became 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 from the most simple category to be found in capitalism - the commodity, which is placed in the abstract realm of ‘capital in general’ (Rodsolsky 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 – like competition among capitals, for instance. Thus, Marx considered methodologically necessary to grasp, first, the inner nature of capital
in order to understand, then, the behaviour and movement of many capitals (Arthur 2004). 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 by seeking market advantages and the extraction of surplus value - to the extent that left to their own devices, individual capitals will often act to secure monopoly or oligopoly positions against its direct competitors. Hence, "capital's tendency to increase the workday (extensively and intensively) and to increase productivity is manifested through the efforts of individual capitals to lower their costs of production relative to other individual capitals in the context of competition" (Lebowitz 2003: 82).

Thus, taking into account the role of privatisation in fostering competition in general, and in public utilities in particular, it is possible to conclude, theoretically, that privatisation plays a major role in enhancing the power of capital vis-à-vis labour. It does not matter, at this level of analysis, whether or not, privatisation policies were designed to foster competition; or whether or not, strong elements of either monopoly or oligopoly remain (Hall ; and others). The crucial point here is that even when competition could have been served better by selling the assets differently, or by different regulatory frameworks, the decision to privatise enhanced competitive forces and the market discipline. Moreover, leading local businessmen were persuaded that government supplied services such as electricity were too expensive because of inefficiencies and because of the social goals that they pursued, such as equity and employment, and hence, that the lack of competitiveness of government providers made private industry uncompetitive too (Beder 2005).
To put it differently, while profitability is the leading force of private enterprises, this is not exactly the case for state enterprises, whose "defining characteristic, indeed the rationale for their existence, is that they are subject to some form of political control" (Ferner 1988: 29). Privatisation frees management from political control and interference, and as a result, "the privatized enterprise faces an environment of decision-making very different from the highly politicized public-sector model, with far-reaching implications for the culture of industrial relations" (Colling & Ferner 1995: 493). Public ownership entails a potential diversion from a crude development of capital's dynamic due to political intervening variables and other state functions (Ferner 1988; Saad-Filho 2003). It has been stressed that state enterprises are only partially affected by the discipline of the market and that their multiple and usually contradictory objectives are 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). And historically, trade unions took advantage from their ability to participate of this political process. At their peak, Right thinkers wisely alluded to this aspect when arguing in favour of privatisation and other neoliberal 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 well, as a process of counter-mobilisation. Indeed, the main features of our epoch, the ongoing process of capital internationalisation, the expansion of multinational corporations (MNCs) and the retreat of the state from the direct control of production and services, are narrowly tight to worldwide privatisations of public property, which entailed a massive 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 in 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 being independent of whether privatisation was a direct consequence of lobbying from capital or the result of a political decision based more on ideological and macro-economic reasons.

Some figures may be of help to have a better idea about the dimensions of these transactions. Table 4 offers data about financial proceeds from privatisation between 1990 and 1996 in Latin America, the whole developing countries, OECD countries, Argentina and UK:

Table 4: Proceeds from Privatisation - (US million) 1990-6.

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<tbody>
<tr>
<td>All developing countries</td>
<td>12658</td>
<td>24243</td>
<td>26180</td>
<td>23651</td>
<td>21704</td>
<td>21802</td>
<td>25175</td>
<td>155413</td>
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<tr>
<td>Latin America and the Caribbean</td>
<td>10961</td>
<td>18723</td>
<td>15560</td>
<td>10487</td>
<td>8198</td>
<td>4615</td>
<td>13919</td>
<td>82417</td>
</tr>
<tr>
<td>Argentina*</td>
<td>891</td>
<td>1892</td>
<td>2654</td>
<td>3823</td>
<td>746</td>
<td>954</td>
<td>272</td>
<td>11232</td>
</tr>
<tr>
<td>OECD countries**</td>
<td>12988</td>
<td>10168</td>
<td>18722</td>
<td>37930</td>
<td>55119</td>
<td>54429</td>
<td>52949</td>
<td>242305</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4219</td>
<td>5346</td>
<td>7923</td>
<td>8114</td>
<td>4632</td>
<td>5548</td>
<td>2426</td>
<td>38308</td>
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</tbody>
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* These are only cash figures. Debt bonds used in transactions totalled 17 billion USD in nominal value (as they were considered), but their actual market value was 8 billion USD.

** Mexico is not included.

These figures are even more striking, if it is taken into account, that privatised companies have often made immediate gains since public offerings were ordinarily underpriced. Although underpricing is also generally found in private equity offerings, research has shown that, for instance, in 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 & 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). Thus, privatisation opened opportunities for private companies and finance capital, in anxious search for profitable areas since the economic international crisis of mid 1970s, to invest in undervalued businesses, and in the case of public utilities, to appropriate undervalued key energetic resources. It is also necessary to note, that Table 4 misses the timing of British privatisation process, which started earlier, and predated incoming worldwide changes. In this process, 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 In Britain 1979-90 (£ millions)

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<tbody>
<tr>
<td>United Kingdom</td>
<td>1535</td>
<td>18359</td>
<td>12180</td>
<td>32074</td>
</tr>
</tbody>
</table>

Source: Schamis (2002)

Thus, through the appropriation of public resources, privatisation fostered the concentration and integration of key economic sectors in private hands. In Argentina, for example, nine conglomerates combine, to a diverse degree, control upon, mainly, oil, telecommunications, electricity, gas, petrochemicals, construction, transportation and banking, asides from other peripheral activities. By this strategy, these capitals have gained economic power and flexibility to respond to economic difficulties, and a considerable political influence. If this sort of concentration and capture of the state is alien to 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 capitals 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 macro-economic and micro-economic variables.
An empirical argument: evidence on 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 accompanies privatisation programmes (Colling & Ferner 1995; Ferner 1989; Ferner & Colling 1991; 1993a; 1993b; Riethof 2002; Weyman-Jones 1993). However, scholars, worldwide, are generally inclined to associate privatisation with unfavourable developments for industrial relations and organised labour (Báez-Camargo 2002; Cifarelli 199; Cook & Murphy 2002; Colling & Ferner 1995; Danford, Richardson & Upchurch 2002; de Luca 1998; Dinerstein 2001; Duarte 2001; Ferner 1989; Ferner & Colling 1991; 1993a; 1993b; O’Connell Davidson 1993; Ogden1993; Petras & Vieux 1999; Priepstein Posusney & Cook 2002; Riethof 2002; Van der Hoeven & 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 II World War. Only a few, apart from apologists, most notably Peter Fairbrother (1994, 1996a, 1996b, 2000), pointed to potentially positive outcomes for labour. This scholar 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 local level. Yet, this view has not denied that privatisation, in any event, tends to affect negatively pay, terms and conditions of employment.

In this regard, for example, it is possible to point with relative confidence 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 & Murphy 2002; Palomino 2005; Riethof 2002; Thwaites Rey 2003). Moreover, it is added that decentralisation of bargaining over wages – another common outcome of privatisation, terminates with 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. In her exhaustive study on privatisation on Brazil, Riethof, for instance, 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 (de Luca 1998; Goldín 1997; Petras & Vieux 1999; Pripstein Posusney & Cook 2002). In addition to this, state-owned enterprises generally developed a good employer policy that brought better terms and conditions for their workforces (Pendleton & Winterton 1993). Particularly in Latin America, these firms also had a social responsible 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; de Luca 1998; Margheritis 1999; Pripstein Posusney & Cook 2002; Riethof 2002). Then, privatisation jeopardises, to say the least, those benefits by shrinking "the public sector in which workers have achieved the highest levels of organisation and wages, job security, and decent working conditions" (Cook & Murphy 2002: 2).

For LDCs, several studies have shown that in order to make public enterprises attractive to potential investors, revisions to union rights and collective contracts have been usual procedures, and when opposition from combative trade unions arose, governments often embarked on selective and exemplar repression (Báez-Camargo 2002; de Luca 1998; Goldín 1997; Palomino 2005; Petras & Vieux 1999; Pripstein Posusney & Cook 2002; Riethof 2002; Thwaites Rey 1999; Tomada & Sénén González 1998).

In broad terms, this general view applies to UK and Argentina.

Additionally, the privatisation of public utilities in 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 shares ownership plans (ESOP) and joint labour-management partnership, directed to dilute the power of trade unions through the development of participatory machineries (Arrowsmith 2003; Colling & Ferner 1992, 1995; Danford, Richardson & Upchurch 2002; Ferner & Colling 1991, 1993a, 1993b; Katz 1997; Pendleton & Winterton 1993). Derecognition, mainly when developing new business units, outsourcing, green fields, 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 & 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 was to back the assertion that privatisation was in itself a counter-mobilising action against labour, that is, to provide support to the basic foundation upon which the 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 embarked in a historical query about the politics of both labour movements, as to show that privatisation went against their traditional policies. Nevertheless, as the conceptualisation of privatisation as a counter-mobilising factor cannot rest only upon historical evidence, further theoretical and empirical arguments were
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 the 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 negative consequences for organised labour.

Nevertheless, the essential theoretical point belongs to Marxist political economy and refers to the role of privatisation in fostering competition and the logic of market on former public industries.

Taken 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. But, the study of this relationship in UK and Argentina demands to deepen the comparative analysis of privatisation and the institutions of industrial relations to survey the sort of intermediate variables, which contributed to shape the opportunity structure confronted by trade unions in the face of ESI privatisation. Chapters 5 and 6 are devoted to this task.

Then, the following chapter will compare the contextual conditions of privatisation by exploring the driving forces and rationales of privatisation in UK and Argentina.
Chapter 5

The Driving-forces of Privatisation in 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 & Warterbury 1989; Christiansen 1989; Cook & Kirkpatrick 1995; Cook & Murphy 2002; Dinerstein 2001; Feinberg 1986; Fernández Jilberto & Riethof 2002; Gupta 2000; Herrera 1992; Manzetti 1999; Molz 1990; Nellis & Kikeri 1989; Petras & 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 world-wide driving force towards privatisation, in LDCs more serious problems arise due to “growing current account imbalances, increasing external debt, unfavourable terms of trade, and raising 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, looking for debt reduction, creditworthiness, and access to foreign capital and investments.

Yet, 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; Thwaites 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 them, especially, the Reagan and the British Conservative administrations (Stiglitz 2002). Indeed,
Ramamurti (1992a) concluded - through an univariate and multivariate analyses of LDCs' privatisations - that privatisation was likely to be pursued by those LDCs with high budget deficit, high foreign debt, and high dependence on international agencies like, precisely, the WB and the IMF, which were responsible for the simultaneous shift in favour of privatisation in LDCs, and whose policies were deeply determined by USA and UK. Most scholars agree with this view (Cook & Kirkpatrick 1995; Cook & Murphy 2002; Dinerstein 2001; Fernández Jilberto & Riethof 2002; Gupta 2000; Manzetti 1999; Petras & Vieux 1999; Ramamurti 1992a, 1992b; Riethof 2002; Sánchez Bajo 2002; Thwaites Rey 1994; Walle 1989; among many others).

Then, while it is possible to argue that the first privatisations, as in Chile and UK, "were experiments driven by business interests and shaped by a mix of neoliberal dogma and, in the case of Britain, pragmatic politics" (Beder 2005), they soon became models for countries that followed, due to the direct involvement of the international donor community in the implementation of the privatisation programmes (particularly in LDCs), not only through the IMF and the WB activities, but also through the Inter-American Development Bank (IDB), the Exim-Bank, the US Agency for International Development (AID), and others.

Thus, the privatisation policy was part of, and in itself, a counter-mobilisation wave, that unfolded within the global restructuring pursued by the international financial institutions, hegemonic states from DCs and MNCs, in order to place market discipline on national economies and public budgets worldwide. To different degrees in each country, even in the pioneers, this wave comprised an ideological agenda to reduce the role of the state and promote consumer choice; an economic attempt to embrace change in the structure of the economy, facilitate tough labour policies and curb the power of organised labour; a managerial concern to rationalise the internal structures of state-owned organisations; a political interest in achieving support for Right wing administrations and short-run financial objectives (Pendleton & McDonalds 1994; Vickers & Wright 1988).
However, beyond this general understanding, it is worth comparing how specific driving-forces and rationales combined in each of the countries under study (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.

**United Kingdom**

**Driving-forces and rationales of privatisation**

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 Argentinean government explicitly followed the British model for certain privatisations. Scholars coincide in recognising that the reduction of public sector was likely 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, at the end of the successive Conservative terms, the public sector had been reduced dramatically. However, unlike Argentina, the privatisation programme in UK evolved in a piecemeal, incremental way. Launched in October 1979 with the sale of 5% of public shares in British Petroleum, at the end of the first term (1979-1983) 12 SOEs were partially or fully privatised (1,625 million revenues). During the second term (1983-1987) 24 firms were sold in part or in whole (10.983 million revenues). Third term (1987-1991) involved 40 operations, among them 10 water supplies and 12 regional electricity companies (22.514 million revenues). 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 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 water supply industry was the most controversial, the sale of the ESI was government's most complex and troublesome. Weyman-Jones (1993) underlines, as well, 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. According to 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% of shares of National Power and PowerGen (generators) were sold off as well.

Apologists for British privatisation have tended to confine the analysis to either 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 UK, most scholars have pointed to governmental objectives (Clark & Pitelis 1993; Marsh 1991; Saunders & Harris 1994; Wiltshire 1987). In this regard, scholars have always listed similar reasons: first, to reduce the involvement of the government in the industry to improve efficiency by fostering competition; second, to reduce the public sector borrowing requirement (PSBR) to improve government finances; third, to ease problems of public sector pay determination by weakening public sector unions; and finally, to widen 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 privilege the governmental claim that
such policy was a piece of micro-economics (to foster competition and efficiency) rather than one of macro-economics (to achieve fiscal objectives and short-term revenues) (Gupta 2000; Wiltshire 1987). Yet, amongst those who agree about the preponderance of macro-economic 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 incorporate into this thesis 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 reintroduces a political dimension in the origins of privatisation. According to it, in a first moment, it would just mean to avoid losing support and votes. But as a result of the unexpected public enthusiasm with the sale of British Telecom (BT) shares, and two years later, with the sale of BG shares, the Conservative government would have ended up developing a positive ideological wisdom, the building up of popular capitalism. In the Conservative Party’s 1987-election manifesto such 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”. In this sense, Miller following John Moore, 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 beginnings of 1980s, public trade unions, mainly after the winter
of discontent of 1978-9, became a main target; hence, Wiltshire emphasizes that privatisation was also a powerful anti-union weapon. Many scholars have even argued that it was anti-unionism the very driving-force of privatisation in its origins. For instance, Bishop and Kay state that "the origins of privatisation lies in the desire to diminish the power of public sector trade unions" (Bishop & 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: "privatisation was seen as a mean 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 (Marsh 1991: 472-73). 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, originally, the strategy designed to cope with the union threat. In short, it is relevant that, though unevenly, the link between privatisation and anti-unionism in the UK experience is a common reference in the literature (see also Bienen & Waterbury 1989; Clark 1993; Ernst 1994; Ferner & Colling 1991; Gupta 2000; Pendleton & McDonald 1994; Swann 1988).

Among the ideological rationales to pursue privatisation, consumerism has also been a relevant force. This could be also 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). Thus, 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 got 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 1979 election. It remained a main discursive concern during the first two Conservative's 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 fortune, 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, therefore to socialism appeal. Thus, 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 or not, 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 subscribes to the second option (Bienen & Waterbury 1989; Bishop & Kay 1989; Clarke 1993; Gupta 2000; Marsh 1991; Saunders & Harris 1994) argue that there was not commitment with 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 there seems absurd to argue in favour of a secret and omniscient plan, no least, because there is not evidence of 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 Conservatives – as exemplified by the Selsdon Declaration, the Ridley Plan or 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 most powerful and fast method to achieve such aims. Moreover, the political environment was propitious for the New Right in embryo, after the 1976 IMF loan to 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; Foremen Peck & Millward 1994; Heald 1980). This event leading to the publication in 1978 of a White Paper on nationalised industries that would be, then, fully implemented by the Conservatives (Harrison 1988).

Argentina

Driving-forces and rationales of privatisation

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 & Basualdo 1999; Azpiazu & Vispo 1994; Basualdo 2001, 2006; Cifarelli 1999; Dinerstein 2001; Herrera 1992; Margheritis 1999; Rausch 1993; Thwaites Rey 1999; 2003). As Rausch puts it "the Argentinean 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 the academy. Indeed, it is this international constraint the most critical difference with UK. Consequently, it is impossible to find in the Argentinean literature the diversity of opinions about
the driving-forces and rationales of privatisation summarised for the British case in the previous section.

Thus, within a context characterised by international conditioning, the Government launched between 1990 and 1993 a massive and fast 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 & 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 (PEEL); the former to finance lay-offs, early retirements and enterprise restructuring; the latter to finance technical assistance to develop tailor-made privatisation plans (usually provided by the WB itself) (Dinerstein 2001; Rausch 1993, 1994; Sánchez Bajo 2002).

In four years, Argentina sold 34 companies and let concessions for 19 services and 86 areas for petroleum development. According to Alexander & Corti (1993) Argentine’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 & 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 in 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 in
concession to only one company in a given area. There are twenty-two main
distribution companies – most under provincial government jurisdiction.
Distribution considered a natural monopoly as well, was given in concession to
three largest distributors: EDENOR (Argentina, France and Spain), EDESUR
(Argentina, Chile, USA) and EDELAP (USA and Argentina), which are largely
the main companies in this sector.

Yet, apologists for privatisation, without negating that the external conditioning
was its crucial driving-force, have often restricted the analysis to either spurious
comparisons between the public and the private sector or praiseworthy
accounts of the efficiency gains of isolated privatised enterprises. For them,
privatisation came to end the chronic incapacity of the state to run efficiently
economic activities, enhancing in this manner the competitiveness of the
economy as a whole. This is often shown by studies, whose starting point is the
inefficiency, inflation and deficit of the public companies, something that they
intend to prove by comparing the levels of productivity of the companies before
and after privatisation. Thus, this type of analysis aims to provide support for the
governmental decision and the political recommendations of the IMF and the
WB by highlighting the micro-economic rationales of privatisation.

Margheritis (1999) points also to the need for the government to legitimate the
privatisation programme by underlining economic efficiency as a prime motive
of privatisation. Nevertheless, she acknowledges that the real motives were
gradually incorporated in the official discourse. Consequently, the end of the
fiscal deficit, or the cancellation of the foreign debt, ended up as the explicit
official rationales of the sale of public companies by means of a simple
argument: to transform a source of debt into a source of income. Several
scholars underline that the government also claimed, strongly, that given the
lack of public funds and the economic crisis, it was impossible for the state to
invest in technology to modernise the public services and state industries, and
consequently, privatisation was presented as the only alternative to improve the
provision of services and the national economic performance (Margheritis 1999;
Thwaites Rey (2003). Thwaites Rey (2003), in turn, has stressed that the privatisation programme was also a strategy to open new business opportunities to attract foreign investors, which would contribute to explain why consumers' interests were so crudely sacrificed for private profitability. But, all these arguments are often introduced to complement the main point: that the main driving-force towards privatisation was the external pressure in a context of acute fiscal deficit.

As for public trade unions, they were blamed like in UK for maximising salaries and benefits for themselves, at the cost of service quality and economic efficiency, and more generally, the consumers. Indeed, the need to curb the power of public trade unions was a topic included in the agenda of public debates of that time. However, the economic crisis, which surrounded the implementation of the privatisation programme downplayed the importance of the anti-union side of privatisation. Rather, the government launched an open attack upon public unions to facilitate its implementation. In this sense, in Argentina, union power was a problem to be tackled prior to privatisation as to allow the success of the programme. Needless to add that later on, the subsequent and negative impact of this policy on unions' power was welcome by the government.

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 by the literature as an essential condition, for scholars from diverse perspectives agree that this crisis helped to overcome resistance within civil society, particularly that of trade unions (Dinerstein 2001; Duarte 2001; Hill & Abdala 1993; Rausch 1993; Rofman & Romero 1997). This event brought forward the change of public authorities 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 of a new hyperinflation crisis, so that most unions declined to take industrial action.

Conclusion

By reviewing the literature, the chapter confirms the difference between the driving-forces and rationales of privatisation for DCs and LDCs. Besides, the character of pioneer of Britain amplifies the gap between both experiences. While the privatisation programme in 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 as well, important contextual differences, mainly, the deep economic crisis which conditioned the orientations of the political actors in Argentina, among them, the trade unions.

For organised labour, these differences contributed to shape differently their respective opportunity structures. For British ESI unions, privatisation was a foreseeable event, and hence, to some extent, they prepared themselves for this possibility. When privatisation was finally announced the process took enough time as 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 Argentinean trade unions to oppose the programme of privatisation was limited by the role played by international financial institutions, which exercised all sort 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 6

Comparative Industrial Relations and Mobilisation Theory: Trade Union (Re-)Sources of Power in UK and Argentina

Industrial relations institutions are in themselves 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 Argentinean 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. Thus, it is possible to argue that, broadly speaking, industrial (re-)sources of power brought trade unions political influence in UK, whereas political (re-)sources cemented workplace organisation and industrial strength in Argentina. To put it differently, while in UK the industrial mobilisation of workers was the key power resource to sit employers at the negotiating table, in Argentina the political mobilisation of workers was crucial to obtain 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 micro-political exchange, statutory
responsibilities on the ESI to be a 'good employer' and so forth. In short, the aforementioned difference is less important when studying the specifics of ESI, though still meaningful as a determinant of the relationships as a whole between the labour movement, the capitalists and the state, that is, the general framework in which ESI trade unions operated over the privatisation.

This chapter aims to analyse similarities and divergences regarding how trade unions have combined industrial and political (re-)sources of power in UK and Argentina, insofar as this combination relates to patterns of allocation of power resources. Five areas will be briefly examined: the basic foundations and features of both systems, their effects upon the dynamics of political exchange, ESI industrial relations institutions, trade union organisation, and finally, the neo-liberal offensive against labour, mainly, the legal aspects that framed the context in which privatisation took place. All these areas provide useful insights about the intermediate variables, which shape the empirical manifestation of the categories opportunity-to-act, organisation and interest definition.

The chapter starts by looking at the British case; then, Argentina is considered.

**United Kingdom**

**The voluntary system**

There has never been in Britain a corpus of positive legal rights for trade union activities and collective bargaining. This legal void has constituted the core of the voluntary system. Trade unions early 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 & 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 the British law, it was workers deployment of industrial collective strength what forced employers to deal with trade 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 aside 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/governments to deal with unions seriously.

In this framework, while from trade unions' point of view, the role of law was to prevent hostile action by employers through courts, or 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. Besides, the principles of contract that underpin employment law do little to address the fundamental imbalance of power in the employment relationship.

The latter rested upon either strong workplace structures or, mainly in the public sector, well developed industrial negotiating machineries, favoured by the Keynesian orientation of public policies in the period after the II World War.

In short, labour legislation has a comparatively much weaker influence than in other countries, and governments assumed, usually, the role of providing assistance to collective bargainers. Within this context, although the attractions of the voluntary system diminished for trade unions during 1970s, 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 with 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 this mean, to distort a crucial source of union power.

**Trade unions, politics and the public sector in 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. And 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 Morrison formula of no organised interest representation on public corporation boards (Cole 1953; Pendleton & Winterton 1993). Moreover, whether 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 rarely have attempted “to interfere with the autonomy of the parliamentary leadership in determining general party policy” (Hyman 1994a: 41).

Still, the dynamics of the Keynesian supply policies, adopted by both Conservatives and Labour administrations, increasingly triggered trade unions incorporation into decision making, particularly from late 1960s, through consultation and tripartite agencies (Marsh 1992; McIlroy 1995; Crouch 1994, 2003). There have been controversies surrounding the degree of this corporatist tendency (Middlemas 1991; McIlroy 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 to the Whitley philosophy of the post-war Labour government’s policy towards industrial relations (Pendleton & 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 micro-political exchange at industrial level, which permitted managers to fulfil Ministerial objectives, and trade unions to shape decisions and obtain benefits for workers. Second, until 1979, at least, unions took advantage in the public sector from the state tradition of ‘good employer’.

Thus, 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 allowed in public services that workers benefited 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, which contributed to develop powerful trade unions and centralised machineries of industrial relations in the nationalised industries (Crouch 2003; Ferner & Collins 1993a).

Then, as a whole, the meaning of the post-war settlement for trade unions was not as much the benefits of a new level of political exchange as the growth and consolidation of their industrial strength; but 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 stemming also from micro-political exchange than their private sector counterparts.

*Industrial relations in ESI*

In 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, which coloured
the political context in which industrial relations developed, though, with
contradictory effects (Ferner & Colling 1993a). In this context, unions profited
from the prevalence of securing supply when 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.

Thus, a far cry from the private sector, the government, through the 1947 and
1957 Acts, placed on the corporation, 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 the chance for unions to mobilise statutory resources to
secure certain procedural aims. But, still union density 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 (National Joint Industrial Council - NJIC) and white-collar
(National Joint Council - NJC) staff (Ferner & 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,
but also assured close relationships between management and unions at all
levels (Colling & Ferner 1993a, 1993b). Consultation was kept at three levels
too, but in joint bodies reuniting 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, as far as they did not threaten 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 & 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 to keep 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 micro-political exchange at the industrial level, were major power (re-)sources for ESI unions.

**Trade union organisation in ESI**

In UK several trade unions can operate in one workplace or industry, and this is a fundamental difference with the Argentinean system, in which there is a legal monopoly of representation. British multi-unionism is often associated to 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 ESI. By organising the engineers and technical staff, the organisation benefited from the strategic role of their membership in running the power stations, transmission network, and distribution systems; in their hands rested the capacity to bring the industry to a halt.
As well, unions in ESI organise workers across a wide range of economic activities, which results in heterogeneous constituencies, with the partial exception of EPEA (Turnbull & Blyton 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 46-7). 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. But, 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 macro-economic meaning of Thatcherism was the replacement of Keynesianism for a neo-liberal agenda devoted to restore centrality to market forces. In this view, by definition, organised labour hampers market dynamics by demanding more than the market can afford. Therefore, to curb the power of trade unions and reduce to a minimum neo-corporatist forms of stability were among conservative political priorities (Crouch 2003).

Thus, macro-economic political exchange through tripartite bodies was, gradually, abolished. Additionally, there was a clear change in state attitudes as employer, which stopped 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 restraint its support to collective bargaining, and especially, encouraged 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, but without replacing it with legal regulation. Its main thrust was to weaken trade union’s power, encourage individualism, and enhance employer prerogatives (Dickens & 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, make unions liable of unlawful industrial action, and enlargement of the range of potential litigants as to allow even unions 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 it often operates together with other factors such as, for instance, the business cycle or changing class composition, it seems to be little disagreement about its overall negative consequences (Gall & McKay 1996; Gennard 1997; Kelly 1998; McIlroy 1999). Generally, the deterrent effects of the employment law were associated to 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 & McKay 1996). Moreover, action against privatisation was prohibited, for it would be deemed politically motivated, for although connected with, it is not wholly, or mainly, about conditions of
employment (Mcllroy 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" (Mcllroy 1999: 528-29). The links between changes in legislation with mobilisation theory, particularly, its "positive relationship with counter mobilisation", have been explicitly highlighted by Mcllroy (1999: 532): "It can enhance caution and conservatism and dislocate the processes of mobilisation 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 a mere aggregate of individuals (Dickens & 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, and presidents and general secretaries, if they had voting rights in decision-making. Thus, these reforms, plus the industrial ballots, favoured the equalisation of democracy with individual balloting, and changed the character of union internal democracy at the expense of participative forms (Dickens & Hall 1995; Waddington 2003). These changes were relevant regarding the dynamics of leadership and decision-making of the different organisations.

Particularly, Thatcherism affected the framework of IR 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

Industrial relations institutions in Argentina present a contrasting development. The privatisation programme of 1990s faced a system of industrial relations laid down in 1940s, in which the law set the mechanism of collective agreements and unions compete 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 1943-46, and continued over his democratic Presidencies (1946-55). Previously, the State seldom participated as mediator when conflicts disrupted the few voluntary collective agreements between employers and unions, which existed at the time. In 1945, the State sanctioned a Labour Law, which regulated trade unions' representation by recognising just one organisation able to collectively bargain agreements and represent workers, at the workplace or courts, per each industrial sector - or economic activity, either nationally or regionally (personería gremial). In most cases, when there is a regional fragmentation of the representation, a national federation gathers the regional or local unions to bargain agreements on behalf of them. Until 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 have their own organisation. White-collar workers are usually organised together with blue-collar. Yet, in occasions, upper professional or technical grades may have a separate organisation. Extension mechanisms have secured that unions could operate with low membership levels; yet, union density was unevenly but usually high in key sectors and in the state industries.
From the beginning, in every case, the *personera gremial* has been given by the Ministry of Labour. Consequently, a breach of law, or a Ministerial arbitration, has often put trade unions at risk of losing their *personera 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, even more, public authorities 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 (*homologación*) and the right to suggest modifications, or reject, an agreement. In this sense, any agreement has always been just a project presented by unions and employers to the public authorities. Hence, employers and unions usually ask for official advice when they face an issue that might cause its rejection. In 1958, the Minister obtained by law the right to force conflicting parts to accept the mediation of public authorities (*conciliación obligatoria*). Over this period, trade unions cannot take industrial action of any type, and employers should desist to implement decisions, which have led 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 coups d'état, the right to bargain was often distorted since 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 repeal (*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 often unstable forms of corporatism and tripartite institutions.

To some extent, it was embedded in the origins and characteristics of the system succinctly described. The role of the State as its promoter and guarantor, its direct participation in collective bargaining, and its power to weaken or strengthen trade unions through administrative and legal prerogatives, rendered political influence within the state a (re-)source of power of vital importance. Besides, 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 the Peronism in mid-1940s, obtaining labour laws, benefits and organisational power, unthinkable just a few years earlier, but through political rather than industrial mobilisation.

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 to meet their demands concerning wages and levels of employment. Thus, trade unions pressured public authorities as much as they pressured capitalists; and frequently, capitalists and trade unions jointly pressured governments for industrial policies for the economic sector. And typical of Keynesian macroeconomic management, governments needed unions to concert industrial peace and social pacts.
Finally, due to the constant instability of Argentinean democracy and the political proscription of Peronism between 1955 and 1973, trade unions, usually through the Central General de Trabajadores (CGT), fulfilled a political role. Every government, democratic or military, was forced to negotiate with the CGT (or repress it). It has been a common practice that unions with similar political orientations gather together in temporary alliances (nucleamientos sindicales). These alliances express their support or opposition to governments, seek representation in tripartite bodies, dispute the internal alignments of the Peronist Party (Partido Justicialista – PJ), and struggle for the leadership of the CGT. Within this framework, national strikes played an important role as manifestations of political strength.

As in Britain, unions enjoyed in the nationalised industries 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 ESI

ESI industrial relations, at the time of privatisation, were partially shaped upon the basis set by the collective agreements (CCT) of 1975, in itself, outcomes of trade union political mobilisation. A brief historical detour is needed to put the case into perspective.
From 1964 to 1976, 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 lastly, a former General Secretary of LyF CF was assigned as the
president of the company. It is within this highly politicised environment that the
CCT 76/75 was negotiated, and ended up as a symbol of the peak of trade unions' influence in ESI. In 1976 a new coup d'état smashed the experience, 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.

Thus, once in democracy, the CCT was renegotiated, most terms and
conditions of employment recognised, but co-management rights removed.
Although, the trade union did not recover the degree of control it 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, dealt in the same year by the national
federation, FATLyF, on behalf of the 14 unions, which organised workers in the
company Agua y Energía Eléctrica on regional basis. 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 enjoyed co-management rights, as
the latter were achieved in SEGBA by Law – no by a CCT. The CCT 36/75 was
also suspended by the Dictatorship; it was recovered untouched by the union
during 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 ESI at the time of privatisation were rather simple from the beginning. The cornerstone was the CCT bargained in a Ministerial commission (*Comisión Paritaria*) integrated by public authorities, employers and union officials. Lay representatives (*delegados*) bear the responsibility at workplace level, to watch out that the employers do not breach the agreement. If this level fails, lay reps may call a union officer, and if still no solution is reached, a formal claim is submitted to the most appropriate of four commissions: terms and conditions of employment, safety, training and fringe benefits. The next step should be to elevate the claim to an ad-hoc commission (*Comisión de Resolutiva de Reclamaciones*), chaired by a Ministerial authority with power to deliver a final decision. The conflicting parts can appeal to the Ministry of Labour.

These commissions were also the place where ordinary consultation was handled. Most important matters often involved officers in face-to-face negotiations, for the system gave room to regular and informal contacts with managers, which was an essential component of the peaceful resolution of conflicts and additional mechanism of micro-political exchange. In fact, these contacts permeated the whole structures. Although, the system was highly centralised, it depended on the ability of elected lay reps to make the agreement work. Mass dismissals and repression over the dictatorship explain, in part, why the union could not apply the agreement in its whole extension during 1980s, which led, in turn, to a deterioration of the industrial relations expressed in an increase, though still within moderate boundaries, of industrial action.
In contrast to UK, trade union organisation in Argentina rests on a legal monopoly of representation and bargaining rights (*personería gremial*). Any organisation of workers can apply for public recognition providing it presents its internal books and other information to labour authorities. But, to replace a union with *personería gremial*, the competing organisation must demonstrate that it has had during six months, at least 10% more members than the other union. However, an organisation, without negotiating rights and without health cover institutions (*obras sociales*), has minimal chances to affiliate workers. The *obras sociales* are, perhaps, the most salient feature of Argentinean trade unions. They were created by the end of 1950s and the beginning of 1960s by means of collective agreements with employers. Both sides contribute to finance the *obras sociales*, but only the trade union run the administration. In 1970, a 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, as far as they contribute to their financial support. Thus, a worker 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 compensates the union against free riders as collective bargaining cover members and non-members. Thus, *obras sociales*, one of the pillars of the country 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 bigger ESI unions in the country. FATLyF managed the *obra social* for all electricity workers and offered other social benefits like housing building and tourism. All its members were organisations of blue and white-collar workers, with exclusive rights of representation (*personería gremial*) over a particular geographical area. 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 in a single negotiating table to secure a united front and keep homogeneity in terms and conditions. Indeed, the agreement CCT 36/75 closed by FATLyF set terms and conditions nationally, except for Capital Federal and Great Buenos Aires where LyF CF signed its own, the CCT 76/75 for the public company, SEGBA.

By contrast with 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, like 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.

Thus, in its first governmental term (1989-95), only 8 out of 20 legislative projects to reform labour laws were passed in the Parliament. Over this period, Peronist MPs, with union’s 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, these MPs stopped blocking the projects. All along, to introduce change, the government was forced to give in exchange protection and financial support to the *obras sociales*, and permitted unions to invest in the new business opportunities brought about with the privatisation and deregulation of the health system, pensions, ESOPs, insurance for labour accidents, and the privatisation
of public enterprises. As it will be shown later, this form of mobilisation of political resources is critical to understand 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 a wave of industrial action against the privatisation of railways and communications. The strikes were declared illegal, unions’ personería gremial and check-off arrangements 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 (by which the Argentinean peso was pegged to the value of dollar by law), the government decided to cut off 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 Decree impacted on the whole structure of collective bargaining by forcing unions to deal over wages at firm level, to take into account differentials in productivity between companies. Besides, it constrained corporative strategies by precluding demands for governmental wage polices. Thus, trade unions were obliged to discuss together with employers how to increase productivity and concede changes in the labour process that they were previously resisting. Nevertheless, trade unions succeed in keeping a centralised bargaining process by articulating sectoral and local negotiations. Hence, in 1993, another decree instituted bargaining at enterprise level; during 1995-2000, 90% 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 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 & Caruso 1991; Campaño et al. 1991). It entailed the suspension of 718 clauses from collective agreements previously closed by trade unions with 13 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. But this aspect will be analysed in detailed elsewhere, for it will help to grasp, on the one side, the centrality of law in Argentinean industrial relations as a political power (re-)source, and on the other side, the participation of international agencies in the counter mobilisation process.

**Conclusion**

The comparison confirms the assumption that constituted 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 axis, upon which the trade unions movements from Britain and Argentina have traditionally built their respective strength, differs. In the former, industrial resources prevail; in the latter, political resources are paramount. However, when turning to ESI, industry and ownership effects bring similarities: a crucial economic activity grants unions' industrial power; the political environment of public enterprises assures them a degree of political influence.

But differences remain, and from the point of view of the mobilisation theory, have 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 UK, where the chance to mobilise political resources seems to be lesser. For British trade unions, the fate of the opportunity structure appears to be associated, mostly, to 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; British system seems particularly vulnerable to this circumstance.

McIlroy (1999) has remarked the positive relationship in UK between legislation and counter-mobilisation. This chapter has shown that the Argentinean system of industrial relations amplified this connection. In UK, though important to frame the context of industrial relations interactions, neutralise threats of industrial action and laid down the general structure of the industry, legislation was an important but still secondary aspect of the process of counter-mobilisation in ESI. As it 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 of ESI privatisation, which paved the way for further industrial restructurings. Legislation was crucial for privatisation success.

Trade unions' responses depend on contextual conditions, and a main determinant of them 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 an important event of workers mobilisation is exempted of legal sides. Workers mobilisation manifests in this country, always simultaneously, in the streets, in the workplace, and in courts. Likely, the system gives room for political exchange; therefore, unions often mount political strategies to confront industrial troubles. In UK, these responses are unusual. Unions prefer to concentrate in strengthening their industrial resources. The structures, contents and strategies
of industrial negotiation and consultation, together with the level of membership, override union policy thinking. But other variables such as organisation, leadership, and decision-making, play a determining role on how these resources are combined and in which direction. 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 back industrial action. In UK, industrial resources will be 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, recruiting is paramount in both.

To sum up, this chapter discussed, 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 Argentinean systems of industrial relations, and from the political contingency associated to the management of public industries. In the following chapters, it will be necessary to bear these themes in mind, as they will recur when analysing the empirical findings of the research.
Chapter 7

The Anti-privatisation Campaigns in the Light of Mobilisation Theory

The aim of this chapter is to analyse the relevance of mobilisation theory for 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 conditions 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: 37), for by definition, state and capital counter-mobilisation is both a political and industrial process, and then, 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. Thus, 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 of 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). The latter depends on how the opportunity structure is subjectively processed. In this regard, the combination of certain organisational aspects and certain leadership
styles are thought to be vital social mediations for workers to collectively define a set of demands and strategies to face opponents and act back upon the opportunity structure itself. Thus, a brief evaluation of appropriate data regarding workers’ organisations and union leaderships will follow. This should contribute to deepen the understanding of trade unions’ defensive responses.

The analysis approaches, first, UK, and then, Argentina. In the former, ESI unions launched a single anti-privatisation campaign, which constitutes the focus of the analysis. In the latter, instead, it is necessary to separate the cases of LyF CF and LyF MDP as each union confronted with different companies, different branches of the state and their strategic choices differed radically. In every case, it is offered, first, a brief sketch of trade unions’ initial response to privatisation. Then, the category opportunity-to-act is considered by evaluating power relations and trade unions (re-)sources of power. This analysis is carried out according to the theoretical framework laid down in Chapter 2. It integrates two different approaches. On the one side, it follows Lukes (2005) to discuss power in relational terms. It may be worth reminding it as it will be applied in the next sections: 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 in or off the agenda in the face of opposition; c) the capacity of a party to secure assent to its objectives by another group because of the successful diffusion of a hegemonic ideology. On the other side, against this background, it draws on Batstone (1988) and Kelly (2005) to explore particular aspects of trade unions (re-)sources of power when appropriated. Lastly, organisational and leadership data is incorporated into the analysis to illuminate the interaction between the opportunity-to-act and its reading by organised labour.
United Kingdom

**FUSE campaign**

In March 1987, the joint union forum of the industry, ESTUC, through its campaigning arm, FUSE, launched a set of activities to oppose the privatisation of the electricity industry. The initial objective of the campaign was to mobilise the public opinion against privatising the ESI, and in particular, to contact Members of Parliament (MPs) as well as candidates at the coming general election, to persuade them not to endorse a manifesto commitment by any Party to privatise the industry (EPEA 1988a). In turn, its primary concerned was to prevent the breaking up of the generating boards (TUC 1988). Consequently, using the Divisional Electricity Supply Trade Union Councils (DESTUC), a new untried local organisation, the collective effort was directed towards lobby MPs - particularly Conservatives from marginal seats, to raise public awareness of the issues involved by organising local events, and to influence opinion formers (Electricity News, 8/3/89). From the outset, the electoral focus imposed itself upon industrial action, which was discarded.

The announcement that the general election would be held on June, earlier than expected by ESTUC, meant that ESI unions should take the campaign to the public before FUSE were mature. The election result marked the failure of the first stage of the campaign, as it was openly acknowledged at the time:

> It is a matter of record that the campaign was not successful (EPEA 1988a: 13).

Let us be honest, the FUSE campaign against privatisation 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 Secretaryship 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 over the legislation process. Thus, ESTUC established a small working party to monitor the Bill's progress, and to consider and submit its own amendments. In contrast to FUSE, this second stage of trade unions' strategy was quite successful insofar it obtained by legislation their main aims: the pension schemes, health and safety procedures, and provisionally, the industrial relations machinery. In particular, the issue of pensions has become the icon of the relative success of this pragmatic strategy as expressed in every interview:

We secured one very important thing from the government, and that was never ever repeated. That was that we had pension schemes written into the act of Parliament. That meant the pension scheme was protected, and that happened in no other industry (...) It was a collective thing. We, the trade unions, secured an agreement, collectively, from the government. The government wrote into the actual act of Parliament that anyone in the industry prior to the 1st of March 1990, who was in the industry privatised that day, would have the pension protected indefinitely (National Officer – Amicus).

To sum up, trade unions' initial response to privatisation was characterised by its pragmatism as it was assumed that the privatisation could not be stopped. It was mainly electoral in the beginning. The possibility of industrial action surfaced early debates and conferences but union leaderships - particularly those of EPEA and the EETPU, but presumably an important part of NALGO's officials too, were convinced that industrial action would be disastrous for the unions. Then, trade unions aimed at influencing the would-be private structures of the industry, and mainly, taking advantages of the political environment to secure legislative changes in the Bill.
The opportunity-to-act

Although a complex exercise, the application of Lukes' model may contribute to explore how political and industrial spheres interacted and conditioned the opportunity-to-act of ESI trade unions.

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, make the government to 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 industrial lever; whereas industrial latent power gave trade unions defensive political bargain 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 by mobilising diverse (re-)sources of power – or in which contenders had to abandon or modify certain objectives.

The scope of political influence was defined in chapter 2 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). Applying this model to labour studies, Kelly uses the number of contacts between 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 TUC in search of a 'new realist' approach, not the government; and involved a move from face-to-face to weaker contact by writing. Finally, it was significantly less effective in comparison with those of the 1970s (Marsh 1992). Besides, 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 their 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 UK (Frege, Heery & Turner 2004). Lastly, the Conservative parliamentary majority closed the chance to benefit, at least, at the institutional level, from any instability in political alignments or divisions in the ruling elite. In short, as early recognised by EETPU:

> 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 others unions elsewhere were unable to, would be related to their industrial power:

> Clearly, the Government's tactics are to avoid provoking opposition from the staff in the run up to privatisation. 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 succeed in reintroducing the transference of the negotiating machinery by law to the new privatised companies, and the new owner’s obligation to give 12 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 is still, presently, 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 spike 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 to spike 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 several as in water) 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 regards the provision of official guarantees to 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 certain courses of action preventing 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 it 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 than 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 farther 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 gonna win, at least, you make sure that you protect your members, and that was what we've done (National Officer – Unison).

Thus, from the outset, the whole policy of ESI unions rested upon the recognition of the inevitability of privatisation. Most importantly in this sense, and leaving aside the moderate character of ESI unions, the negative development of trade unions' resources with regards to governmental support and intervention in disputes and conflicts - chiefly through legislation, conditioned any chance to resort to the offensive mobilisation of industrial resources.

By 1987, when FUSE campaign was launched, the government had already passed three important pieces of legislation directed to change the balance of power between unions and employers. And during the run-up to privatisation, between 1988 and 1990, three new important Employment Acts were sanctioned. Chapter 6 approached 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 in which any workers are required to work. Additionally, picketing and secondary action were restricted by the 1980 Employment Act, unions were declared liable of unlawful acts by 1982 Employment Act, and ballots were required before industrial action by the Trade Union Act 1984. It could be added too, that the 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):

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 almost 20 years ago:

You have to remember that at the period of privatisation was Margaret Thatcher. She made it illegal for people to take industrial action for anything except for trade dispute. 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 contrary, at industrial level, managerial support together with procedural and other collective agreements - which according to Kelly and Heery are crucial power resources too (Kelly & 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 withdrawal from the machinery was submitted by management soon after this day. In any case, though signals 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 & Colling 1993: 118).

If one turns the attention to the second of Lukes' indicators, that is, control upon 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 House of Commons Select Committee on Energy, and contacts with MPs (EPEA 1988b; Privatisation News and Journal Contact, several issues). They permitted unions to maintain some control upon the interactions and to keep key issues for trade unions' defensive strategy in 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 monthly basis in which issues like R&D, 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 began an enquiry into the "structure, regulation and economic consequences of electricity supply in the private sector" (EPEA 1988a). ESTUC sent written evidences in 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, ESTUC small working party monitored the Bill's progress by keeping constant liaison with MPs of all Parties as necessary. Through these interactions ESI unions mobilised political resources to influence, politically, the process of privatisation.

Instead, the CEGB and Area Boards refused from the outset to discuss and consult with ESTUC its future structure; unsurprisingly, then, the latter was strongly critical of the CEGB indifference to consultation on fundamental issues like the break-up of the industry. Only after strong pressures 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 began 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.

In short, while trade unions were able to put into the political agenda, industrial relations issues like pensions, health and safety, and the negotiating machinery, 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. To carry out this analysis, it is essential to identify, first, the core ideological leitmotifs of the privatisation of the electricity industry. In this sense, 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 to consumer identity, and tributes to the benefits of management and competition (Haslam et al. 1996). At this level, the analytical risks rest on the difficulties to
disentangle between what is evidence of Thatcherism's ideological domination of debate, and what of 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 acceptance.

However, 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. But, 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 most noticeable is the role played by the figure of the consumer in ESTUC campaign. 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 4 out of its 10 points were related to consumers' concerns, no single explicit mention to workers' interests can be identified (ESTUC 1987; FUSE 1987). Similarly, in a seven points of principles, 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, TUC 1989b). Similar rationale led the ESTUC to consider after the 1987-election, that there was not obvious campaign to mount and confined FUSE to lobby: "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).

It is opportune to remark that 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, and although it was never sufficient to derail privatisation, at key points, it had the government on the defensive (O'Connell 1993; Ogden 1991, 1993). But water unions spent a lot of efforts in building coalitions with consumer groups, an effective replacement for low workers' engagement, but also an incentive to it. In electricity, 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 later toned with EPEA idiosyncrasy.

EETPU was pioneering at the time the politics of a win-win type of social partnership, known by detractors as strike-free agreements, which proliferated, primarily, 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.
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 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).

But, second and most important for the analysis, among the senior members there has always been a 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 in the run-up to privatisation, for many of their members in managerial positions shared the managerial wave, and saw economic and professional advantages in freeing themselves from the rigid structures of the national industry. Thus, many pursued their own managerial agenda in between the government’s plans and unions’ standpoints. This weakened somehow EPEA endeavours, whose leadership engaged in a subtle ideological battle to
prevent senior members from what the union leadership conceived 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 of this managerial thinking.

Summarising, Lukes' model helps to identify how political and industrial variables combined to narrow the opportunity-to-act for ESI unions. Yet, it also contributed to identify 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 organisational and the social mediations of interest definition. Thus, 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 it shall be discussed in chapter 10. 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 to account for the existence - or inexistence, and the particular forms, of workers' collective actions and unions' campaigns. 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 6 already discussed the meaning of British multi-unionism. By definition, it poses serious challenges to workers unity, and privatisation was not the 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 its response to the privatisation programme. Nevertheless, this unity was over-determined by the institutional framework from 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 a relative detachment from its internal process of decision-making, built upon the values of participatory democracy. A strong white-collar union, particularly, in the old Area Boards, NALGO organised certain groups with significant disruptive potential (mainly staffed billing and customer service functions employees), but without the latent industrial power of the manual and engineering unions, 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 to prioritise coalition building by working with consumers' organisations and other interested groups as they had done in gas, and were attempting to in water. NALGO made a list of target consumer groups and organisations, established contacts with water unions' campaign committee, and hold 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 with 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, 9/10/87). Nevertheless, this campaigning determination was, soon, simply a discursive device to soften internal dissatisfaction like the sort rose 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, did not have chances to be translated into an independent policy. Thus, although NALGO's lay representatives 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 ESI 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 that embodied the ethos of meritocracy and moderation, which have 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 within the rules of the game, and the only political platform from which negotiate future industrial relations issues. This leading role within the ESTUC would last in their interactions with the state until the end of 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 to monitor the legislative process and liaise with MPs, ESTUC established a small working party co-ordinated by EPEA's leadership. Suggestively, the secretary of FUSE passed, at this very moment, from EPEA to NALGO. Industrial and organisational features contributed to incite ESI unions to accept EPEA's leadership within ESTUC. Regarding the former, not only its strategic role in running the power stations, transmission network, and distribution system, but also its technical expertise and the daily authority EPEA's 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 latter, while NALGO and the EETPU had membership constituencies beyond the industry, EPEA's
constituency was almost entirely from 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 out in 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 then, EPEA and NALGO dealt their own agreements. But the right-wing-populist leadership of the EETPU was a moderate force, which contributed significantly to keep industrial peace in 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 and an extensive use of formal democracy, under the ideological shell of modernisation. It entailed the abolition of areas 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 live, went by from the 1971 to the 1983 Biennial Delegate Conferences when EETPU leadership finally took over the opposition by beating proposals to rigidly bind the Executive Council to conference decisions and to elect officials, which according to the NEC, aimed to thwart members' decision in ballot boxes and undermine the authority of the elected executive. Thus, the privatisation of the ESI found a populist leadership in firm control of a centralised organisation but immerse a in serious conflict within the labour movement, which led 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 to pursue the election of a Labour Government to reverse privatisations policies. This was, in
fact, the only feasible strategy devised by EETPU, which had consistently opposed to industrial action to undermine public policies. Indeed, this compromise was also functional to dissipate misleading dreams with industrial action:

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)

Thus, while the opportunity structure posed objective constraints to ESI unions, the concrete shape of FUSE campaign had much to do with the nature of trade unions' compromise through ESTUC, which in turn, was narrowly 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 shift from latent resistance to active support. During 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 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 of LyF CF’s (Cuerpo General de Delegados - CGD) 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. But 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 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 with 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 and workers participation to reactivate generation and distribution.

In September of 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 in a pragmatic strategic shift. Two months later, the General Secretary of the union suddenly declared his support of privatisation of the industry conditioned to an active involvement in the process (Clarín 24/11/90). According to interviews, despite expressing public support to privatisation, the union had still 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 or confrontation, and inclined unambiguously for the former.

Then, while opposing partial licenses, outsourcing or privatisation of the retail and commercial businesses, the union participated in negotiations and the preparation of the international bidding. Along this 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 it 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 Argentinean trade unions should take into account the ideological and political consequences of the hyperinflation processes that hit the economy in 1989-90. Its disciplining effects upon the population have been stressed by the scholars (Campione 2002; Murillo 2001; Sigal & Kessler 1997; Torre 1998), and even compared to those of a dictatorship or a political repression (Anderson 1994; Bonnet 1995). 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 to the neo-liberal reforms of beginnings of 1990s. The economic crisis prepared the terrain to make the population accept the need of a radical change in economic policy and to pass
the State Reform 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 the electricity, this general economic crisis combined with an energy crisis (1988-89), due to not only climatic contingencies but also the deterioration of the generation plants as a result of the lack of public investment.

The three-fold model of power referred to at the beginning of the chapter, shows the subordination of LyF CF to state imperatives.

As for the first dimension discussed by Lukes, the most striking finding is the abrupt conversion of LyF CF to privatisation. The Government determined response to union opposition persuaded the leadership of LyF CF to change reluctance into active support, which was crudely manifested by joining the officialist faction ‘Menem Presidente’ (Sur, 8/11/90). Thus, the course of action finally taken by the union was a far cry from its traditional opposition to privatisation. It expressed the unfavourable relations of power underpinning the opportunity structure.

The analysis of union political resources over the process of privatisation applying Kelly’s (2005) methodology presents difficulties as there are no statistics over the number of contacts between the CGT and the government generally, or between the latter and LyF CF specifically. However, the collection of data from national newspapers and the trade union’s journal Dinamis gives the robust impression that contacts increased or decreased following trade union’ political stance. While LyF CF kept a mute resistance to privatisation, information about official contacts and negotiations were rare in these organs. When LyF CF announced their support to privatisation, news about meetings with the Minister of Economy, the Minister of Labour, the Secretary of Energy, the Secretary of Privatisations, WB consultants and MPs proliferated in both. Besides, informal channels and direct personal relations with the President
Menem were common. The latter was part of a wider process of negotiation and political capture, which included personal favours and concessions as part of a renewed political exchange (González & Bosser 1999). Regarding trade unions' political influence through the PJ, it underwent a process of de-unionisation during 1980s, which, in turn, eliminated a key source of internal opposition to government's neo-liberal reforms. As Levitsky stresses: “Party reformers dismantled Peronism's traditional mechanisms of labor participation, and clientelist networks replaced unions as the primary linkage to the working and lower classes. By the early 1990s, the PJ had transformed from a labor-dominated party into a machine party in which unions were relatively marginal actors” (Levitsky 2003: 4). This process is also illustrated by the gradual marginalisation of Peronist MPs belonging to trade unions (Table 6). Thus, trade union political influence within the PJ fell steadily just before the reforms began.

**Table 6: Peronist MPs with trade union background**

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<tbody>
<tr>
<td>Number of union MPs</td>
<td>35</td>
<td>28</td>
<td>26</td>
<td>23</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>% over total MPs</td>
<td>13.8%</td>
<td>11.0%</td>
<td>10.2%</td>
<td>9.0%</td>
<td>7.0%</td>
<td>3.9%</td>
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*Source: Nueva Mayoría, Septiembre 1994 – Boletín nº 83.*

As for coalition building, interviews and sources showed that LyF CF inclined to pursue union traditional repertoires, without intention to go 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.

In short, 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 depend on 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
process and outcomes of industrial relations, as shown in chapter 6. Concurrently, this explains the dependence of trade unions on government and the role of political action in their strategy (Bunel 1992; Goldín 1997). The PJ was the historical channel to access the Government and gain its favour. Thus, to confront a Peronist Government implied the risk of political isolation and more important, to break the alliance that had provided unions with political resources and served well so far their corporatist interests.

As for legislation, two main facts conditioned unions' ability to act. First, after trade union 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). Thus, 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 to force unions to enter in 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 to the union were cut (Campano & 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; Campano & Caruso 1991; Campano et al. 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 at the workplace in the run-up to privatisation. The union witnessed the dilution of agreements and support from management, and with it, how power resources at industrial level also withered away. This process will be analysed in some
detail in chapter 9. For now, it is enough to mention that the process began with the State Reform Law that froze wages and ordered a 10% 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 - paid partly by the WB (El Cronista Comercial 17/8/90), and mainly, with the suspension of clauses from the CCT that changed the rule of the games (Ministerio de Trabajo 1990). Finally, it was epitomised by the decision taken by an empowered management to stop the functioning of the *Comisión Interna de Reclamaciones*, the fulcrum of the negotiating machinery at the workplace.

Thus, LyF CF experienced negative developments in its political and industrial (re-)sources of power in the run-up to privatisation, a situation that underwent the subordination of the union to official policy.

The analysis of the second dimension of Lukes' model shows that union's subordination paved the way to union participation in the process of privatisation, though not necessarily opened the door to shape the contents of the agenda. LyF CF took part in the Privatisation Commission (*Comisión de Privatizaciones*), and maintained several meetings with the Minister of Economy, the Minister of Labour, the Secretary of Energy, the Secretary of Privatisations, WB consultants, and even with the President Menem in two occasions. LyF CF failed to secure most of its objectives: the integration of the industry, the level of employment, the single collective agreement, and the company responsibility to finance the *obra social*. The union achieved generous voluntary retirement packages (a common policy to restructure public enterprises for privatisation) and the ESOP, which was an essential component of LyF CF's propaganda to legitimise its support to privatisation.

At industrial level, the union also kept regular contacts with managers and industrial authorities but were ineffective, on the one side, given the gradual change in the balance of forces at the workplace, on the other side, because
decision-making about relevant issues were concentrated in higher political spheres.

When approaching the third aspect of the model, the need to disentangle tactical choices from ideological subordination, comes out again as a problem. Nevertheless, the discussion illuminates the power of neo-liberal hegemony. In Argentina, privatisations were framed ideologically by the ethos of the sacrifices demanded from workers by a national crisis. It was stressed the responsibility of public companies in the crisis, the lack of public resources to make investments, the chronic incapacity of the state to manage efficiently economic activities, and the need to pay the foreign debt (Cifarelli 2000).

Findings suggest that the leadership of LyF CF played a substantial role in the diffusion of some components of this ideology, though rejected others. The dilemma was to justify their strategic shift to neutralise opposition from activists. With this in mind, union leaders 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 relying on private capitals to invest and revitalise the industry. The union recalled 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 a distrustful workforce. NEC's communications to lay representatives strengthened the continuity of aims between the old strategies and the new ones:

Luz y Fuerza achieves in concrete, with the opportunity to buy shares, and administers them collectively under worker's organisation leadership, 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, Abril 1991).

Accordingly, the journal *Dinamis* devoted important space to present win-win scenarios stemming from workers participation in shares-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 gain if businesses are successfully run (Dinamis, December 1990)

Though with less enthusiasm, the same line of argument is reaffirmed today within the ethos of popular capitalism:

We fought for getting 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 of our support to privatisation. For us, the ESOP meant a new participative style. A new role for workers in a 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 on the content of the exchange. The union, as in the past, compromises 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 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 for our enquiry about the relationship between the opportunity-to-act and trade unions' internal capabilities. On the one side, the growing weakness of the workplace structures (comisiones internas), and with it, of a lively internal democracy capable of posing limits to a bureaucratic leadership. This fact was the outcome, first and foremost, of the military repression between 1976 and 1983; second, 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. By this way, it stopped the slight recovering of workers' organisations that continued the end of the military rule. On the other side, 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 that intended to go beyond the horizon of gremial 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. To fulfil the latter, the union devoted energies to supply workers with cheap houses, hotels, holidays packages, an institute for secondary studies and training,
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 has gone 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 will be analysed in detail.

The case of LyF MDP: opposition and community alliances

In this case, the anti-privatisation campaign is arguably still an on-going process, for a new campaign asking to rescind the private concession obtained
by EDEA in 1997 was launched by the union in the beginning of 2005. It began in 1987, two years before the assumption of Carlos Menem, when the actual leadership won the internal election. Since then, the campaign has included a vast repertoire of collective actions against the process of privatisation, which took ten years, partly, as the result of workers' opposition. Three stages were particularly conflictive during this period.

First, 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, in 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 in 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 campaign, the union attempted to get support from the CGT and 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 deepened the orientation towards coalition building by making the first call to community organisations, universities and political parties to join the struggle. Differently from LyF CF, the union opposed the Emergency and State Reforms Laws (8 de Octubre, nº 36 31/10/89), as also differently from LyF CF the union opposed the anti-strike decree one year later (8 de Octubre, several issues).

The second stage began after a relative period of peace, when in May 1992, the Provincial Government announced the privatisation of the company. In this context, the union confronted rationalisation and restructuring plans mounting a sustained defence against a three-fold attack. The main front was the attack to the collective agreement, which counted on the connivance of FATLyF. The rationale of this assault was the managerial search of control over the labour
process and the establishment of flexibility at 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 these defensive aims in mind, union officials widened their tactical repertoire, which included: all sort 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 70000 solidarity signatures, organisation of popular musical concerts, and even the putting up of a tent in front of the company for 7 months and 11 days. In all the 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 peak organisation, the Central de Trabajadores Argentinos (CTA) to rival the pro-reform CGT (8 de Octubre, several issues; LyF MDP 1995c).

The third stage runs between September 1996 - when the union asked the Provincial and Municipal Governments to implement a popular referendum, and July 1997 - when the company was finally privatised. Over this period, the anti-privatisation campaign was again the main focus of LyF MDP, which deepened its political alliances with community organisations to oppose the sale, and organised a popular assembly when the authorities finally rejected the referendum. Simultaneously, the organisation continued to oppose early and voluntary retirement, and decided to confront compulsory redundancies; every member inclined to accept the offer had to face expulsion by decision taken in general assemblies. Calls for industrial action completed the picture (8 de Octubre, several issues; LyF MDP 1997).
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. Privatisation developed initially at national level; the Provincial State was not under the same hurry to sell the provincial public enterprises. Similarly, the interference of IMF and WB with the design of public policy was lesser at Provincial level, given that it was much lesser the Provincial foreign debt. Besides, as the union succeeded in postponing the sale, though the positive image of trade unions continued to be very low (Nueva Mayoria 1997a), popular support to privatisation started to fade away following other traumatic experiences (Nueva Mayoria 1997b) (see Table 7). For instance, this pressure pushed 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 enrolled in the Peronism, although most union officials belonged to it. Together with organisational and agency type variables these structural factors are relevant to understand the virulence of the anti-privatisation campaigns in this case.

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

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</thead>
<tbody>
<tr>
<td>Trade Unions</td>
<td>19</td>
<td>16</td>
<td>21</td>
<td>11</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Privatisation</td>
<td>28</td>
<td>29</td>
<td>35</td>
<td>45</td>
<td>36</td>
<td>36</td>
<td>28</td>
<td>30</td>
<td>28</td>
<td>22</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: Nueva Mayoria 1997a, 1997b

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

As for the first face of power, while the union's opposition to privatisation was unsuccessful, as far as it didn't prevent, or reverse it, union' campaigns delayed the privatisation for years. To argue that the union was either persuaded or forced to adopt a course of action other than the one it originally intended seems not enough, and perhaps untrue. The union has fiercely fought privatisation 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. But, the political direction chosen by the union suffered no alteration, and ESI workers engaged in collective actions until the last minute to stop it. And they still campaign for the re-nationalisation of the company. Indeed, the union has launched this year a national campaign for the re-nationalisation of the energy industry.

As stated before, Kelly’s model to analyse the openness of the political decision-making of the state presents difficulties for the Argentinean cases. 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 union complete opposition to privatisation. There was neither personal channels between union leadership and political authorities nor union affiliation to political parties. Instead, the union intended to take advantage from differences in Provincial and Municipal political alignments. The Municipal Government never assumed an open anti-privatisation stance but local councillors voted 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 to organise a referendum about the privatisation submitted to the Municipal Legislative body by the union. Yet, in 1997, just before privatisation, the same body accepted 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 of their opposition. This action was important to popularise union’s political views and consolidate community alliances. Thus, 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 declining repertoire of traditional political resources for 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 applies 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 its 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) and 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, avoiding open defiance of the anti-strike legislation, although, in fact, the union did not comply with the law.

As a result, public authorities and top management attacked procedural and other collective deals to undermine the industrial dimensions of union power (re-)sources. This counter-mobilising move included macho-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 for a flexible one, to prepare the company for privatisation and to weaken trade union power at the workplace. This was not only a flagrant disregard for the law but also a hallmark of the connivance between the Government and a corrupted faction of the trade union leadership. 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 to 500 workers and firing 23. After that, the management made a proposal to exchange the compulsory redundancies for trade union voluntary acceptance of the collective agreement signed by FATLyF to replace the CCT 36/75. In addition, ESEBA used financial penalties to encourage defections from LyF MDP, refusing to pay $120 (Argentine pesos) in food tickets to those retaining membership. Given that the average wage was $700, 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 to carry 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 even failed 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. Soon after, the company suspended 60 workers, in this case, attempting to include members of the NEC. At the peak of the confrontation, there was an arson attack on trade union premises, verbal assaults to NEC’s members, threats to their relatives, and even a drive-by shooting to the house of a trade union official. Methods of this kind have been very persuasive to deter social mobilisation in Argentina after the last dictatorship. Shortly, the analysis of power resources at this level reveals the most negative change, despite unions’ ability to mobilise workers through in 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, 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 union facing privatisation (Orlansky & Orciani 1994). Thus, the union negotiated neither the future structures of the industry nor compensations 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 a continuous ideological struggle to combat the diffusion of the idea of privatisation among workers. The union performed an ideological counter-hegemonic role that was very successful among the rank-and-file and secured 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 inefficiency of the public companies, framing it as purposely pursued to justify their sale to the private capital. Besides, union leadership claimed the social role of public utilities refusing 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 (Electrical Tariff of Social Interest) in 2002, for households that cannot afford the provision of electricity. The ideological impact of this type of action was notorious.

In this case, a fierce inter-union dispute is a salient factor shaping the opportunity structure faced by the union. While LyF MDP embarked in 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 blow up again when FATLyF derecognised an alternative negotiating proposal prepared by several unions under the leadership of LyF MDP. But the key event was the process of negotiation started by FATLyF and ESEBA in 1991 to close a new collective agreement for the company. LyF MDP, first, complained to the Ministry of Labour, and second, presented a legal claim before the Courts. Simultaneously, the union leadership organised a political faction within the Federation, which gained the support of 19 out of 44 members, but the experience finished in January of 1993, when the leadership of FATLyF expelled LyF MDP from the federative body 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 Argentinean trade unions. This dispute ended in 1994, when FATLyF finally reached a new agreement to replace 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 to form a parallel organisation that challenged the position of LyF MDP, though it failed to gain terrain among the workforce. If it never posed a threat to LyF MDP's hegemony, this new organisation together with FATLyF was functional 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 to overcome 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 speaks 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 get access to local representative bodies. The lesser involvement of IMF and WB in the privatisation of the provincial company meant less pressure upon the administration to sell the company
quickly. Thus, 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 widen 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. But 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

There are four organisational differences with LyF CF, which may be of relevance to understand the variability of their responses. First, the smaller size of LyF MDP seemed 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 side, repression during the last dictatorship was softer in the case of LyF MDP; on the other side, the strong opposition of the organisation to voluntary redundancies prevented the exodus of militants during the pre-privatisation process. Third, the organisational resources to service 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. To provide 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 (14 in total) shared similar features, but chose to accept privatisation and supported, ideologically, politically and economically, the 'entrepreneurial unionism' of FATLyF.

Then, a relevant difference seems to rest in the style of leadership and the dynamics of the process of decision-making. 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; have been essential features of LyF MDP since 1987. The union leadership devoted time and effort to encourage 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 put forward the problem by different channels and, eventually, sanctioned some of them. Similarly, when the attendance to 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.

Table 8: Mass and Lay Reps meetings in LyF MDP and LyF CF

<table>
<thead>
<tr>
<th>Trade Union</th>
<th>Ly F MDP</th>
<th>Ly F CF</th>
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<tbody>
<tr>
<td>Type of assembly</td>
<td>General Assemblies</td>
<td>Lay reps assemblies</td>
</tr>
<tr>
<td>1990</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>1991</td>
<td>10</td>
<td>6</td>
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<tr>
<td>1992</td>
<td>14</td>
<td>8</td>
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<td>1993</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>1994</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>1995</td>
<td>6*</td>
<td>4*</td>
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<tr>
<td>1996</td>
<td>7**</td>
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<td>2000</td>
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<td>-</td>
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<tr>
<td>2001</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2002</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>

(-) no data
(*) data between 1-1-1995 to 30-4-95
(**) data between 1-5-1996 to 31-12-96

This data speaks of the commitment of LyF MDP to a democratic process of decision-making, which spurred the mobilisation against privatisation. Over the
interviews, union officials stressed the importance of the interaction between leadership and rank-and-file democratic decision, which has supported every strategic choice along the anti-privatisation campaign and beyond. Information and mutual trust seem to have been key factors:

The thing is that (...) people was 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 about our utter dedication to the cause. And what we anticipated, it 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 to supersede the traditional model of Argentinean 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 crystallized, eventually, in the formation of the CTA, a new peak organisation to dispute the leadership of the Argentinean labour movement.

**Conclusion**

By putting forward a conceptual framework, in which it is possible to link external and internal conditions that constrain trade unions' strategies and workers collectivism, mobilisation theory has proved to be useful to analyse the
forms taken by the anti-privatisation campaigns under study. Furthermore, to apply 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 within the realm of production. This was a heterogeneous development in scope and timing. In this regard, differences between the British and the Argentinean experience suggest, for instance, that the role of Governments in changing power relations at the micro-political level of industrial relations varied according to the degree of external pressures behind the programme of privatisation, and the extent to which the micro-politics of industrial relations are expressed in legislation and formal rules, in which the state plays a central role. Similarly, comparison showed that the mobilisation of political and industrial dimensions of union power resources might vary according to these same institutional variables, but also with the internal dynamics of union decision-making and leadership styles.

ESI unions from both countries experienced legal offensives to thwart their ability to disrupt production. Yet, the evolutionary change of the organisation of labour and the industrial relations arrangements in UK, allowed unions to maintain their industrial (re-)sources of power, and hence, industrial latent power. This helped British ESI unions to gain defensive political influence within a context of political retreat, though, ironically, this influence failed to shape the agenda of negotiations with regards the future structures of the industry. On the contrary, in Argentina, public authorities used their industrial relations prerogatives to undermine the industrial power of ESI unions. In this manner, they prevented union from mobilising industrial resources defensively to oppose the governmental decision to change the scope and content of the characteristic political exchange of the Argentinean system. The latter had guaranteed trade unions the ability to mobilise their influence to doom to failure government’s policies, including programmes of privatisation during 1980s. As privatisation
needed, firstly, to be imposed politically in the public agenda, this capacity had to be eliminated.

The theoretical framework stressed that trade unions are conditioned by their external circumstances but also seek to shape them, according to how they interpret the opportunity structure, which in turn depends on organisational aspects and agency type variables, like leadership styles, workers participation, decision-making processes, that is, the social mediations comprised by the category interest. In this regards, the case of LyF MDP is paramount, as a combative leadership was 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 to achieve the best possible outcome. Thus, 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 along the process. In the main, this case revealed that different political choices changed the hierarchy and content of union resources. While other organisations neglected coalition building, LyF MDP devoted huge energies to achieve this aim. Yet, the case of Unison would also show that it is not only a matter of political choice, but also of organisational possibilities, for while coalition building appeared to have been among the aims of several union officials of this organisation, who wanted to replicate what the union had done in water or gas, ESTUC precluded the evolution of this strategic orientation. The organisational variable also contributes to explain, 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 shows too, that political contacts tied unions into a privatising agenda, and hence, reinforced unions' preferences for the mobilisation of political resources, whereas 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 to prevent privatisation. Still, the first one 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 to make 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 8

The Forms of Counter-mobilisation: the Politics of Money

Mobilisation theory has been applied in chapter 7 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, intends to analyse 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 over the privatisation process and after, when private companies began to introduce change in the realm of production. Arguably, the aim was to dampen the sense of injustice (amongst members and negotiators) by providing some incentives for existing employees, which 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).

However, 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 a minimum of industrial conflict. While in Argentina this policy involved the state and international financial institutions before privatisation, in 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 different employment laws, labour markets’ conditions and unions’ structures and governments. These sources also determined country specific phenomena like the use of personal contracts in UK, or the emergency 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, as to clarify the relationships between counter-mobilisation and change in the categories of opportunity-to-act, organisation and interest definition.

The chapter will focus 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 UK and Argentina was a dramatic job loss. The figures available, though difficult to achieve for the whole period, are revealing. Between 1990-91 and 1995-96, 46,480 employees had left the industry in UK, that is, a reduction of 32.6 % (see Table 9).
Table 9: Job loss in the electricity industry between 1990-91 / 1995-96 – UK

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<thead>
<tr>
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<td>9877</td>
<td>8415</td>
<td>7003</td>
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<td>Manweb</td>
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<td>4623</td>
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<td>3303</td>
<td>-39.8</td>
</tr>
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<td>7370</td>
<td>6207</td>
<td>5815</td>
<td>5114</td>
<td>-33.8</td>
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<tr>
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<td>9934</td>
<td>6955</td>
<td>5447</td>
<td>4848</td>
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<td>-</td>
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<tr>
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<td>10728</td>
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<td>7771</td>
<td>5715</td>
<td>4782</td>
<td>4171</td>
<td>4148</td>
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<td>1976</td>
<td>2047</td>
<td>2172</td>
<td>2060</td>
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<td>3350</td>
<td>3218</td>
<td>2979</td>
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</tr>
<tr>
<td>South Western Electricity</td>
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<td>5553</td>
<td>5569</td>
<td>5092</td>
<td>4656</td>
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<tr>
<td>Yorkshire Electricity</td>
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<td>6850</td>
<td>57643</td>
<td>4924</td>
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<td>TOTAL</td>
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<td>136722</td>
<td>129168</td>
<td>115080</td>
<td>105243</td>
<td>96143</td>
<td>-32.6</td>
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</tbody>
</table>

Source: Centre for the Study of Regulated Industries. UK.

In Argentina, figures show a similar story. Between 1990 and 1993, 4499 workers left the industry, that is, a reduction of 28.4 % of the workforce (see Table 10). However, this rate is misleading, for the state had already began a process of rationalisation through voluntary redundancy programmes. At the beginning of 1990, SEGBA employed 22451 workers; when the company was transferred to the new owners, 6645 of those had gone by means of an early retirement programme. Thus, if we take the end of 1989 as a reference, the total workforce was almost halved in four years.
Table 10: Job loss over the first year of privatisation - Argentina

<table>
<thead>
<tr>
<th></th>
<th>1992 (privatisation)</th>
<th>1993</th>
<th>Variation</th>
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<tbody>
<tr>
<td>Central Puerto</td>
<td>1115</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>6443</td>
<td>4164</td>
<td>-35.3</td>
</tr>
<tr>
<td>Edesur</td>
<td>6529</td>
<td>5051</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>Nd</td>
<td>Nd</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15806</td>
<td>11307</td>
<td>-28.4</td>
</tr>
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</table>

Source: de Luca 1998

The main forces underlying job reductions included rationalisation, technological change (particularly, in the case of UK, as generating companies switched capacity from coal to smaller gas fired plant, which were more automated), organisational change, and transference 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.

Such a job cut demanded the mobilisation of big financial resources to avoid conflict; governments and companies used money to overcome resistance. Only against this background of generous redundancy packages, it is possible to understand workers’ passivity before the devastation of the employment in the electricity industries.

In UK, ESI unions overtly opposed compulsory redundancies. Traditionally, electricity workers had never suffered compulsory job losses, due to the collective bargaining strength of the unions. In ESI, moderate amounts of redundancies were usually done voluntarily, as its staff benefited from long service and large pensions at the time of retirement. Yet, unions apparently did not foresee the size of the job loss to come owing to the combined pressures of the regulator policies, city expectations and the post-privatisation plans of rationalisation. Therefore, in their eagerness to contribute to a peaceful transition, trade unions considered acceptable severance packages whenever
workers found them to be generous. In this context, companies used their large money stocks in conjunction with the large profits they were making in the post-privatisation to fund the pensions of the time and generate selective voluntary severances. In sum, good financial packages coupled with protected pensions – ironically, a key bargaining objective of ESI unions, ensured the companies the possession of a powerful device to downsize the workforce.

Q: how many members did the union lose as a consequence of privatisation?
R: well, as a consequence of privatisation... you are talking about 40000... Or maybe more, 50000 people have left the industry. They have left the industry - I have to say - almost without exception with very good financial packages. There have been no strikes, or very few strikes or confrontations, because the companies continue to offer generous redundancies payments. And also, the pension scheme, that meant that you could retire with no loss of benefits at the age of 50 (National Officer – Amicus).

Moreover, many of those who left a company continued to work elsewhere in the industry. And even within the same firm, as in the extreme case of PowerGen, where almost half of 1000 redundancies returned as short term contractors by an arrangement included in their severance packages.

The pace of job loss ended up weakening the morale of the workforce, and hence, trade unions ability to mobilise members into collective actions to stop a policy they themselves accepted in the beginning. It is possible to argue that the politics of voluntary redundancies led to the development of a 'redundancy culture' among the workforce, that is, a favourable attitude towards voluntary severances as a shortcut to obtain financial benefits. Qualitative data from interviews supports this assertion:
The members were demoralised... demoralised. They wanted to get the money and go. Put the past behind them. Leave the industry (National Officer – Amicus).

R: So, this company immediately announced 2500 job losses in quite really... really attractive terms. They were oversubscribed, right? Three times, near everybody in the company.
Q: Everybody wanted to leave?!
R: It is not an exaggeration. There was a massive... massive queue of people wanted out (National Officer – Unison).

People came at the time and asked me to get voluntary redundancies. I personally refused to negotiate under such terms. Even active union members... just wanting to get good money to leave somewhere else (National Officer – Prospect).

Thus, when immediately after privatisation, massive redundancies started to hit the financial and organisational strength of trade unions, the officialdom found in this cultural attitude an additional barrier to organise workers against this policy. A former NALGO official depicted the counter-mobilising effects of money as follows:

Buy [workers'] cooperation. If the company has to announce 3000 job losses, redundancy terms: “Well, this is what is on offer. You are gonna get between one year and two years wages. You get a lump sum, and you can out into a pension scheme (...) You can get an immediate pension now without any loss in benefits". They [workers] actually know that they can take the redundancy, and get a job in a related field, with someone else, the next week. They have no problem. And they got a big lump sum (...) pay the mortgage or whatever. And the management know that even if we want to fight things - because at the time you wanted to fight these things - I knew that the blokes would be split probably fifty-fifty. "We want you to fight it, we are not gonna fight to anything, we want severances" (National Officer – Unison).
The development of a 'redundancy culture' was just one aspect. Besides subjective consequences, massive job loss depleted trade unions of lay reps. Workplace structures were seriously damaged, for a lot of experienced union reps 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 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 taken 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).

Thus, this policy encouraged in 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 reduced the scope for mobilisation against job loss by unions (Clegg 1972; Turnbull 1988; Turnbull & Wass 1997).

In the case of Argentina, the research finds the existence of 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 counted as well, with 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 previous chapter, it is necessary to differentiate between both cases: LyF CF and LyF MDP.

The government aimed to restructure SEGBA to prepare the company for privatisation. In this way, the national state shared the social and economic costs with the private companies, which, in turn, followed later on identical policy. As a result, LyF CF had to face voluntary redundancies programmes before privatisation:

There was a first clear-out before selling the privatisation binding. There was a first wave between 1991 and 1992, when privatisation began. At that time the public company offered 1.4 wages per each year of service to workers wanting to leave. Then, there was a second wave from 1992 until 1996. You may have around 14000 workers that left the industry till today with voluntary retirement. That is, over the years, 14000 workers from the former SEGBA have gone (National Officer – LyF CF).

This statement illustrates the general picture, but hides a gradual change in workers' mood, due to the growth of the unemployment rate. This is an important difference with UK, where workers had reasonable prospects of re-employment during privatisation. In Argentina, in the beginning, not only the offer of voluntary redundancy programmes was usually oversubscribed but also many workers asked union reps to arrange for them severance packages:

In the beginning, all blokes who left the industry thought they were going to do wonderful things with the money: set up small businesses, buy a house or a car, open a kiosk. This debilitated the organisation. We tried to convince the lads, to tell them: "Please, don't leave, stay, we shall resist". Impossible! "You stay, I go". Until 1994, we were like that, losing our voices
screaming: "Don't leave... don't leave... don't leave..." (National Officer – LyF CF).

However, this germ of a 'redundancy culture' stopped together with the rise of unemployment. After 1994, as stressed by scholars studying other privatisations (Ramirez 1999; Goldin 1997), nobody wanted to leave the industry:

After 1994-95, nobody wanted to leave; everybody had opened the 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. People without studies. 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 not work. You know, if companies were still firing people! (Lay Representative - LyF CF).

When workers began to reject the severance packages, companies started to raise their amounts. Before privatisation, those made redundant received an average allowance of US$ 9912, which was 10 per cent higher than that required by law. In total, the amount paid out by SEGBA was US$ 55.5 million. After privatisation, the average received as compensation by employees, who were made redundant, was up to three times the pre-privatisation payment. Thus, voluntary retirement packages were up to 300 % more than a severance deal following 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. Hence, such severance packages were very attractive. Nevertheless, the politics of money continued to show limits as a counter-mobilising strategy. As a result, management shift towards harassment and repression to force people into voluntary redundancy programmes.
All interviewees, from national officials to lay reps, referred to repressive tactics. The reported evidence paralleled evidence recollected in other privatised companies by scholars and legal prosecutions. Indeed, telephone companies, for instance, were denounced to the Parliament by trade unions for such repressive practices (Ramirez 1999; Expte. no 27.849/02). By mid 1990s, ESI managers began to communicate who were no longer in company's plans, and made to those affected the recommendation to join redundancy programmes. If workers refused the offer, management deployed a different range of tactics, which involved transfers or changes in working times and tasks or both. The latter included downgrading of skilled workers and upgrading of unskilled workers to posts, in which, their skills were insufficient to carry out the job.

I took training courses to work as junior programmer... but they sent me out to read meters! What's for? Why did they invest in training courses? It was not only me. Everybody the same, and even more in the administrative sections. They kept my wage but started to compel me to join a severance package. And I couldn't be out there reading meters! (Former ESI worker - LyF CF)

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 not job to do:

It was a policy of fear; seed 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 there 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 to face managerial meddling in workers' private life. For instance, interviewees manifested that the Human Resources Department used to ring or send letters to families of reluctant workers to let them know that the company had offered him-or-her an important sum of money; that the trade union had convinced him-or-her to resist; and therefore, that sooner or later the company would have to fire him-or-her.

This hard line lasted until 1997 when another approach emerged. To cut costs companies had been outsourcing different services. Thus, the would-be redundant workers started to be encouraged by managers to form cooperatives, and provide the service to be outsourced to the company as new owners. Hundreds of workers invested their severance packages to form 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 to bankruptcy in 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 formers 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 UK, massive redundancies undermined trade union power. Obviously, membership loss implied financial loss. Most relevant, 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 necessary to recall, firstly, 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 side, the Provincial Government neither enjoyed the benefits of WB's loans nor its technical support. On the other side, as the successful opposition of LyF MDP delayed the privatisation, the social costs of earlier sales within the industry, and beyond, were clearer for the workforce reinforcing rank-and-file decision to confront the sale of the industry. So there was never enthusiasm among electricity workers in Mar del Plata for voluntary redundancy programmes. This attitude was strengthened by the union leadership who framed these programmes as unfair practices and hidden dismissals of workers.

Q: Did people join voluntary retirements?
R: Well, yes, there was people, but not many because we rejected it as hidden compulsory redundancies.
Q: And what did you do? Did you campaign?
R: 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 reps 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 then, the union 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 to workers began. Another difference was that, given the opposition of LyF MDP, the company, from the beginning, extorted workers by putting them into the dilemma of having to choose between either to accept a voluntary retirement package or to face dismissal. Consequently, many workers joined the programmes despite 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, 4 members of the CGA (including the second person in union hierarchy), 8 lay union reps and 4 well-known activists were bribed with generous severance packages – almost three times the usual offer - and left, together, the organisation:

They could not privatise the enterprise. We stopped 4 years the privatisation of ESEBA with our struggle. So, to break the opposition the company bought off part of our CGA, US$ 640000, 160000 each one, and 12 union lay reps, all of them members of our workplace organisation [in fact 8 union lay reps and 4 activists (8 de Octubre, 126, 11/03/96)]. 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, 6 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% of the total job loss was due to redundancy programmes (LyF MDP Memoria y Balance – several issues); 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, mainly, transference of employees to other public jobs outside the ESI industry, mainly, at the local council.

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 about to me?” And we used to tell them: “Watch out, it is happening in other places”. We tried to generate antibodies, and there was who believed and who didn't, who prepared themselves and 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 to 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, as a general point, it is possible to affirm that union officials did not embark in 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. Yet, the union took industrial action in 1994 and organised a demonstration in front of EDESUR to denounce persecution from management to force workers into redundancy programmes. However, while many lay reps 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 5 or 10 thousands 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, legitimating the rationale of the politics of voluntary redundancies (LyF CF 1992, 1993, 1994). LyF MDP, instead, consistently refused to legitimise such practices all along the process.
To sum up, the politics of voluntary redundancy not only affected power relations as understood in Lukes’ model, by cementing ideological understandings and expectations, and hence, diminished the opportunity for trade unions to act, but 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 showed that ESOPs were used to ease acceptance of privatisation (Goldín 1997; Murillo 2001; Pendleton, Wilson & Wright 1998; Saunders & Harris 1994). This literature has illuminated different dimensions of this preventive policy against workers mobilisation. Thus, it points to the financial benefits but 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 the 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 ESI in UK and Argentina.

In the case of 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, and 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" (Privatisation News, n° 2, October 1988). EETPU paid less importance to ESOP schemes in its journal and conferences. Its approach was that the scheme should be "free from management influence and able to provide membership with effective voice within all sections of the industry (...) according to union long term aim of increasing participation" (EETPU 1988). Hence, EETPU stressed that a collective trust was needed to ensure an independent voice. For Unison, instead, rather surprisingly, the topic went almost unnoticed in the organisation’s press and conferences.

As EPEA led the pre-privatisation negotiations, ESTUC lobbied continuously to get the best possible share ownership arrangement for membership. Thus, EPEA channelled its line of argument through ESTUC: that despite their opposition to privatisation, by asking for a share scheme, the unions were protecting members’ interests, that an ESOP would not be compensation for any detrimental effects stemming from privatisation, and that the Governmental offer should be comparatively better to previous offers to other unions experiencing privatisation (Privatisation News, several issues).

Besides the pragmatic approach, former EPEA officials have little doubt about the rationale of the politics of shares:

There have always been in this country share schemes initiatives. As long as I can remember companies used to reward in some instances their employees through the issue of shares. Now, one of the ways the government wanted to gain the consent of the workforce was to give them financial incentives in the success of privatisation. And they followed the path that they had adopted in other privatisations and they gave the staff the opportunity to own shares (National Officer - Prospect).

In addition to this short term aim, that is, to reduce workers opposition to privatisation, long term aims were also part of the rationale of the politics of shares. For instance, it was mentioned earlier that in order to gain public support, a strong ideological campaign was developed around common
ideological motives, mainly, that public enterprises were inefficient and ineffective because of their insulation from market forces and bankruptcy, and that public industrial relations needed to be transformed to undermine over-mighty trade unions (Pendleton & Winterton 1993). Yet together with these criticisms a positive argument was deployed: the building of a popular capitalism through spreading the ownership of shares (Ernst 1994; Saunders & Harris 1994). In John Moore's words, the birth of a 'property-owning democracy'. In the Conservative Party's 1987-election manifesto such objective had already emerged clearly as the historic transformation of British society through the widespread of share ownership. The expected outcome in the realm of production was that this trend would increase workers' commitment to the companies. While it would be imprudent to conclude that onwards, workers loyalty with 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).

Besides the effective fulfilment of this ideological aim, what interviewees' testimonies do suggest is, that, at the very least, the politics of shares sweetened privatisation, since workers massively invested in ESOPs:

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 in some future day and this was put into a society fund, a saving scheme.

Q: and was this successful in terms of workers adherence?
R: Oh, yes, yes, it was. Most workers actually invested and if you bought 500 you got a thousand because you know 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. They involved the chance for workers to have a formal rep (usually, a union rep) in the Board of Directors; a situation that, generally, did not happen as a consequence of ESOPs in the UK. Again differently from UK, unions had the means effectively to become institutional investors. These features amplified the influence of PPPs on trade union 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 to get a PPP, because a lot of unions were unable to get it. We were very busy trying to implement the shares 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 as a way of financing trade union' social services:

You have 10 % of each company... I believe that this gives you power. The idea was to gather the 10 % 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 in the board of directors of each company (Union Officer - LyF CF).
The CGA deployed considerable efforts and resources to propagandise the PPPs as an opportunity to achieve the old union objective of workers' participation. As a result, the politics of shares had an important ideological impact upon union activism, too. Simultaneously, the rank-and-file appeared to have simply assumed the PPP as a kind of compensation for the expected effects of privatisation. In any case, over 90% of workers signed up to the programme (Dinamis, several issues). Once the PPPs were implemented, most workers sought to sell their shares as soon as possible 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 30000 pesos. Some may cancelled a house mortgage, or buy a car, or sort out a health problem, or whatever (National Officer. LyF CF).

What do you think?! When are you going to get 45000 dollars?! Where do you get it?! That is why workers from both Central Puerto and Costanera sold to the Chilean owners their shares 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 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 in 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 important, 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 11771, by which workers received, individually, their shares, only at the time of retirement. They were not allowed to sell in advance the shares, which would be paid - as in the case of the privatisation of SEGBA - through dividends. The implementation of the programme should take no longer than 9 months since July 1997, and workers would choose their representatives to the Board of Directors.

Union determined refusal to enter in discussions about different alternatives with regard 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 in the Board, minority participation of course, but participation. Obviously, the only thing one can do with a 10 % of shares is to say: "We don't want this, we don't want that, we don't want
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 to secure the absence of LyF MDP's representatives in the Board of Directors. Thus, the company colluded with FATLyF to appoint pro-company union representatives. Since then, LyF MDP have campaigned against this usurpation by publicising this situation to the community, taking the case to court and mobilising workers to increase the pressure upon the company and the public authorities.

Thus, 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. But again, the same policy shows multiple sides with potential effects, in particular on power relations - due to the ideological message attached to it, but 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 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 the 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 to individual contracts. Thus, 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 UK (Evans & 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 continue to negotiate. Unsurprisingly at this stage of the analysis, the counter-mobilising effects of this policy have been multiple.

To begin with, it has been commonly emphasised their role in furthering loyalty to the company by shifting managerial identification away from trade unions and sending a message to managers as to their new position as employers. The same point of view was expressed 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 bases (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).

Yet the impact went beyond these cultural boundaries since they posed a concrete threat to the organisational strength of EPEA.

In 1987, EPEA reported the growth of the, at first, covert, but then, admitted policy of the Company Boards, developed with the slightest consultation, of inducing certain NJMC staff to accept non-negotiable posts. The report presented the policy as part of a 'softening up' process on managers prior to privatisation. This policy was facilitated by holding down management pay to make personal contracts. Their introduction continued in the following years
despite complaints by EPEA. By 1990, all ESI companies 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% of respondents admitted to be in personal contracts, in 1990 this figure reached 72% and 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 have already placed their managers on personal contracts. Though the same survey showed that 77% of those on personal contracts manifested that collective representation would be still relevant for issues like pensions, safety organisation, professional responsibility and the like, the danger to EPEA was evident. Interrogated about whether or not the process of privatisation impacted immediately on trade unions, former officials of EPEA often mentioned the introduction of personal contracts:

The impact 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 conceived by trade unions officials as an undermining force of 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 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 2000 pounds. What do you want? And you can have free medical care and we 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 6 and 7 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 a great influence and gathered worthwhile technical and financial information to bargain 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 1989b).

After privatisation, most companies, though not all - PowerGen kept everybody in collective bargaining for instance, continued with this policy depended on their own individual approaches. Some companies started to take out the technical and some administrative grades from collective bargaining, peeling off layer by layer the top levels and restructuring the company grading. In National Power, for example, the policy began to affect not only EPEA but also NALGO, which opposed personal contracts all over 1990 and 1991, because it was thought as an attempt to break workers solidarity and to introduce multi-skilling
without remuneration (NALGO 1990b; NALGO News, n° 494, 20/9/91). 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 this time the offer; 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 that 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 have began to bring people into collective bargaining since 2002:

Q: What is the reason for this trend?
R: 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 bases. 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, since 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 & Hudson 1993). Then, it might be worth mentioning that offering inducements to eschew collective bargaining has become more difficult since unions challenged UK law in the European Court of Human Rights; the law now prohibits such activity where the main objective is to undermine membership levels or union organisation (Collins 2006; Wilson & Others v. United Kingdom 2002).

Summarising, a political process, whose objective was to build a private management, was embedded in the diffusion of personal contracts. This process comprised, on the one hand, ideological elements; on the other side, the partial de-collectivisation of managers and other high ranks employees. In this latter sense, it undermined collective processes of interest definition. Besides, by encouraging senior and middle managers out of collective bargaining this policy targeted the organisational power of EPEA. In so doing, the process weakened the engineers, who were more reluctant to enter in these arrangements, and in fact, had disputed managerial prerogatives since 1970. Once in full control of the right to manage, some companies started recently to reverse somewhat this policy, 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 & 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 1992 when the government attempted to reform the pension system and union welfare funds (obras sociales). In both reforms, the CGT negotiated its participation as service provider. The government explicitly included a provision for unions to create pension funds (AFJPs) and restricted competition in the social security system to existing obras sociales, that is, excluding new private health insurance companies during an undefined transitional period starting from 1993. Later on, in 1994, unions also secured from the government the right to establish insurance firms for work accidents (ART). Besides, unions obtained subsidies for restructuring obras sociales, and a bailing out of their debts in relation to social security provisions.

It is within this context that LyF CF adopted an aggressive outlook towards businesses opportunities as compensation for the financial loss brought about by a declining membership. This position was channelled through FATLyF, actually, a national arm of LyF CF, that even participated in the privatisation of less profitable segments of the electricity industry through a body created to that end. As a result, FATLyF bought five of the privatised units, including three utility groups (Patagonia, Litoral and Northwest) and two transportation companies (Transnea and Transnoa). It also obtained special conditions for the concession of the state-owned coalmining zone (Yacimientos Carboníferos Fiscales - YCF) providing inputs for electricity utilities. This policy orientation, which arose with the union strategic shift from latent resistance to active support, crystallised in the Conference of FATLyF of 1992 (FATLyF 1992). In this conference, LyF CF imposed a motion on smaller reluctant unions, by
which FATLyF was authorised to adopt whatever necessary measure to take advantage of the business opportunities to come along with the market reforms. In a fifteen point document, FATLyF tackled how to seize opportunities opened not only with the reform of the social security and the pension systems but also with the privatisation of less profitable electricity industries, administration of the PPPs, and other independent areas like tourism and banking (FATLyF 1992).

This orientation was ratified in the 1993 VI International Conference of Trade Unions, members of the IPCTT, at the request of LyF CF, and the 1994 LyF CF Annual Conference (LyF CF 1994a; IPCTT 1993).

Together with other unions (FeNTOS, SUTECBA and Sindicato del Seguro that together and in total own just a 12% of the business), FATLyF created an AFJP, Futura, by far the biggest business controlled and run by the federation. At present, the pension fund owns a portfolio of more than $267 millions, including $1,5 million shares in privatised utilities (AFJP Futura website). Findings revealed that, apart from the 5 electricity businesses, YCF and Futura, FATLyF owned at least 10 more companies (Contacto, October 2000).

Beyond the activities developed from within FATLyF, LyF CF involved in the politics of micro-entrepreneurship, 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 the severance packages, to provide services for the new privatised companies. In 1995, three years after privatisation, 290 workers grouped in 24 cooperatives worked providing outsourced services to three companies: EDESUR (12), EDENOR (6) and Central Puerto (6). Due to this micro-entrepreneurship, the union received as check-off, the annual amount of US$29648 (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 embarking in 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 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 debilitated because of a declining membership and employer contributions, it was necessary to counterbalance this trend by developing alternative sources of income.

In sum, the politics of compensation rested upon specific institutional features of Argentinean unions, that is, their traditional involvement in providing social services through institutional bodies, dependant 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 others 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, changed rule books of the organisation to adopt a pro-business orientation.

Although LyF MDP refused any form of political exchange based on business compensations, the politics of micro-entrepreneurship impacted upon the organisation. Many workers left the industry seduced by the opportunity to become independent micro-entrepreneurs. Once more, it was under ESEBA, 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 to provide the service (LyF MDP 1995a, 1995b). This campaign was crucial to reduce the success of this aspect of the politics of compensation, the only one that truly affected LyF MDP.

Conclusion

This chapter has focused 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 UK and Argentina. This does not mean, necessarily, that the counter-mobilising content was the only rationale behind these policies, which may have been implemented for other aims as well – costs reduction, organisational efficiency and the like. Yet, findings support that all these initiatives shared common features, that is, that all of them implied the mobilisation of money resources, had counter-mobilising objectives, and affected workers' collectivism.

If the previous chapter showed that the conceptual framework laid down by mobilisation theory proved to be useful to analyse 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 map the main dimensions that a counter-mobilising force ought to target in order to undermine workers' collectivism. The comparative dimension, in turn, helped 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 policies to break resistance to change at individual and
collective levels. For instance, while the politics of voluntary redundancies was, mainly, a device designed to buy off workers individually, the politics of compensation in Argentina was clearly a strategy directed to establish a tacit pact with trade unions, a new type of political exchange, whose content consisted on business opportunities. Nevertheless, all of them ended up affecting both levels: voluntary redundancies, for instance, targeted workforce morale, and therefore, arguably, make more difficult for unions to mobilise workers through collective action. It also depleted union 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 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 or not companies succeed. 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 was also crucial to highlight factors that may explain variability. For instance, differences in the employment law may contribute to explain the important role played by personal contracts in UK, a strategy unlikely to be successful in Argentina; differences in legal frameworks seems to have affected as well, the chance of unions to represent workers as share owners and mobilise them around this issue. Similarly, the fate of the politics of voluntary redundancies appears to have been narrowly linked 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 germens in Argentina. Soon after privatisation, Argentinean workers began to reject voluntary retirement programmes. Consequently, not only private companies but also the Provincial State 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, in fact, was 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 bribe unions with business opportunities to fragment workers resistance, and keep discontent 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. Thus, 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 to explain variability in workers responses. First, the politics of voluntary redundancies and compensation succeed at the individual level, and by this way, 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 all along the process against different manifestations of the politics of money.

Back to the theoretical aspects, while the analytical sequence laid down in the conceptual framework – opportunity-to-act, organisation, interest definition, proved to be useful to study 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 showed that change 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 started to back redundancies programmes with repression. In this new context, even a extremely moderated union, like LyF CF, mobilised the rank-and-file through industrial action and rallies. This reminds 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 change in external variables also affect contenders' opportunities and power.
Chapter 9

Privatisation and Collective Bargaining

The focus of the 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 informed by mobilisation theory to shed light on why and how these phenomena brought about changes in workers' capacity to mobilise. In this sense, particular attention is to be paid to factors, which diminished trade unions' ability to confront management, or 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 demanded Tilly in the quotation closing chapter 8. The comparative perspective will show, in turn, important differences between UK and Argentina, within a common horizon of growing obstacles to collective mobilisation. Having been its basic aim 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. Thus, 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 will also point to meaningful differences between unions.
United Kingdom

The process of counter-mobilisation against collective bargaining

By lobbying the Government, ESI trade unions ensured through the ESTUC the continuation of the national negotiating machinery throughout the process of privatisation, and obliged the new private companies to announce, 12 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. Preventing any optimistic hope for the establishment of a common negotiating machinery across companies, there had been, in the run up to privatisation, abundant signals of enthusiasm among management with the opportunity to put an end to national bargaining. In several of the would-be private companies, middle managers began to let unions know about their distaste 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 were 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).

Thus, 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 dealing company agreements and procedures with stoic pragmatism in search of the better possible arrangements. Decentralisation and fragmentation were clear signals of unfavourable changes in power relations. In the face of this situation, craft unions 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 the 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**

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<th>1992</th>
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<td>PowerGen (June)</td>
<td>National Power (January)</td>
<td>Eastern Electricity</td>
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<td>Scottish Power (December)</td>
<td>Southern Electric (February)</td>
<td>London Electricity</td>
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<td>Yorkshire Electricity (February)</td>
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<td>East Midlands Electricity (April)</td>
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<td>NGC (April)</td>
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<td>Midlands Electricity (May)</td>
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<td>SWEB Connect (May)</td>
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<td>Manweb (July)</td>
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<td>Northern Electric (November)</td>
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According to a shared view among current national officers, there was not 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 just satisfied with the break up 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 dominated in principle, by how to achieve change in collective bargaining structures, and if possible, also in payment structures. In 1993, at least five companies succeeded in introducing performance related pay (PRP), and by 1995, most of them, if not all, had PRP for certain categories of workers. Still, in the main, employers restrained their full agenda of desired changes until establishing companies' frameworks for negotiation. It follows that over the period of transition from national to company bargaining (1991-1992), 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, but avoiding radical changes and confrontation. This negotiating context pushed unions to seek mandates from their constituencies to explore alternatives at company level. EPEA, for instance, 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 found out comparative advantages over other unions. On the one side, the negotiating experience of the union in the private sector could translate into a relative organisational
strength at local level. On the other side, company agreements opened a window of opportunity for their constituency to move up through additional skills and career progression. NALGO, in turn, while keeping the opposition to the break up of the machinery, joined manual and engineers' unions and asked membership mandate to define new institutional frameworks at company level through ESTUC.

It took months of painstaking negotiations to finalise the company agreements. Although trade unions were overworked along a process that put a lot of strain on their human resources, by the end of 1993, five companies were still under negotiations. The final outcome was a variety of bargaining formats, though, in the main, STB prevailed. Yet, some companies set up multi-table bargaining structures, either by strict replication of three agreements, or by a two-table bargaining (TTB) that, in general, maintained the split between, on the one side, technical and administrative staff, and on the other side, 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 different business units:

Over a very rapid period, two or three years, the companies themselves began to subdivide their own companies 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, requiring the unbundling of distribution businesses, accelerated even more the process providing companies with a justification for pushing through the decentralisation of bargaining. From 1995 onwards pressures towards devolution of bargaining within companies started to grow. On the union side, there was not uniform policy. When by 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 receiving 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 lukewarmly. By the end of 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 coming out 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’s 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 over 1980s, by means of single union agreements. Besides, 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 your own trade union did or said, and that other unions could, then, try to negotiate separately with the companies concerned. Also, the
pace of job loss and plant closure announcements showed the hard times to come with regards union's membership. As a result, unions diverted their resources and energies from alternative uses in the run-up to privatisation to launch recruitment policies, or at least, reinforced them. 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 in 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 established, officially, the promotion of recruitment as a prime union task (EPEA 1990). NALGO declared 1989 as a recruitment year for 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, n° 347, 30/9/88). 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). The moves by EETPU over 1989 and 1990 to poach NALGO's members in some branches and start to recruit NJC employees, and the attempts by APEX, a GMBTU's arm for the recruitment of white-collar workers, to increase its influence and numbers of seats within the different negotiating bodies, seemed to justify at the time NALGO's insistence (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, n° 4, August 1987).
During 1991-1993, 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 restart the competition for new starters:

Q: how have union relationships been in the sector?
R: you have effectively, Unison - I use the present names - and Prospect, representing white collar. Amicus, GMB and TGWU representing blue-collar workers. That is no so clear now, because a number of the industrial negotiating forums allows 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).

I really don't like them [Amicus and Prospect] at all, because they are aggressive poaching unions. Well, we are no pure on this either. But we shouldn't actually poach each other's members. There is no point in that. There are large pockets of non-members out there, we should go and recruit those members. But the easiest members to recruit are existing trade unions members, for the very reason that they show an interest in joining a trade union (Regional Officer - Unison).

These practices brought about disputes, which were usually sorted out on-site. Only rarely, inter-union conflicts reached TUC Disputes Committee, as in the case of Southern Electric in 1996, when Prospect was found guilty of poaching members from Unison and the AEEU (EPE July/August 1996; TUC 1996). While disputes have not helped to encourage trust and unity among unions, it is necessary to recognise that, gradually, unions began to comply with agreed procedures of inter-union transfers. Particularly, after the general recognition that there are huge pockets of non-unionised workers in the industry, and hence, that efforts should clearly be directed towards their recruitment; for instance, one in five of Southern Electric staff were non-unionised at the time of
the dispute. Thus, for some interviewees, though important, the tendency towards inter-union competition should not be exaggerated:

Q: Did job loss provoke inter-union competition?
R: Yeah, I mean, perhaps not as much as you expect because, you know the English system, there is always a certain amount of competition between unions. And I suppose, after privatisation, all unions were looking to survive (...) we were all quite ruthless in trying to recruit new members and hold on to our existent members (National officer - Unison).

The introduction of STB

The implementation of STB was pushed by companies, whereas trade unions shared a common distrust about it. The latter, instead, attempted to favour, when possible, the replication of the traditional negotiating bodies or, at least, TTB arrangements. There were exemptions, however, among companies. Paradoxically, in Yorkshire Electricity, due to the managerial fear about the prospects of an unintended empowerment of unions by STB, unions succeeded in keeping the traditional separations. SEEB, in turn, inclined to TTB to guard supervisory and professional terms from being indirectly determined by those they supervised, and to maintain different levels of call-out payments for manual and non-manual staff (Gall 1994: 68). Eastern Electricity set up a 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. But, 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). Findings from ESI, however, 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 announced by the devolution of decision-making down in the managerial hierarchy already before companies gave notice of withdrawal from the negotiating machinery. It manifested, on the one side, in the proliferation of profit centre policies and, on the other side, in the procedural agreements established by a number of RECs to discuss organisational change and work flexibility. Although senior managers were freed up, time and resources for 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 to the 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. It comes as no surprise, then, 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. Rather, in short, STB 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, a strategic move to match more easily the conditions of local labour markets, both, with regard to 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's official:

As you gave unions seats according to their size, the manual unions, because of the largest numbers of staff, of course, took most 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 threatened somehow the preponderance of the EETPU'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, EETPU amalgamated with AEU to form the AEEU, strengthening its position with regard to other manual unions. Besides, EETPU was already used to compromise policies within the NJIC body, with TGWU - despite major political differences between them - and GMBATU. Most important, 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. First, because white-collar workers had often built their negotiating power upon the shoulders of manual and engineering unions, and the STBs, in the beginning, did not put in serious risk such strategy. But second, and despite their utter opposition to the break up of
the negotiating machinery, 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 is enjoying a rebirth since some companies have expressed the wish to harmonise terms and conditions by reunifying the company STB.

For EPEA, instead, there was no similar compensating factors. EPEA had built their power by maintaining the exclusive rights to represent 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 their control upon the labour process; and by establishing a pay link between NJB and NJIC pay. All these aspects were targeted through STB, by 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 being, outvoted concerning their own members' pay and conditions; yet, this position proved to be untenable. Thus, 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 among EPEA's members from different companies. To give just a few examples, in SWALEC's STB, EMA obtained 3 places out of 15; in SWEB's just 2 out of 15, 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 or Southern Electric.

These differences awaked 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 regards to the inter-union rivalry for the demarcation of technical and craft skills, management exploited in their favour this traditional source of friction. The company-based bargaining agreements negotiated throughout 1993-95 opened up to ex-NJIC employees, to a greater or lesser degree, the work traditionally carried out by engineers. 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. By this exercise the company targeted senior authorisations and pushed down levels of responsibility replacing operational engineers by operational technicians after a concentrated period of training. The strategy adopted by Southern Electric, instead, was to devolve what had been engineers' duties to craftsmen, particularly, safety documentation and work planning, but without seeking radical change in the organisation of labour. This process continued all along the time. In all cases, these managerial policies benefited from the enthusiasm of AEEU-Amicus, whereas 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 is the antagonistic position held by their constituencies within the industry: Amicus organises manual workers, whereas Prospect organises people who occupies managerial roles and exercises authority over the former. Interviewees referred to this note of discord between the organisations:

Q: How do you agree common lines of negotiation with a trade union that organises mostly engineers and managers?
R: well, the answer to your questions is that this situation does cause tensions. There is no doubt about this. It cause 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, other man, from Prospect, got accept. 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 happens. So, there are tensions, obvious tensions between trade unions, and that, 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 related, mainly, to differentials in pay and labour conditions. Although, there had always been frictions due to this issue, the national machinery reserved NALGO an exclusive body to discuss white-collar needs, and therefore, lessened inter-union disputes. Rather, it encouraged NALGO to press upon management to enhance
the status of white-collar workers. While STB, on the one side, opened new space to pursue equalisation, on the other side, it confronted Unison with the agendas of engineers and manual workers. As stated by a trade union official from Unison, which organises 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 to 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 – Unison).

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 in a 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. In 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, since 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.

The irruption of differences in bargaining power

Yet, 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 side, 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 the 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 the 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 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 – Prospect).

Thus, this difference in bargaining strength impinged upon the respective power of trade unions, for it targeted mainly 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 metering as outsourcing developed, and even in the newer small generating plants, where neither Amicus nor Prospect are always strong. For some interviewees, contracting was able to keep a reasonable bargaining strength, similar to that of distribution. Others interviewees, instead, argued that contracting suffered a continual attack.
on terms and conditions by employers, similar to that of retail, mainly, in subsidiary companies and green-field sites.

Tactics to lower pay, and weaken terms and conditions in powerless sectors, varied. It was usually the result of gradual changes introduced in pay bargaining settlements. Yet, in several occasions, faced with proposals to close certain business, unions negotiated concessions. For instance, by this means Southern Electric obtained important changes in Energy Sales and Marketing. In retail, these manoeuvres comprised effective closures, mass redundancies, and the reopening of businesses as franchises, employing new staff with lower pay and conditions. In SEEB, the same strategy included tens of workers, who had left the company with redundancy packages, employed the next week by the franchiser to do the same job but with lower terms and conditions. According to interviews, even Prospect members doing technical work were treated exactly the same in a number of occasions.

Union officials from ESI and engineering feared that, under STB, the bargaining position of manual workers would be “undermined by having joint negotiations with white-collar workers, as the former were more readily unionized than their white-collar counterparts” (Gall 1994: 70). Yet, neither STB nor bargaining at business units seems to have seriously undermined the power of manual workers for this reason. Today, however, after the long detour of bargaining devolution, some companies are attempting (like Eon) or considering (like EdF) to unify pay bargaining and harmonise terms and conditions. While workers in call centres and retail activities welcome this policy, workers in generation do not like the idea. The former see harmonisation as an opportunity to overcome the difficulties they face to obtain money out of their business units; the latter, instead, consider that companies attempt to lower their wages and deteriorate their terms and conditions. Thus, a pattern seems to emerge: in the recent past, separation opened the opportunity for employers to exploit the lack of bargaining power of clerical employees; nowadays, the weakened position of
white-collar workers is used to undermine the power strength of craft and engineering staff.

To sum up, fragmentation and devolution of bargaining in ESI have had important counter-mobilising effects, as it 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 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 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. Thus, 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 be also understood as being determined, in part, by the institutional features outlined in chapter 6; particularly, the legal underpinning of the Argentinean system of industrial relations, for it narrows management’s opportunities to push change without legal support.
As the analysis will show too, there are differences in Argentina between the case of LyF CF and that of LyF MDP, which relates 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 to force unions to accept radical modifications in the content of CCTs. The second one, 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 the Argentinean cases from 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 national 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, pay and terms of employment. The explicit objective was to remove obstacles to productivity growth and to regain
managerial control. It is important to bear in mind that the clause of *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. Thus, 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 rested 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. To carry out this task, a team of experts in industrial relations together with personnel managers analysed more than 6000 clauses, which belonged to 50 collective agreements of 13 national enterprises. In total, the team suggested the suspension of 718 clauses. In the case of SEGBA, 14 clauses and 1 act were suspended through an administrative decision of the Ministry of Labour, which on December 14th of 1990 rejected the formal claim of the LyF CF. In a context characterised by the massive mobilisation of legal resources to push change through, the appeal to court attempted by LyF CF was condemned to failure; the Supreme Court of Justice denied it.

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. LyF CF had enjoyed until this decision, an amount equal to 4% of total wages, deposited in trade union's account by companies for social ends. The union distributed this money between its Housing Fund, the Children Holiday Camp, and its Cultural, Educational and Sportive Fund. In addition to this, the union received a fixed amount of money for a programme of Life
Insurance, organised by its Loan Co-operative. This cutting of funds hit 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, for the government had attributed economic problems and the inflationary pressures, partly, to the outcome of wage increases in the public sector. Third, the Ministry of Labour suspended the group of clauses that guaranteed trade union participation in recruitment, promotions and levels of employment. Fourth, a clause included in 1975 in the collective agreement, 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 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 7 already mentioned the disciplining role of the crisis, which immobilised the civil society. The consultants 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 first time in more than forty years (Campano & Caruso 1991; Daireaux et al. 1990).

To launch the second stage, the same team of consultants devoted their efforts to train negotiators and draft directives about the issues to be achieved in bargaining (Ministerio de Economía 1990a, 1990b). They wanted to change managerial culture in order to adapt the behaviour of management 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; in particular, to help managers to draft their own proposals. Historically, union officials had the
They used to set the agenda of negotiations by putting on the table their own draft agreement; managers limited themselves to accept or object to the content of union documents. To carry out the negotiations, the government set a single table for the electricity enterprises touched by the decree: SEGBA, Agua y Energía, and Hidronor. The trade union side was occupied by LyF CF and FATLyF, the trade unions that had negotiated the past agreements. However, partly, because of changes in the authorities of the Ministry of Economy, partly, because of delays due to trade unions’ opposition to the employers’ project; negotiations 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 is concerned, would be replicated by the new companies. The bottom line of the list was to reduce provisions in the public agreement 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 employers and others; establish links between increases in wages and productivity, or better, productivity and actual profits; create new procedures and bodies to prevent and sort out collective conflicts; and oblige unions by concerted agreements to maintain essential services in case of industrial action. Perhaps, the most contentious directive to negotiators was to introduce the so-called “clásula de blanqueo”, a clause to annul 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 parts had to deal every single issue anew. The clause was softened by the official policy, according to which, when a controversial topic came out, the negotiating parts could extend the validity of a clause belonging to an older agreement for 6 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 agreement, the decree froze the ability of the union to mobilise workers at the shop-floor, as proved by the evolution of trade union claims through the CIAPs (Table 12). Only from 2001 onwards, claims formally dealt at company level recovered.

Table 12: Evolution of Trade Unions Claims trough CIAPs

<table>
<thead>
<tr>
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<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>32</td>
<td>22</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>74</td>
</tr>
<tr>
<td>Total claims</td>
<td>696</td>
<td>620</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 started to run 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's 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 side, to avoid the fragmentation of collective bargaining; on the other side, to defend, first, pay, and second, terms and conditions of employment. Yet, the union found out that companies were ready to take full advantage of the situation and, therefore, unwilling to negotiate. Then, it was the union, which, at the time, had to insist to negotiate over the suspended clauses to renew the agreement. Moreover, union officials were ready to make concessions in exchange for money. However, the union failed to achieve its main objectives.

While, initially, LyF CF was able to avoid the fragmentation of bargaining in the distribution side, company agreements proliferated in the generation side. In 1993 the union closed an agreement with the distribution companies EDELAP, EDESUR and EDENOR (CCT E 225/93). By contrast, it took time to finalise the company agreements in generation, apart for 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. Thus, 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. Nevertheless,
fragmentation stopped at this stage, for the law forbids negotiation of CCTs below company level. Besides, the market structure of the electricity industry in Argentina did not pass through the process of mergers and takeovers experienced by the industry in UK, both factors that benefited the stabilisation of the bargaining institutions. However, as will be shown in chapter 10, 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 conflict with union lay representatives and demoralisation. In 1994, the union threatened industrial action if EDESUR did not abide by the agreement, continued to neglect health and safety measures and to persecute lay representatives (Dinamis, n° 48, Julio 1994; LyF CF 1994b). In this context, the negotiations to reach the company agreement were tortuous. Starting in 1995, bargaining lasted almost three years. Between 1995 and 1998, when EDESUR finally accede to close the CCT 316/98, management reinforced direct communications with employees to reduce the influence of the union to a minimum within the shop-floor and ignored union lay representatives every possible time. In EDENOR, despite following a similar path, the company agreement was implemented in 1995. However, it was only after painful negotiations, which included threat of industrial action, that EDENOR sat in 1998 at the negotiating table.

The reluctance of EDESUR and EDENOR to negotiate and their intention to sidestep the union cannot be explained by their failure to introduce change in the agreements. The CCT 223/93 was a crude expression of the counter-mobilisation launched by the government in 1990. It manifested the new power relationships within the industry, as it incorporated almost every recommendation given in the directives to the public negotiators, now, pushed forwards by the private managers. It is necessary to recall once more that the government had issued a decree (1334/91) forbidding wage increases without productivity growth. Accordingly, a special commission was set up by the Ministry of Labour to evaluate whether or not increments in wages were
accompanied by changes to spur productivity. This was a weapon for employers to push through changes deemed by the commission as proofs of expected rises in productivity, before authorising (homologación) the CCT. In short, the distribution companies took full advantage of the opportunities opened by legal means. The CCT E 225/93 was limited to employees and workers: middle and high levels of management were not included; their clerical support employees were also out of the agreement. Most important, workers employed in contracted companies were explicitly excluded too; this would become later, an important source of inter-union competition as outsourcing grew. Exclusive managerial prerogatives over recruitment, staff levels, job design and the labour process were reaffirmed. Flexible working practices were also conceded by the union by means of general statements of intention, increasing the opportunity of managers to introduce change as they no longer had any obligation to consult or negotiate with unions over organisational issues; this objective was reinforced by reducing workers categories from 15 to 6. Lastly, the working day was extended from 7 to 8 hours and 12 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, under the form of a productivity prize. Besides, the union was 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 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, or UOM, 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 out labour force too (Union official – LyF CF).

This caused a new situation for LyF CF, which had never experienced this type of competitive challenge. For instance, the power station Central Costanera had 795 workers at the time of privatisation (de Luca 1998), and over 95% of them members of LyF CF. By the year 2000, it had only around 200 workers and subcontracted out companies which employed, in total, equal number of workers under different CCTs, including that of LyF CF. Masa, for example, the most important contractor of Central Costanera, employed 70 workers under the CCT of LyF CF, for all of them were outsourced straight to the contracted company without losing their benefits. But, when the workforce is not enough for the tasks required by Central Constanera, Masa hires additional workers under the CCT of the UOCRA. In 2002, the company had to employ 100 extra workers, who earned 2 pesos an hour, while the company was paying 6 pesos per hour to its core workers (LyF CF 2002).

This type of situation created tensions between LyF CF and competing unions. LyF CF has 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 in the agenda of LyF CF, particularly, since 1996 (LyF 1996). The union started to put pressure upon 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 in the Ministry of Labour that EDESUR had 700 contracted workers out of the electricity agreement and without health coverage (LyF CF 1999). By the end of 1990s, union policy began to pay off, although often conceding lower wages, and worse terms and conditions in the CCTs agreed with contracted companies. In 2003, LyF CF had closed 12 of such agreements, 7 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. Thus, not only the amount of CCTs bargained by the LyF CF grew in the last years, but also the union developed a kind of second-class CCT, which is applied to contracted companies.

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

The private owners began to form contracted companies. What 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 4000 workers. The reality is that we should be in 9000, 10000 blokes according to circumstances (...) We are 4000... Where are the remaining 5000? 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 say 3000, 3500 people working for contractors. And another 1500 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 share the same place of work, shop stewards have attempted to recruit them, at least, as volunteers, when contracted workers have no union representation at all. But this tactic proved to be a failure, for while workers fear to be dismissed, a volunteered affiliation means just a precarious access to trade union services, but not to the CCT, which apply just to the core company. In short, trade union’s strategy has been threefold: to negotiate with contracted companies to obtained their consent to facilitate the official recognition; to make responsible core companies for the situation of outsourced companies; and to lobby the Ministry of Labour to be recognised as the only union with the right to represent and negotiate collective agreements in the contracted companies.

The case of LyF MDP: struggles around collective bargaining

To explain 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 to national companies like SEGBA, but not to the provincial company ESEBA. Consequently, the CCT 36/75 remained untouched in ESEBA until its replacement in 1994 by the CCT E 1052/94, the product of a political manoeuvre planned by the public authorities, which were running the company.

Second, it is worth remembering that the process of fragmentation of ESEBA had a different outcome than that of SEGBA. While in SEGBA there was only one union representing the entire workforce, in ESEBA there were fourteen unions. Yet, in ESEBA, multi-unionism was completely different from that of UK. There was not inter-union competition for membership, for unions organised the workforce according to regional basis and delegated their bargaining rights to FATLyF, which negotiated a single agreement for the whole company. By this
delegation of power, the weaker unions benefited from the aggregate strength of the national Federation.

Thus, the division of ESEBA in five companies multiplied the instances of negotiation from the point of view of FATLyF. However, it simultaneously meant the reduction of the number of regional trade unions in each of the would-be private companies. Moreover, the division implied that LyF MDP became the only union organising the workforce of the most important of these new companies, and hence, the traditional reasons for delegating the bargaining power to the Federation evaporated. Consequently, the fragmentation of the company was an opportunity for LyF MDP to take over the process of bargaining and fight back the counter-mobilisation wave and its outcomes, including the illegitimate company agreement imposed on the union by ESEBA with the connivance of FATLyF.

As in the previous case, counter-mobilisation against collective bargaining unfolded in two phases: first, the replacement of the CCT 36/75; 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 intransigent character of the union leadership with regards privatisation. Faced by a determined opposition, the Provincial Government, ESEBA and since 1997 the private company EDEA, besieged the union through multiples strategies.

The first step in the counter-mobilisation against collective bargaining: the replacement of the CCT 36/75

Like the privatisation of SEGBA, the sale of ESEBA required to annul 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 confession of an interested part, ESEBA with the historic CCT, the 36/75, had 30% less value than the final price at which it was finally sold off. It was the key to sell ESEBA. There is no other explanation. If not, why was it privatised in 1996-97 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 to bargain a flexible CCT. FATLyF and LyF MDP had had continuous clashes since privatisation invaded the public agenda. Already in 1990, they dissented when the ownership status of ESEBA's precursor company DEBA, was restructured to prepare 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 1991 Federation Conference, their antagonistic standpoints regarding privatisation blow up. LyF MDP accused FATLyF of giving consent to the sale of ESEBA; the latter accused the former of political extremism (FATLyF 1991). In 1992, LyF MDP was excluded temporally 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.

Thus, ESEBA found in FATLyF an ally to displace LyF MDP from the bargaining process. This was legally possible because FATLyF had represented the workforce in the negotiation of the CCT 36/75 with DEBA, on behalf of the 14 trade unions operating in the company. Thus, the Federation had the legal right to decide about future changes to that agreement. Hence, the separation of LyF MDP from FATLyF coloured the process of illegitimacy, since the local union called to a halt the traditional delegation of bargaining rights. However, as ESEBA was still undivided in 1994, it was easy for FATLyF to legally justify its right to sign a company agreement to replace the CCT 36/75, despite the
opposition of LyF MDP. Nine out of the other thirteen unions voted in favour of the agreement; four voted against. Thus, the Federation obtained the majority to close in 1994 the CCT E 1052/94.

LyF MDP went to court to present a formal complaint against the deal, whereas the Ministry of Labour gave formal recognition to the CCT E 1052/94 to replace in ESEBA the CCT 36/75. The leadership of LyF MDP refused to accept it, and denounced its illegitimate and legally debatable character; however, the union was forced to abide by this agreement.

So, to publicly refer to the agreements closed by FATLyF as an Act, to call it ‘Act’ instead of CCT, is to put it beneath the whole legal edifice of the collective bargaining process. And I understand why Rigane [the General Secretary of the Union], politically, do not want to accept the agreement as a CCT and will never accept it, and talk about it as a simple Act. Now, I, as a lawyer, when I'm writing to a Jury, have no chance but to accept the agreement (Union Lawyer - LyF MDP).

When ESEBA was finally privatised the union sought to recover the old CCT. The argument was that given that the new CCT was a company agreement, it could not extend its coverage beyond ESEBA. Thus, according to the union, the fragmentation of ESEBA meant that the CCT 36/75, which covered the electricity industry nationally, had to be applied in the new companies. Once more, the Ministry of Labour rejected the argument of LyF MDP. Far from acceptance of defeat, the union continued looking for the recognition of the CCT 36/75 whenever it could. Presently, for instance, the union argues that this is the agreement that should be applied to contractors, which provide services to EDEA. The argument is the same as before, as the CCT E 1052/94 is a company agreement, it cannot be applied to other companies, therefore, the national CCT should be automatically applied to new entrants to the industry. Public authorities have yet to decide.
Thus, the process of counter-mobilisation rested upon a tacit alliance between managers, FATLyF’s officials and Labour authorities, which, initially, succeeded in stopping LyF MDP from taking full responsibility in collective bargaining.

By opening the door to labour flexibility, the CCT E 1052/94 was crucial to introduce 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 it would be the case in other industries from the private sector (Union Official – LyF MDP).

The agreement meant to lose job stability; to shorten maternity leaves, sickness leaves, and holidays; to eliminate overwork and other cash benefits; to introduce PRP, multi-skilling and the unilateral redesign of tasks; to flatten categories damaging promotions; among others. According to a comparative study carried out for LyF MDP, the agreement implied the loss of 60% of the benefits of the CCT 36/75 (LyF MDP 1994b).

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 the joint regulation of industrial relations further.

Chapter 8 pointed to the combination of repression and money to persuade 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 over 1994-96. The workers, who left the union received automatically 120 $ monthly in food tickets, when the average wage, at the time, was of 700 $.

EDEA, in turn, pursued a policy of marginalisation of LyF MDP, whose core elements were the restriction of issues under negotiation. Thus, as a rule, the company attempted to sidestep the union to negotiate face to face with the workforce. The aim of this tactic has been to ease the exchange of money for benefits to narrow the field of trade union's interference. This is the reason why the company was often ready to pay off 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 LyC MDP's members.

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

Yet, 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 born, initially, as a sister organisation of LyF Mercedes, the biggest regional union who operated 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 pay time off to the lay representatives of the parallel organisation, whom nobody had elected, while it did not treat the same the democratically elected representatives of LyF MDP. Besides, to fulfil the requirements stemming from the PPP, the company gave a place in the Board to an official of the parallel union, and member of FATLyF, who was not elected by EDEA's workers. Anyway, presently, LyF Pueyrredón is still an empty shell.

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

The irruption of the unknown: inter-union competition

In Argentina, where the system of industrial relations precludes 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.

LyF MDP has denounced that EDEA presently subcontracts 357 workers out of 922 workers, whose tasks correspond to those covered by the CCT E 1052/94. According to the law by which ESEBA was privatised, EDEA should have a minimum of 683 of this type of workers. In fact, the company has much more, but only 570 workers are covered by the CCT negotiated by LyF MDP due to outsourcing. LyF MDP demands the right to represent all these workers.

 Outsourcing has affected mainly metering, meter readers, installation, wiring, and construction. Most of the outsourced workers are under the CCT of UOCRA, which organises construction workers. Despite they are concentrated in some particular areas, there are always working together at the shop-floor, members of LyF MDP and outsourced workers, unionised or not, who carry out equal or similar tasks but with different pay. Workers under the CCT of UOCRA earn significantly less than those under the CCT of LyF MDP.

You have to compare both groups of workers over one year. Because a LyF worker earns approximately 18 month wages a year against 13, which is the average in other unions (...). If I compare a LyF craft worker to a UOCRA craft worker, say, the higher UOCRA category, the worker from UOCRA gets 8, 9 thousands a year; the worker from LyF gets 20 or 22 thousands a years. There is one more detail: it is more difficult to dismiss a unionised worker in ESI. Instead, workers under the CCT of UOCRA have a fund to cover unemployment, and this makes much easier to get rid of them (Union Officer – LyF MDP).

This is a source of clashes between workers and unions, which hurts collectivism. Electricity workers see in outsourcing a threat to their terms and conditions of employment; union officials consider that the attitude of UOCRA is disloyal to LyF MDP. This feeling is reinforced by the fact that UOCRA lent initially their premises to establish the headquarters of the parallel union.
Besides, the point is that industrial action in certain areas faces difficulties, for the LyF MDP officials certainly know that outsourced workers will not take action. Lastly, as in the case of LyF CF, the counter-mobilising meaning of outsourcing should be evaluated by its success in diminishing the scope of representation of the union, which undermines the process of collective bargaining. In the case of EDEA, while before privatisation LyF MDP organised over the 90% workers, today, 38% of them are out of its ranks.

**Conclusion**

The comparative approach illuminates the association in both countries between privatisation and changes in collective bargaining; fragmentation, devolution and other changes in the negotiating structures manifested as important counter-mobilising forces. Yet, comparison reveals certain ambiguity, as to whether or not, these initiatives were part of a deliberate counter-mobilising strategy. The suspension of clauses of the LyF CF’s CCT as part of the pre-privatisation legal changes, or 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 UK, the counter-mobilising component of several managerial decisions seemed 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 rested, partly, 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 any inevitable consequences by themselves, contributed to weaken unions' aggregate strength. Indeed, that changes in bargaining procedures were required to further industrial restructuring meant that management needed to weaken the position of ESI unions. And devolution of bargaining was key in this regards. Finally, comparison reveals diversity, at the same time, in the forms taken by these processes, due to the intervention of country specific variables.
Then, while the British Government left the introduction of change in collective bargaining to private capitals, the Argentinean 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. Particularly, the place of law in the Argentinean 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 financial and human resources to put through the privatising agenda. Thus, LyF CF was victim of a national counter-mobilisation strategy, which affected as well, gas, railway, communications, water, postal, sailors and oil workers, employed in national public companies. At provincial level, the combination of a different opportunity structure with an intransigent union leadership, determined forms of counter-mobilisation, which involved, in greater degree, illegal and unfair procedures to dismantle previous agreements. LyF MDP was victim of a tacit alliance of employers, trade union leaders and public authorities, who connived to force change despite workers' resistance. By the contrary, public authorities did not occupy in UK a similar role in the process of counter-mobilisation; the initiative in this country was left to the industrial actors.

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

On the one side, British multi-unionism emerges as a key variable to explain the possibility of inter-union competition and tensions, as decentralisation ended with the bargaining structure that had entrenched the respective spheres of
influence of ESI unions. Still, even then, there had always been some friction between the AEEU and EPEA/EMA around the interface question – 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 freed management to transform those frictions into opportunities to introduce change and 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 took different forms. In its general form was spurred by outsourcing, in which competition expressed as inter-union conflict for official recognition at the administrative level of the Ministry of Labour. Yet, there was too a political dimension of inter-union conflict, particular to 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, who supported managerial policies. This episode opens the door to consider the counter-mobilising role of certain union officialdoms. LyF MDP kept, however, the ability to mobilise the rank-and-file all over the period, but undoubtedly, these divisions reduced union's effectiveness.

On the other side, the process of mergers and takeovers, which took place in UK, might contribute to explain the eagerness of private managers to bargain pay, terms and conditions, at the lower 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 sold nor bought business units, nor integrated industrial structures after privatisation.
Particularly in this chapter, the combination of mobilisation theory, micro-, meso- and macro-analytical levels, and the comparative method enhance the need to incorporate intermediate variables 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 seems to be the demands for taking into account industrial, institutional and political intermediate variables.

As well, in every case, the sequence of changes under analysis highlighted the importance to approach counter-mobilisation in historical perspective. Changes in bargaining formats and procedures modified gradually 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. But the organisational and strategic responses of trade unions cannot be isolated from their internal capabilities, in themselves under constrained by the continuing process of change in UK or the adoption of hard line managerial tactics in Argentina.

Nevertheless, 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 impacted upon the organisational structures of trade unions. And in so doing, that it has affected as well, the organisational process by which workers shape their interests, define concrete demands, and choose actions to achieve their aims. Thus, from the point of view of mobilisation theory, these phenomena are related to the categories organisation and interest, which are vital aspects to analyse the fate of workers' collectivism. Hence, the next and last chapter is to be devoted to explore those dimensions.
Chapter 10

Organisational Change, Leadership Styles and Decision-making

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

United Kingdom

Organisational change

Interviewees share the view that both membership and union density have had negative developments in ESI since privatisation. Indirectly, TUC's statistics support, broadly, this impression. Only 14 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 40000 members, being its union density over 90%. Currently, Amicus has slightly over 20000 members in the energy sector (Amicus 2005). During 1980s, NALGO's density oscillated around 80 %. By the beginning of 1992, the union had 33000 members in ESI, that is, a loss of 6712 members since 1981. Restructuring following privatisation affected the union severely; membership barely reached 20000 in 1996 (Unison 1996). According to interviews they now have no more than 15000 members “across the whole lot, water, gas and electricity” (National Officer – Unison). Union density in the case of EPEA, was of 95 % for engineers and 80 % for managers when privatisation was announced (EPE May 1991). Data from the certification office shows that the organisation counted on 33127 members in 1991 (Certification Office 1992). Prospect officials affirm to have today approximately 17000 members in the utility sector. Yet, lack of data prevents the analysis to go beyond tentative descriptions.

On the contrary, qualitative findings point to important changes in the organisational sophistication of ESI unions (Batstone 1988). As intermediary organisations (Muller-Jentsch 1985; Offe & Wiesenthal 1985), unions' representative and negotiating bodies could not isolate from changes in ownership and industrial structures. Nor could they, from changes in bargaining structures. Thus, trade unions anticipated privatisation by embarking in 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 ESI. On the whole, findings show, on the one side, trade unions resilience, on the other, their failure to counteract workers demobilisation and sectionalism through organisational adaptation.

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 for 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 geographical basis. We have to change that, to a national structure that was broken up in 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.

EPEA 1989 Annual Conference instructed the NEC to review the organisation of the union upon regional basis, to make possible a mixture of members from distribution, generation, and transmission companies in each section (EPEA 1989b). The Conference also concluded that the negotiating functions of the EPEA had to be organised on the basis of matching the new management
structures. The plan included the incorporation to the NEC of representatives from each of the future private companies (EPEA 1989b, 1989d). Additionally, in 1990, the NEC organised a seminar to consider the unification with EMA to anticipate the financial, staffing and organisational challenges, which privatisation would pose. EPEA expected a loss in membership after privatisation (1989d). As union density among NJB staff was over 95 %, the NEC concluded that the area of expansion to counteract this trend had to be in the EMA field with the committed co-operation of EPEA (EPEA 1990, 1991). There were also acute financial reasons. A single organisation would yield economies in administration, structure and the utilisation of staff, for it would cut out the unnecessary duplication of effort and resources involved in the existence of separate NECs, FTOs, Annual Conferences, and so forth. Hence, the unification was approved in the 1991 EPEA Annual Conference (EPEA 1991). Besides, EPEA foresaw a gradual demise of centralised negotiations, which would shift the focus to the regions; thus, a reorganisation of the regional offices was carried out. After that, branch structures were also revised to ensure the devolution of authority to local levels. By 1994, 34 new company branches and 15 new section boundaries were established, together with the election of Branch Executive Committees (BEC) for every company and the creation of annual branch conferences to debate pay and conditions. Since then, the National Conference adopted a biennial frequency. Then, seven regional teams were established, composed by a national officer called national secretary as a leader, and one or two negotiator officers. The national secretary is responsible for the larger companies, while the negotiator officers are responsible for the smaller companies. In every case, it is the BEC that determines the policies to be pursued at company level. In the national companies, there are usually side committees, which fit into the BEC. The basic idea underlying this reorganisation was to have a representative structure at each industrial and bargaining level. The decentralisation of authority was accompanied by the provision of additional resources to counterbalance the increased workload of regional officers. As explained by a FTO:
Whereas before we had one central pay bargaining in the NJB that was dealt by one person at head office... and there would be some executive members present as well... with 22 separate companies you can't expect one person to do that. So, you have to give your authority to officers, locally, in the regions, to deal with those companies. What we did was (…) if we use the football analogy, man for man marking. We have identified each company with one officer. And that officer, then, has responsibility for all the pay and conditions, which was previously part of central bargaining (National Officer – Prospect).

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 strengthening 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 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, 374, 28/4/89; 402, 10/10/89; 409, 12/1/90). Between 1989 and 1991 the number of branches fell from around 100 to approximate 70. As mergers and takeovers develop, by mid-1990s company based branches were replaced for multi-employer branches on regional basis supported by regional FTOs. Ironically, Unison is today considering reversing 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 3 or 4 big companies, we are thinking about whether it makes more sense to organise our branches on a company basis than in an area basis, or a geographical basis, but that's to be still going on... It is a nightmare!! (National Officer – Unison).
Like EPEA, NALGO decided in 1990 to reorganise the National Electricity Committee to adapt its structure to a company based system of representation (NALGO 1990a). It was decided too, the abolition of 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 run almost simultaneously. The line adopted was to devolve power to shop stewards within a horizon of minimum trade union reorganisation (EETPU 1989; AEEU 1993). In 1988, the EETPU had already set three working parties to inform on the needs of distribution, generation and transmission, within a context of privatisation (EETPU 1988). The conclusion was to emphasise the need of stronger workplace organisations, a topic neglected for years by the Executive Council, but raised in the 1989 Annual Conference (EETPU 1989). By 1990, this preoccupation continued with proposals to reconstitute any work’s committees into shop stewards committees to cope with more localised discussions, as the union predicted by that time, a move, after privatisation, towards company rather than national bargaining (Contact, several issues).

The official decision to reinforce shop steward structures had to confront many years of branch life deterioration. From 1971 to 1983, every biennial delegate conference witnessed hotly contests around the problem of the gradual demise of EETPU branches (EETPU 1971, 1977, 1979, 1981, 1983). Since 1977, complaints had increased focusing on the closure of branches, compulsory amalgamations and the appointment of full-time officials to replace elected ones in branch management. At that time, the Executive Council refused the claims,
emphasising that massive industrial conferences, divisional shop stewards meetings, the appointment of area officials to service individuals, check-off systems, and the like, had rendered branches a thing of the past. Yet, a Policy and Rules Revision Conference held in 1983, ended the disputes with the triumph of the leadership over the opposition, who was demanding changes to bind the Executive Council to Conference decisions and to elect officials (EETPU 1983). In brief, the EETPU's policy together with the dynamic of the bargaining machinery weakened workplace organisations in the industry. Therefore, it was needed that the AEEU EETPU section reinforced the new orientation by launching in 1993 Policy Conference a campaign, which included a working party with the aim of restoring active branch life (AEEU 1993). Besides, the conference urged to organise special and occasional conferences for shop stewards of newly formed companies, which merged 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 work in unison, second, to match developments in ESI, brought about by the eventual end of the national machinery. In the main, changes were to make principle FTOs responsible for PowerGen, National Power, Nuclear Electric and NGC, and to put the 12 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 to establish 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 in a single unit, the Energy & Utilities Sector. Energy and utilities workers elect an Energy National Sector Committee, composed of 28 people, which organises its own annual conferences (Amicus 2005).
In sum, privatisation forced unions to look inwards. In all cases, trade union introspection began as soon as privatisation was announced. Overall, the shared line was the devolution of power, though the emphasis varied. Restructuring due to privatisation mixed with restructuring due to union mergers and amalgamations, both leading to continuous organisational changes. As a result, new systems of workers representation emerged, in which ESI constituencies lost prominence compared to previous arrangements. Still, variability among trade unions would demand some qualifications. For instance, in relation to EPEA and NALGO, EETPU structural reorganisation was small. Moreover, it was often linked to union's merges. In general, change located chiefly in the devolution of responsibility and authority along unchanged hierarchical bodies. Another example: ESI engineers and managers have 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 stretched due to redundancies and fragmentation, slowing the building up of local capacity. Indeed, many branches were left without their most experience individuals; some of its branches, even extinguished. Besides, the lack of voluntary people, though not an entirely new phenomenon, became a critical point, as interviewees agree how hard has been to persuade members to take on branch and steward positions 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 moment. Similarly, to find lay representatives in certain activities, for example, in call centres, is often hazardous according to interviewees.

Scarce resources are critical too, due to cultural features. ESI white-collar workers, as compared to other white-collars organised by Unison, appear to have a greater reliance in FTOs. While some branches have many activists and keep FTOs at a distance, most are heavily dependent on the full-time officials:

You know, too dependant than 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 is this attitude among white-collar workers, that changes in the negotiating dynamics brought tensions between branch members and FTOs, as the latter have not been able to deliver the expectation of the formers. Nowadays, Unison's FTOs have agreed to train and develop lay representatives to take on the first line work. They encourage 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 paying and conditions in a significant way, I will get involved in those negotiations. Others than that, no more (National Officer – Unison).

Well, I can't do everything. They [branch reps] expect to be able to demanding from you, without actually taking any responsibility. They expect you to do it all. You know... if it is a big company, it got locations all over the country. If you got 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 also greater pressures upon union scarce 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 support 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 change quicker. Moreover, FTOs incorporated new responsibilities. For instance, they have to write their own reports about what happens in their companies to communicate with members, when previous to privatisation the whole communication was channelled through one structure at national level full-time. Besides, FTOs had to establish closer relationships with the rank-and-file through meetings and discussions to run company bargaining together with senior shop stewards. All that generated resistances:

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

Thus, variability appears as the rule:

So, it varies, it varies, it depends in 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 is still relevant for members on issues like pensions, energy policy and regulation matters, it is at lower levels where negotiations on pay, and terms and conditions are conducted.

For instance, in Prospect, each BEC determines the bargaining agenda; whereas, previously, the NEC 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 (National Officer – Prospect).

Still, the NEC can exercise control if there is a particular branch going in opposite direction to union policy. However, as this principle is often loosely interpreted, only extreme and unlikely cases of lay representatives agreeing on compulsory, or massive redundancies, would push the NEC to intervene. Consequently, Prospect members have, today, much greater identification with their BECs than with the national union.

NALGO's FTOs points similar problems. The problem is not only that company bargaining agendas are quite different, but also that shop stewards lack more comprehensive views:

Some shop stewards can look beyond, but most, in my experience, only look at their own company. And in fact, you probably find that you 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 attaches 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 not 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 has to assume the coordination of policy as to avoid that the profusion of local
bargaining agendas serves managers to play different groups of workers off. As sectionalism has grown, national FTOs appear to have met the challenge with difficulty:

Well, one of the things that had to change was the role of the national officer. Because you have to co-ordinate policy. But, it has been very difficult to avoid a FTO, or a group of workers, considering something that then, it is imposed on another company (National Officer – Amicus).

Parallel to the growth of sectionalism, there has been a debilitation of a national focus, which increased the need of coordination. Prospect have attempted to overcome these problems by two ways: setting up coordinating committees for distribution and generation, and reinforcing the coordinating role of the NEC. While useful for gathering and sharing information, these initiatives seem to have failed to raise effective actions so far:

We set up coordinating committees for various distribution companies, for generation and so on, to make sure there is a crossed 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 (National 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 form each other experiences, generally, trying to maintain a national focus (National Officer – Unison).

This shift in bargaining responsibilities changed the role of the NEC, which it is, essentially now, about administering policy and managing the union. This has brought about a new emphasis on union services, strong in Prospect, overlapped with an organising discourse in Unison, and recently changing to a more organising profile in Amicus.

Paradoxically, then, while the national machinery was thought as a barrier to the militant outlook associated to workplace unionism, the latter has shown within the privatising context, a greater readiness in ESI to compromise. This inclination to compromise manifested in a growth of sectionalism. This has been the case because privatisation increased, as compared to the past, the dependence of the staff upon the fate of the particular companies where they are employed. Thus, the new structure brought about a deeper understanding among the staff of unfavourable market circumstances, and hence, this fact ended up, eventually, 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 of this thesis built upon mobilisation theory, which pays attention, especially, to the knotty relationship between leadership styles and participation, as the latter is deemed to be essential for workers to engage in the type of dialogical interactions, which enable workers collectivism.

Chapter 7 broadly defined the various leadership styles, which were predominant among ESI unions at the time of privatisation. Although, they
varied in a number of aspects, a common feature underwent 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, a sort of who is the one who does everything for everybody, and all members, willingly or not, subordinate to his decision. I think this is the way just most unions used to be, and that is slowly changing right now (Regional Officer – Unison).

By replacing membership involvement by FTO expertise, paternalism tended to substitute workers participation. Nevertheless, neither paternalism is a function of FTO's values, nor participation is, simply, an outcome of the leadership style. On the one hand, paternalism emanated partly, at least in ESI, from the centralised dynamics of bargaining. Thus, by breaking down the national machinery, privatisation challenged its rationality. On the other hand, patterns of participation often fluctuate following the impact of events, like 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, it is an established fact the right-wing orientation of the leadership of the EETPU (Hyman 1983; Kelly & Heery 1994). Indeed, most of its FTOs and shop stewards expressed also centre-right political views, a feature explained by the tight central control of appointments within the union (Kelly & 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 ESI, and avoided industrial action, whenever possible. However, the EETPU used to mobilise workers to put pressure over reluctant managers when the opportunity structure was favourable as far as the demands were deemed achievable, the crucial defining criteria for action of EETPÚ's FTOs and shop stewards in the industry (Kelly & 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 to the NEC to improve communication were raised (Contact v. 17, nº 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 v. 17, nº 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 with the characteristics of the campaign, translated into demoralisation and apathy among the rank-and-file (see chapter 7).

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. Thus, the union started to promote rank-and-file participation and shop stewards 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 has been, however, severely limited by a set of countertendencies: tradition, restrictive laws, increased market competition, an unfavourable opportunity structure, and a type of leadership, which prefer the stability and predictability of interactions with management.

Kelly and Heery (1994) also state that NALGO’s FTOs had a greater disposition than those of EETPU to attend member wishes and rank-and-file support. Additionally, during 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, 27/3/87; nº
Yet, Unison FTOs have stressed all along the interviews, the particularities of ESI members as compared with members from water or local government, 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. Thus, 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 express an organising conception 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, 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).

It is a problem. I got 6 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 aggravate the lack of participation locally, therefore, preventing the extension of collective discussions. FTOs complained that neither branches communicate each other, nor do members from different business units, nor branches with their own members. Hence, information does not circulate as FTOs believe 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 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 conspire against extended democratic interactions. This situation promotes workers' attachment to their immediate environment. Astonishing manifestations of this problem emerge, for instance, over the process of integration launched by Eon. Most Unison members from the retail unit, which is still operating under the brand name PowerGen, did not even recognise that they were working for Eon. Although, less acutely, similar misunderstandings came out in other units. The union had to make important efforts to get members to understand they were all part of one company.

The distinctiveness of EPEA among ESI unions was underlined also in Chapter 7. 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 members-led. A similar picture has continued to characterise the union after privatisation.

If, initially, members expressed in EPEA Annual Conferences their disposition to fight back privatisation and, possibly, its effects, as soon as the consequences of privatisation became apparent, member showed signs of demoralisation, and thus, participation declined. However, the reorganisation carried out by EPEA in 1994, with regards to their branch structure, had ambiguous consequences. If it contributed to consolidate 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 own evaluation on members participation concluded that the new company branch organisation – the new basic unit of organisation formed around members working for a specific company or, under appropriate, group of companies, increased the number of people involved in the decision-making process to 90 over 1000 (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 put special care to better the communication channels with 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 from collective bargaining began to appreciate the union, mainly, by its ability to represent them in issues like pensions, safety organisation and professional responsibility (NOP 1991). But also, by the quality of union services. Thus, the NEC sought to enhance union servicing profile.

In short, the previous analysis shows that, in each case, structural (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.

As for LyF CF, the first thing to be noted is that its membership has declined dramatically, whereas union density has remained within acceptable boundaries. It would be wrong, however, to conclude that the latter contributed to conceal the meaning of the former. On the contrary, the decline in membership from 22000 to 4000 workers was the main structural determinant of union's strategic shift towards entrepreneurial initiatives. Additionally, it offered union leadership a convincing rationale for this policy.

In turn, union's scope of representation received the impact of two different sources. On the one side, the Governmental decision 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 members used to be whom had access to company information. FTOs have complained during the interviews about the chronic lack of bargaining information since privatisation. On the other side, outsourcing has impacted upon the ability of the union to organise ESI workers. Due to this challenge, union leadership has adopted policies to organise outsourced workers with unequal results.

On the main, however, findings show that organisational change limited to the downsizing of existing structures, namely, that privatisation brought adjustment but not proper restructuring. By the beginning of 1990s, the union owned a large infrastructure with which it serviced more than 20000 members in areas like health, personal loans, culture, education and tourism. Yet, massive redundancies caused massive losses in membership, which translated, directly, into financial hardship for the union.

At the time of privatisation, the union employed 1114 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 of 23 %. By 1998, downsizing had affected 53 % of union's own workforce, being 497 the number of employees who remained employed by LyF CF. To achieve this, the union implemented their own programmes of voluntary redundancy; for instance, only 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 leaner structure, but without adapting it in any meaningful way.

But financial hardship boosted not only adjustment but also union's entrepreneurial policy. As ironically stated by a shop steward, while speaking of the commercial exploitation of organisational assets by the union:
As we lost members, we had to privatise our own capital, which was built over 40 years with the effort of everyone of us. You see, on the one side, we criticised privatisation; on the other side, we also privatised (Lay Representative - LyF CF).

To give an example, LyF CF opened their hotels to members of other unions; in 1993, 35 % of the accommodation capacity was booked by no union members. Additionally, the adjustment affected union's services for members: the obra social started to charge fees for medical practices. But also affected union assets: the organisation, for instance, sold out all their cars.

Whether these figures relates mainly with the impact of the financial losses upon union's social services, the most important sign of the deterioration of resources with regards union's ability to defend members, was the decline of permisos gremiales. The latter are formal authorisations by which union reps are paid their wages by the company to carry out full-time union activities. Since privatisation, they fell from 200 to 98. Private owners, first, downsized their workforces; then, made unions accept the reduction of the permisos gremiales. Moreover, the union currently pays 17 out of 98 them. Still, the crucial decision taken by LyF CF was to modify union's rule book in order to reduce from 32 to 21 the number of members of the CGA (Comisión Directiva) - whose wages are paid by the union too.

If the composition of the CGA was traditionally a source of tensions 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 has not imposed a quota of representation to prevent disputes by agreed procedures. Indeed, the problem has been sorted out through political struggles over electoral periods. Thus, as there have been unopposed general elections since privatisation, the hegemony of the union leadership has been consolidated through political clientelism, while the opposition is 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% of LyF MDP’s constituency. Thus, the rate of the decline was not equivalent to that of redundancies; and then, as a whole, the proportion of the impact was lesser than in 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 is that LyF MDP organises less company workers today, than it did before privatisation. Thus, the union organises 62% of company workforce, whereas before it covered around 90%. This troubled the effectiveness of union’s collective actions.

As with LyF CF the organisational sophistication of the union has 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 is crucial in Argentina for union leaders to maintain their legitimacy. 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 would-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 to create their own services, through a political discourse based on the notion of class solidarity against individualism. An astonishing 99% of union’s members joined the call.

Although the union did not change its internal structures, there were very important novelties at higher organisational levels. These novelties related to union’s global response to privatisation, particularly, and to market reforms, more generally. Briefly, LyF MDP founded, together with other unions, mainly public ones, a new national federation: the CTA. This was one of the reasons, which led to its expulsion 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 different principles than those of the traditional unions in Argentina, which began to be organised around 1995, and presently has around 12000 workers. From this platform, it was built too, a huge arch of international relations with diverse organisations. This organisational umbrella was used every time the union engaged in bitter conflicts 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 & General Workers' Unions and founded the Coordinadora de Sindicatos del Sector Energético del MERCOSUR with ESI unions from Paraguay, Brazil and Uruguay. International solidarity have to be understood as a replacement of missing power resources at national level since LyF MDP was expelled from FATLyF.

The rise of sectionalism

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

The division of the public company broke workers solidarity. People know nothing about what is going on in other companies. Yet, if lads hear about better conditions in other companies, they complain to us, as if we were responsible for their lack of ability, or strength, or whatever, to back the negotiation of better agreements (Union Officials – LyF CF).

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

The companies divided everything and everybody; they advanced as far as they could. They broke down companies’ structures. Before privatisation, we were a family. Things improved something between 1996 and 1998, but anyway, what they got is a change in mentality. Workers arrange something with a company... Others arrange a different thing in a different way in another one... Nobody cares for fellow workers next door, especially, generation workers (Lay Representatives – LyF CF).

However, attempts to co-ordinate policies are often circumstantial. Indeed, union leaders seem to have assumed sectionalism as an inevitable outcome of industry fragmentation, a new feature of the landscape to which they should accommodate.
Instead, as explained in previous chapters, the fragmentation of ESEBA benefited LyF MDP, as the union bargains with a single private company. This, partly, explains why sectionalism, a common finding so far when analysing 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. But most crucial bargaining decisions, pay for instance, have remained still centralised in CGA's hands.

**Leadership styles and decision-making**

Chapter 7 sketched the contours of LyF CF's style of leadership, whose ideological pillars have been the notions of 'multiple trade unionism' and participation. Based on them, a highly concentrated and pragmatic bureaucracy, historically sustained, on one side, trade union's accumulation of assets, on the other side, the disposition to establish channels of dialogue with public authorities to open the door to political exchange. Thus, these notions have, eventually, backed union involvement in co-management during 1970s, various forms of political exchange, disposition to negotiate with democratic as well as authoritarian governments, and even direct participation in the apparatus of the state (Palomino 2005; Pozzi & Schneider 1994). Traditionally, policy making concentrated in few people, who have controlled the process of decision-making, through a vertical and bureaucratic leadership:

Our union was always ready to take a sit 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 - 5, 10 blokes - who run the organisation this way (Union Officer - LyF CF).
However, workers participation in the *comisiones internas* had often balanced, somewhat, this tendency, 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. Lay representatives are elected every 2 years by fellow workers, while CGA posts and the General Secretary of the union, are elected every 4 years in general elections. Despite the lack of opposition, the high level of workers' turnout legitimises the authority of the leadership. Indeed, the exercise of the representative democracy, in fact, has served the leadership to hide the absence of true collective definitions about crucial decisions. In 1992, when the companies already began 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 has kept the requirement for lay representatives to approve every CCT dealt by the union, as they have to endorse annually the *Memoria y Balance*, that is, the reports of the annual activities of each union department, and the official report of the detail of union expenses. But, given the absence of truly workers' participation beyond the elections, these meetings have become
a kind of automatic approval of the leadership. Additionally, the CGA maintains, when necessary, informative meetings with shop stewards of each firm about specific company problems. Also, FTOs usually participates in the sectional meetings of the Comités de Lugar (Site Committees), where problems related to a particular area of production, are discussed. Lastly, there are informal communication channels activated by FTOs, often embedded of profuse doses of paternalism. But, all these instances are mostly informative or, at best, informally consultative. Thus, workers' involvement in the process of decision-making seems to be 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 mandate. It is the leadership who truly decides (Lay Representative – LyF CF).

This panorama is, 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 disbelief, mentioning as the main evidence the lack of volunteers to assume responsibilities as lay representatives. During the worse period (1991-1997), the union hardly covered shop stewards positions; indeed, the union at that time had neither second shop stewards, nor militant representatives – the old union posts to back activities of the principal shop stewards at firm level.

Fear to 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 first for them when there are problems (Union Officer – LyF CF).

Workers' demoralisation and disbelief, in turn, have a two-fold reason. On the one side, shop stewards recognise that most lay reps did not oppose voluntary redundancy programmes; quite the contrary, they accompanied the process. This is not surprising as the trade union dealt 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 over the normal rate.

Let us be honest, lads, all we 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 know they did (Lay Representative – LyF CF).

On the other side, many others joined redundancy programmes due to their own demoralisation, as the union lacked initiative to oppose the privatisation. In fact, union discourse explicitly assumed a demobilising content, which contributed to feed 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 has made difficult for the union to train new lay representatives. According to interviewees, this conspires against the renewal of the union
leadership. Second, lay representatives complained that their workload has increased and, consequently, it is more difficult to deliver. Companies neither consult nor communicate to them about change; hence, shop stewards have to be continuously dealing with managers and fighting back their unilateral decisions. As a 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 has widened since privatisation. Yet, the reason for this separation is broadly attribute to the general factors.

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

In the case of LyF MDP, instead, the leadership has framed union actions through a political discourse, which stresses workers democracy, autonomy and activism in opposition to the exercise of formal democracy. Indeed, the latter is blamed to be empty of any social content.

The promotion of workers' participation was deemed by union leaders to be essential to develop a powerful organisation. Thus, from the beginning, the union attempted to root the confrontation to privatisation on 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 to meetings, suspensions of those who were absent were applied.
through members’ ballots, a prerogative rarely used by other trade unions. Thus, privatisation faced a mobilised union used to engage in collective actions ratified often collectively. Union’s efforts to communicate with workers were crucial for workers’ mobilisation:

People, firstly, were very well informed, though it has been shown that it is not enough to give information. It is necessary to discuss it with the lads. Also, people saw that we have full dedication to the organisation. Things can be done better or worse (...) But workers did not doubt about our dedication to workers’ cause. The other thing is that everything we said about privatisation was gradually proved by facts (Union Official - LyF MDP).

The capacity of the union leadership to foresee privatisation policies and explain to members its meaning and its consequences was vital to create a platform of trust between the rank-and-file and them.

There is trust. People do not necessarily share the ideology of the CGA (...) I would say that the vast majority does not have a Leftist orientation. But, there is mutual respect and trust. The CGA does not go beyond where the rank-and-file is ready to go. And the latter know that the CGA will not betray or negotiate for themselves (...) Mutual respect and trust translate into discipline. Neither the CGA is for wild strikes, nor workers cross picket lines (Union Lawyer - LyF MDP).

Trust, in turn, allowed the union to overcome critical events. For instance, when a group of CGA members and shop stewards joined a redundancy programme in 1995, the leadership called mass meetings to discuss, politically, the situation. When individual members began to accept food tickets against a general assembly decision, the union leadership decided, once more, to discuss the situation openly in mass meetings, reversing earlier decisions by the mass vote of workers.
Despite the profusion of mass mechanism of decision-making, the style of LyF MDP's leadership corresponds to that defined by Batstone as representative, that is, a leadership with capacity to take decisions independently (Batstone et al. 1977). Furthermore, general assemblies are, mostly, called by union leaders to debate and vote concrete tactics and forms of action. The absence of an organised opposition after the breakaway, facilitated the hegemony of the current leadership. A fact deemed for several interviewees to be damaging for the leadership as it contributes to relax self-discipline and increase the risk of bureaucratisation:

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).

Thus, this comes out as a common weakness with LyF CF. There has not been 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 company aggressive human resources policies debilitated participation. Thus, whether workers still respond 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 has given 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 manifested in its engagement in organisational building at higher national and international levels. But, the union early understood as well, the power of communitarian alliances to fight back privatisation. Chapter 7 already described how this orientation translated into a widening of union's repertoire of collective actions. But it also, by this way, the union has widened its representation by linking their own demands with communitarian demands. In this manner, the union forged relationships with organisations of neighbours, students, small owners and other social movements to compromise common policies. Thus, for instance, while workers' participation decreased, the union was able to mobilise 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 electricity for poor neighbourhoods, thanks to a 40 % reduction in the price afforded by the company, and a 15 % and 6 % reduction of taxes afforded by the Provincial and Municipal administrations respectively. For the consumers, this meant a final reduction of 50 %. Needless to say, that this achievement increased the appeal of the union in the community. Today, the same alliance, again under the leadership of the union, is campaigning for the re-nationalisation of the company; and recently, the union has pushed FeTERA to campaign for the re-nationalisation of the oil and energy industry.

Conclusion

This chapter has attempted 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 has been to add new elements to judge trade unions' ability to mobilise workers in the context of privatisation. As
with previous chapters, the comparative analysis has made possible to identify similarities and differences, both nationally and internationally.

The first thing to stress is that, to some extent, union mergers and amalgamations obscured in UK the impact of privatisation on trade union resources. In contrast, in LyF CF, the steady decline of union's resources due to dramatic losses in membership appears as the chief organisational aspect to be underlined by the analysis. While neither union density nor the scope of representation was seriously affected by job loss, the extent of the latter obviously distorted the organisational life of trade unions. Chapter 9 shows that its main manifestation in UK was the proliferation of recruiting campaigns. Occasionally in this country, union leaders expressed as well 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 should be 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; thus, the impact was lesser. In this case, the leadership chose from the beginning to oppose privatisation through a diverse repertoire of action, which rested 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 Argentinean trade unions proved to be salient. The former engaged in a never ending process of change to adapt 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 in between workers' collective capacities. Mainly, the lack of strong workplace organisations was a crucial deficit. Companies took advantage of the
situation 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, Argentinean unions kept their organisational structures unchanged; though, 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 leadership, 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 to maintain their social services to members, though for different reasons; this was the only area where change has been considerable. But, different strategies choices led to different outcomes. In the case of LyF MDP, it served to reinforce the notion of workers’ collective solidarity, whereas in LyF CF, it was the platform from which an entrepreneurial style of unionism developed. Still, problems regarding the provision of social services became a potential threat for the legitimacy of both union leaderships.

Nonetheless, 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 undermining solidarity. Additionally, the uncertainties provoked in 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 come out all over the industry. In Argentina, sectionalism affected LyF CF too, due to industry fragmentation. Besides, differences in bargaining power between generation and distribution militated against unified policies. Distribution workers failed to mobilise in their support fellows workers employed in generation; in fact, even employees from distribution failed to coordinate policies, despite sharing similar problems. LyF MDP is, once more, the exception, for the very reason that the division of ESEBA did not affect the representational reach of the union, quite 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. Whether it is true that British unions have faced problems to recruit lay representatives and organise workplaces, it is also true that there have been plenty of successful stories. Besides, 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 evidences of a declining participation dated back to mid-1970s as a result of 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 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 decreased also in LyF MDP putting at risk the lively dynamic of the process of decision-making, and damaging the commitment of many shop stewards. If this phenomenon have not developed as to affect the ability of the union to engage in collective actions, the decision now, concentrated more than before, in union leaders, whose combative outlook has ensured the survival of workers' mobilisation. Additionally, communitarian alliances and external solidarity are, today, important resources, which compensate, partly, the deterioration of union internal dynamics.
Chapter 11

Closing Remarks

This thesis opened stressing two main objectives: the exploration of the relationships between privatisation and workers' collectivism and the insight of mobilisation theory for such a task. In this sense, the most elemental 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 1 specifically posed a set of empirical and theoretical research questions, which are, at this stage, worth restating.

A broad empirical question was the reconstruction of the counter-mobilising content of privatisation and trade unions' defensive actions. In this regard, the research intended, on the one side, 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 side, it aimed to illuminate how the forces unleashed by the process of privatisation targeted workers' collectivism. At theoretical level, the main questions related to the contribution of a cross-national comparison and meso- and macro-analytical levels to the development of mobilisation theory, and the place of agency type variables in the conceptual framework.

Thus, the thesis was grounded in 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 carry out the empirical investigation into that problematic. The methodological discussion, in turn, justified the adoption of a comparative approach to identify and evaluate the intermediate variables, which impinged on the categories of mobilisation theory, as far as the comparison be properly contextualised (Locke & Thelen 1995). Mobilisation theory allows for the different stages of mobilisation to be understood and studied within a specific context; then, this was an additional reason for adopting this theoretical framework.

Then, after exploring the diverse meanings and complexities of the term privatisation, chapter 4 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 countries, and finished by reviewing empirical evidence to show the positive association between privatisation and unfavourable developments for labour. In between, it offered theoretical arguments taken from Marxist political economy and mobilisation perspectives. Yet, the essential point of the chapter was that privatisation enhances market discipline.

By a cross-national comparison, chapters 5 and 6 intended to identify various mediating variables, which intervened to shape the opportunity structure and the forms and prospects of the counter-mobilising forces. Thus, these chapters surveyed similarities and differences with regards 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. In this sense, 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 the 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 to undermine workers' collectivism and pave the way to privatisation. In UK, instead, that task was left to private capitals and industrial restructuring after privatisation.

Chapters 7 to 10 testified to that by providing an empirical reconstruction of key aspects of both, the counter-mobilisation process associated to the privatisation programme and the trade unions' defensive responses. Together, these four chapters constitute a sort of kaleidoscopic 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 thesis 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 will serve as a useful platform to present some theoretical conclusions.

The empirical focus of chapter 7 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 2. The chapter showed that in UK, in the run-up to privatisation, ESI unions maintained quite unchanged their industrial (re-)sources of power, and hence, industrial latent power. 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 legally undermined by the
government to prevent workers from mobilising industrial resources against privatisation. In this context, LyF CF inclined to reformulate its strategy at the expense of organising and 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 account for workers' collectivism. A determined anti-privatisation leadership was able to delay privatisation for years by combining the mobilisation of political, industrial and legal resources through collective and participatory mechanisms. Theoretically, the chapter demonstrates the utility of the sequence opportunity-to-act, organisation and interest definition to account for the strategic choices and forms of collective action of well-established labour organisations in the face of a counter-mobilising event.

Chapter 8 addressed an obvious but often neglected aspect of counter-mobilisation, that is, the mobilisation of money resources to prevent opposition, at both individual and collective levels, and further loyalty to new private firms. Concomitantly, the chapter explored the connections between counter-mobilisation and the categories offered by mobilisation theory for the analysis of collective action in the medium- and short-run (opportunity-to-act, organisation, interest), particularly, the effects of specific counter-mobilising forces upon the aforementioned categories. The chapter pointed, first, to the influence of various intermediate variables on the fate of the politics of money. The active involvement of the government before privatisation was prominent in Argentina, backed and resourced by international financial institutions, mainly, the IMF and the WB. In UK, the bulk of the process took place after privatisation. Employment law too, explained diversity in the form and outcomes of the politics of money, for instance, the importance of personal contracts in UK or the chance for Argentinean unions to assume the representation of workers as share owners in Company Boards. Most important to explain country specific outcomes, however, was the growing rate of unemployment, which paralleled in Argentina the implementation of voluntary redundancy programmes, the axis of the politics of money. It had two consequences: it precluded the indulgent
attitude toward voluntary redundancies policies found among the British ESI workforce and it caused workers' resistance. Since then, voluntary severance packages hid in Argentina the development of managerial harassment and repression to achieve downsizing. Finally, agency type variables come to the fore, once more, to explain variability between unions in Argentina. From the beginning, LyF MDP leadership framed voluntary programmes as hidden dismissals, took industrial action against them, and expelled from the organisation those members, who accepted severance packages. The union was not immune from the politics of money: dozens of workers were seduced and, even worse, four CGA' officers and eight union' representatives were corrupted by the company ESEBA. But, the leadership could mobilise the collective power of workers all along the process against the different manifestations of the politics of money, and reduced its consequences. At the level of theory, the diffuse effects of the various forms adopted by the politics of money seem to warn against any simple relationship between counter-mobilisation and its consequences on the empirical manifestation of the categories of mobilisation theory. Nevertheless, the analysis puts in evidence, that the organisational domain is often a main target.

Chapter 9, in turn, researched another side of the counter-mobilising wave associated to privatisation: the process of fragmentation of collective bargaining and devolution. It substantiated the central role of the Argentinean government backed by the international financial institutions, in this case, in dismantling collective agreements before privatisation. It differentiated this, from the case of UK, where the prospects of competition compelled managers from privatised firms to push the devolution of bargaining structures to achieve change in working practices and pay structures. But, in this case, it is necessary to refer also to industrial variables, mainly, the hectic process of mergers and takeovers experienced by ESI since denationalisation, which explains the profuse change in collective arrangements in UK; and to multi-unionism, which explains why this change further inter-union competition. In Argentina, instead, where industrial structures remained almost untouched after privatisation, bargaining structures
stabilised quickly; concurrently, a different union structure limited as well, competition between ESI unions, though, it appeared 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; but also 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, specifically, upon the latter.

Finally, chapter 10 turned the theoretical kaleidoscope towards the analysis of organisational and agency type variables like 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 over the process of privatisation, and after. Findings revealed the impact of privatisation upon these dimensions of workers’ collectivism, too. In this realm, it was again the evolution of ESI structures the chief intermediate variable, now, to understand unions’ organisational change. Thus, the picture presented was one of never ending organisational change in UK, and relative stability in Argentina as far as workplace structures and other representative levels are concerned; although Argentinean trade unions have reduced their size since privatisation, mainly due to job loss, in the case of LyF CF, dramatically. Additionally, in UK, trade unions’ mergers added complexity to this picture. This process of union reorganisation, which ran parallel to privatisation, at times intertwined and often overlapped with it. Thus, financial consequences due to membership loss were softened as a whole by unions’ 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, comparatively to the past, that ESI constituencies lose prominence. Nonetheless, from the point of view of mobilisation theory, the main findings with regards 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 put in 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 & Hyman 1998; Katz & Kochan 2004; Kochan, Katz & McKersie 1987; Locke & Thelen 1995). It showed as well, 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 explain differences in industrial restructuring in UK and Argentina, and consequently, variability in trade union's organisational change. This is an important finding, for it puts in evidence the capability of mobilisation theory to illuminate aspects, which were rather neglected by conventional approaches mostly focused on institutional factors.

Also different from the conventional approaches, mobilisation theory has proved to be a powerful devise 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 manifested appealing, in particular, for researching the strategic interactions between capital and labour over processes of counter-mobilisation.

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

For example, a mobilising standpoint, as illustrated in chapter 8, allows the researcher to gather 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, it encouraged the research to approach well-established facts, like fragmentation of industrial structures and collective bargaining, which scholars had often listed among the threats posed by privatisation for organised labour, but not scrutinised in detail as 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 regards, and more specifically, the second theoretical conclusion is that agency type factors were paramount to explain variability between unions facing similar opportunity structures and counter-mobilising policies at national level.

The research substantiates this conclusion, mainly, through the comparison between 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 sustain workers' collectivism and mobilisation, particularly, in a context of an increasingly negative opportunity structure. On the contrary, the leadership of LyF CF, ready to compromise without involving the rank-and-file in the decision-making, feinted to oppose the sale of 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 pointed 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 study. Similarly, the English case studies illustrated as well, although, less dramatically, how different responses and inclinations in the face of similar opportunity structures, depended on agency type variables, but also upon organisational developments, a topic to which this concluding chapter will return later. To give just an 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.

As regards the place of agency factors in the explanation of variability, the methodological design was 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, show difficulties to account for union internal variables, as different union responses are usually understood as 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 internal questions of union politics, structure and leadership. Both, the discussion of the analytical framework developed in chapter 2, and the final findings of the study, suggest that a focus on the social mediations of interest definition is a fruitful approach. Most studies using mobilisation theory, however, have not dealt with these important aspects systematically (Baccaro, Harman & Turner 2003; Frege & Kelly 2003, 2004;
In fact, the investigation into the styles of leadership, the level of workers' participation and the process of decision-making proved to be essential to explain how trade unions acted defensively back upon 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. And this is, perhaps, 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 thesis. Thus, this is a dimension that needs further research, as this empirical finding has important theoretical consequences for the future development of mobilisation theory.

In certain sense, and to continue with the metaphor, the category organisation seems to occupy the centre-stage of the conceptual kaleidoscope of mobilisation theory. This category pertains to workers' main armour to face a given opportunity structure – and to certain extent it is a component of it, and for that reason, it is the main target of any counter-mobilising move as shown by chapters 8 and 9. Indeed, given its dependant status (Muller-Jentsch 1985; Offe & Wiesenthal 1985), it is a category constrained by the type of industrial and institutional variables analysed in chapter 6. But, and this is crucial, it is also both an enabler and a limit to dialogical leaderships, workers' participation and democratic decision-making as explored in chapter 7 and 10. Moreover, organisational change is the outcome of workers' strategic choices, usually, in the face of a changing environment – as in this thesis, for instance - but often according to a certain set of political aims. Thus, it is an analytical arena, which serves as a liaison within mobilisation theory between structural and agency type categories.
In turn, as already suggested, the theoretical perspective advanced by Kelly is useful to study 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 regards, it was the scope and multiple levels of analysis what permitted the research to pay attention, on the one side, to the strategic interaction of the contenders, and on the other side, to the aforementioned ability of the actors to modify through their strategic choices the opportunity structure, and by this way, to open or foreclose specific paths of action. For instance, the sequence of change 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 accordingly. And this mobilisation, in turn, brought about new scenarios for contenders. Similar dynamics were typical of other counter-mobilising events addressed in this thesis; for instance, the fate of the politics of voluntary redundancies in Argentina when unemployment rose. The latter discouraged workers from signing up 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 harassment, 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 UK, 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 menaced to resort to violence; in the case of LyF MDP, the repertoire of collective action evolved according, not only, to the the type of policies implemented by managers and public authorities, but also to the changes in the (re-)sources of power of the union.
In sum, and to put it theoretically, the development of mobilisation theory within a comparative framework proved to match the methodological requirements of comparative historical researchers, that is, "to explicitly analyze historical sequences and take seriously the unfolding processes over time" (Mahoney & Rueschemeyer 2003: 12). This means that, following a mobilising 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, it implies, empirically, that the study was able to address not only how trade unions mobilised but also how their strategies evolved over time. Moreover, the thesis explains both dimensions according 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.

Hence, once more, the potential of the theory was enhanced by a methodological decision: the scope and the multi-analytical levels of the research. Thus, methodology proves to be essential for mobilisation theory to show its explanatory potential, and this constitutes, in itself, another meaningful conclusion of this thesis. 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 to engage in systematic and contextualised comparisons following mobilisation theory. This is so, because this conceptual framework, as discussed in chapter 2, entails the exploration of the connections among several variables, which may have different causal effects across heterogeneous contexts. Besides, a close inspection of particular cases requires detailed historical and contextual knowledge, which is only possible to achieve when the number of cases is limited. Thus, the application of mobilisation theory to 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 regards, it is important to stress that the process of research uncovered weak spots in mobilisation theory, too. Basically, that the causal relationship among its categories appeared, at times, ambiguous and unstable; moreover, that the categories, in occasions, even overlap. Therefore, the success of mobilisation theory seems to highly depend on its concrete operationalisation, as shown by the previous studies, which have drawn on Kelly’s framework (Atzeni 2005; Brown Johnson & Jarley 2004; Darlington 2001; Kelly & Badigannavar 2003; Metochi 2002; Moore 2004). And at this point, it is essential to reiterate that the operationalisation should be sensitive to internal questions of union 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 sound disturbing for those who conceive theory as a rigid model of causation. However, this is acknowledged too by the champions of mobilisation theory (McAdam, Tarrow & 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 as the identification of causal chains consisting of mechanism and variables that reappear in a variety of social contexts under diverse combinations and sequences (McAdam, Tarrow & Tilly 2001).

For the view that underpins this thesis, this is the most fruitful understanding of mobilisation theory, for it is a perspective that posits a flexible framework, in which a set of factors and categories, critical to the presence or absence of
collective action, interacts. Mobilisation theory, then, should be conceptualised as a sort of middle-range theory to analyse, empirically, 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. And in this sense, the comparative approach facilitates all those methodological and theoretical definitions.

Still, mobilisation theory, at least as developed here, does posit analytical hierarchies, which are conceived appropriate to approach 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, thus, of given power relations, and the structural variables upon which the latter rest. In short, it gives certain privilege to structural determinants over agency type variables like interest definition, and obviously over (secondary) variables like (union) organisation (as in chapter 7). 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 8 and 9).

At first sight, this might appear as contradictory with the emphasis put by this concluding chapter in 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 to grasp 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, that this thesis 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 ESI. To
mention just an important one: it 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 ESI. Several references have been done 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 to treat them in their more general aspects (see Edwards 2006, however, for a recent critique). But, the Gramscian notion of hegemony could have been of prime importance to carry out this task, for instance. This is another pending matter for further research. For the time being, if this thesis helps to a better understanding of why privatisation 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.
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