The recent outpouring of scholarly work on labor and industrial relations from Latin America is a direct response to the changes and challenges posed by a major shift in the development model of most countries in the region. During the 1980s and 1990s, these countries have moved away from some form of import-substitution industrialization toward an export-oriented strategy of economic development. The reforms associated with this shift, also referred to as "economic restructuring" or "neo-
liberalism,” have varied in scope and intensity throughout the region. Yet practically every Latin American country has been forced to reexamine the basic elements of the earlier development models that defined the region for several decades.

This shift in economic strategy has affected developments in virtually every arena, including politics and social policy. In particular, economic changes have called into question the basic tenets underlying the systems of industrial relations in these countries. Most of their models of employer-government-worker relations were forged earlier in the twentieth century under different economic and political circumstances. This basic tension between the industrial relations systems developed during the era of import-substitution industrialization (ISI) and the current model of economic liberalization (including the trend toward participation in regional free-trade agreements) has generated new interest in what is happening in the workplace, in the legal and institutional dimensions of employment relations, and in employer and trade-union strategies throughout Latin America.

The six books reviewed here represent only a small part of the burgeoning recent literature on the changing nature of labor and industrial relations to come out of Latin America.¹ This research has been spearheaded by sociologists and yet is interdisciplinary in nature. It differs significantly from past labor studies that focused on the formation of the working class and its potential as a source of social transformation, the political role of trade unions, and case studies of key strikes and labor conflicts.² As their titles indicate, the works under review here testify to the enormous changes that the neoliberal model has wrought for workers and unions. For the most part, these changes are portrayed as having negative consequences, especially for trade unions, still a topic of interest for most of these authors. The six books are variously concerned with documenting these important changes, examining their implications for workers, and seeking viable responses to these reforms by Latin American trade unions.

The set includes four edited volumes: Ruptura en las relaciones laborales, edited by Manfred Wannöffel; Trabajo industrial en la transición: Experiencias de América Latina y Europa, edited by Rainer Dombois and Ludger Pries; Sindicalismo latinoamericano: Entre la renovación y la resignación, edited

¹. Research in this area is being published in several Latin American journals as well as in monographs, conference volumes, and edited publications. Among the key journals that have published on contemporary labor topics are Revista Latinoamericana de Estudios del Trabajo, the research journal of the Asociación Latinoamericana de Sociología del Trabajo (currently published in São Paulo); Estudios del Trabajo from the Asociación Argentina de Especialistas en Estudios del Trabajo (published in Buenos Aires); Revista de Economía y Trabajo from the Programa de Economía del Trabajo in Chile (published in Santiago); and a range of national journals and magazines that publish broadly on social science topics.

by Maria Silvia Portella de Castro and Achim Wachendorfer; and Modelo neoliberal y sindicatos en América Latina, edited by Holm-Detlev Köhler and Manfred Wannöffel. The remaining two books are monographs: Reestructuración productiva y respuesta sindical en México, by Enrique de la Garza Toledo; and Industrial Restructuring in Mexico: Corporate Adaptation, Technological Innovation, and Changing Patterns of Industrial Relations in Monterrey, by María de los Angeles Pozas. Both focus on Mexico, which is also well represented in the edited volumes. Other countries that receive considerable attention in these volumes are Brazil, Argentina, El Salvador, Colombia, Bolivia, and Ecuador. In addition, Honduras, Costa Rica, Paraguay, Peru, Chile, and Venezuela are the subject of one chapter each out of the four edited books. Some overlap exists among the edited books with regard to country coverage, and some of the same authors are presented. Yet because of different publication dates, new information can generally be found in the country chapters. Each volume also applies a slightly different focus. The volume edited by Rainer Dombois and Ludger Pries, for instance, tends to concentrate on case studies of firms, labor relations, and the impact of technology at the workplace, while María Silvia Portella de Castro and Achim Wachendorfer’s book is more concerned with institutional-political analyses of national-level changes and their implications for trade unions. My review will limit evaluation of specific books and chapters. Instead, it will synthesize the main themes and conclusions of this research in order to appreciate better the recent trends and likely future directions of this rich new wave of studies on industrial relations in Latin America.

**Structural Changes in the Economy and Labor Markets**

These six books reflect broad agreement about the characteristics of the neoliberal reforms being applied in the region and their outcomes for national labor markets and employment structures. Changes in economic, fiscal, and trade policy are viewed as the key variables driving the structural, legal, and political reforms affecting workers and unions. The basic outlines of the new economic development model include these features:

3. Uruguay is not covered in these six works, despite the existence of excellent labor researchers in that country. Neither are Guatemala, Panama, Nicaragua, Cuba or the Caribbean featured, although a network of labor researchers was recently formed in the Caribbean region.

4. The presence of German editors or co-editors in each edited volume also speaks to the enormous importance of the German Friedrich Ebert Foundation in supporting labor research in Latin America at a time when university and public funds for such research have been dwindling. This European influence is also evidenced by contributions to these books dealing with labor relations in Central and Eastern Europe (in Portella and Wachendorfer), Spain (Dombois and Pries), and the European Union (Dombois and Pries). My review essay discusses only the essays on Latin America.
trade liberalization, privatization, the increased presence of foreign capital and foreign direct investment, greater importance of the export sector relative to production for the domestic market, fiscal austerity, declining social spending, and deregulation of the labor market (Francisco Zapata in Portella and Wachendorfer and Rainer Dombois in Dombois and Pries). Many authors also note a decrease in the state’s role in the economy, including a tendency to privatize many aspects of social welfare, such as education, social security, and pension-fund systems (important social security and pension reforms have been implemented in Chile, Mexico, Colombia, and Argentina). The new emphasis on competitiveness has also pushed employers to alter both their strategies of production and their relations with the workforce. Employers have introduced more flexible labor relations, with major implications for workers’ understandings about their role in the workplace, their relationship to the firm and to the union. Unions generally have lost power at both the national level and at the individual firm level, where the new flexibility has curtailed their control over working conditions.

The debt crises of the 1980s and the economic opening of the 1990s also produced important changes in the labor markets and employment structures of Latin American countries. Several authors have pointed to the increase in informal-sector employment relative to formal-sector employment as a notable ongoing feature of the contemporary employment structure in Latin America. Although informal-sector employment has been a significant characteristic of many countries for some time, the relative size of this sector has mushroomed in recent years in some countries, such as Venezuela (see Rolando Díaz in Köhler and Wannöffel). Privatization throughout the region has reduced the availability of public-sector employment, traditionally a highly unionized sector. Manufacturing-sector employment has generally fallen throughout the 1980s, with employment in services and commerce becoming more important in many countries, a tendency found in advanced industrial countries as well (Locke, Kochan, and Piore 1995). An increase in rates of open unemployment can be found in several countries but has occurred most dramatically in Argentina (see Omar Moreno in Köhler and Wannöffel; Ana María Catalano and Marta Novick in Portella and Wachendorfer). Other trends in the region include the rise of part-time and temporary employment and the influx of women into the labor market, which has further complicated union representation strategies (Zapata in Portella and Wachendorfer).

Many countries are also manifesting growing inequality in their income

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5. Although several authors under review here acknowledge the increased presence of women in the labor market, only one deals explicitly with the issue of gender, focusing on its role within unions. See Maria Berenice Godinho Delgado in the Portella and Wachendorfer volume.
distribution (Moreno in Köhler and Wannöffel; and the contributions by Antonio Carlos Granado and by Luise Rürup in Wannöffel).

These developments have important implications for workers and trade unions in the region. The decline of formal-sector employment relative to informal employment, the decline of manufacturing and expansion of services, reduced public-sector employment, and the increase in temporary and part-time employment all have affected the membership base of trade unions and weakened their ability to represent the working population.

Changing Role of the State

Most authors acknowledge that one of the key changes produced by the shift to neoliberal economic policies is a change in the state’s role in the economy. The state has shifted from its role at the center of capital accumulation to assisting private capital in this task by creating the conditions for investment (de la Garza). While most analysts interpret the change in the role of the state to mean a reduction of state intervention in the economy (a “slimming of the state” due to privatization and deregulation), María de los Angeles Pozas points out in Industrial Restructuring in Mexico that what changes is not the fact of state intervention, which continues, but rather the nature of state intervention. The Mexican state became involved in new forms of accumulation after the 1982 crisis and developed a new relationship with the Mexican entrepreneurial elite. The new intervention involved “deliberately orient[ing] economic activity toward exports and international markets,” consisting of a “new type of protection” for firms (Pozas, pp. 5–6). Economic opening was achieved not through strict implementation of orthodox neoliberal policy but through controls exercised by the state over a significant number of economic variables, such as price and wage controls, an exchange-rate freeze, and high interest rates. All these actions explicitly supported the export sector. Despite the undeniable influence of neoliberal discourse in defining Mexico’s new development model, the role of the state remains crucial.

This changed role of the state affects unions. Aside from the impact that the new economic policies have on most workers and trade unions, what most authors still identify as the state’s relative retreat from directing the economy and especially the deregulation of the legal labor framework further weakens the capacity of unions to act (Portella and Wachendorfer). Most unions have considered the state as their central point of reference, rather than employers. This focus was as true for so-called independent unions as it was for corporatist unions (Köhler and Wannöffel; de la Garza). In this sense, several authors view the shift in the terrain of labor action from the state to employers as disadvantageous in that it leaves most unions unprepared and relatively unprotected (Catalano and
Novick in Portella and Wachendorfer). Moreover, in contrast to the state’s role in import-substitution industrialization, in the neoliberal model the state seeks to demobilize the population to inhibit popular resistance to reform (Zapata in Portella and Wachendorfer).

These authors also perceive the changing state role and the new economic model as undercutting the bases for corporatism (Graciela Ben-susán in Portella and Wachendorfer). They observe in the new economic environment a fundamental contradiction with the goals and needs expressed when corporatist ties connected the state and trade unions. As Köhler and Wannöffel observe, “corporativist structures are out of fashion, since neoliberal policies in the first place focus on weakening the collective rights of workers in order to shift the responsibility for production and employment decisions to individual firms” (p. 25).

Changes in the Legal Regulation of Labor

Accompanying the economic reforms in many instances have been changes in national labor legislation. These changes have principally affected the hiring and dismissal of workers but have also involved collective rights, such as strikes and collective bargaining. The extent to which such reforms have taken place has varied considerably in the region. In his contribution to *Sindicalismo latinoamericano*, Oscar Ermida Uriarte explains that while there may be no convergence with regard to the direction in which the legal labor reforms are pointing, these reforms are responding to a similar process—neoliberal economic restructuring. Some reforms are aimed at dismantling the traditional legal structure set up earlier in the century to protect workers, while others are attempting to reinforce that structure in the face of growing criticism and developments that try to undermine it.

Ermida Uriarte identifies two kinds of legislative reform in Latin America. The first he calls “the neoliberal pretension,” which he claims consists of an individualization of labor relations and deregulation of labor laws governing individual workers, on the one hand, and increased restrictions in collective legislation, on the other.6 In the second category are countries whose reforms reflect an effort to reaffirm and reinforce the traditional system of legal protection as a sort of counteroffensive.7 Er-

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6. Countries that have followed this type of deregulation include Chile under military rule, Peru in 1991, and Colombia after 1990. Specific legal changes in this area were also made in the labor codes of Ecuador and Panama.

mida Uriarte lauds the constitutional strategies of Brazil and Paraguay, in which labor rights were placed in the constitution to make such changes harder to amend in the future. Other analysts in these volumes, however, generally seem to associate labor reform with changes that weaken workers’ and unions’ bargaining power (Fernando Urrea in Dombois and Pries). Reforms in Argentina, for example, have decentralized collective bargaining to the firm level, established a range of temporary employment contracts, restricted strikes in public services, and lowered employer costs in the area of occupational safety. But they have also established partial unemployment insurance and made it possible for employees to acquire stock in companies (Moreno in Wannöffel). Even in Brazil and Paraguay, many of the pro-labor changes in the constitution were not implemented in the legislation due to opposition by employer groups and conservative parties (see John Humphrey in Dombois and Pries; and Moreno and Cespedes in Wannöffel). Omar Moreno and Roberto Cespedes note in the case of Paraguay that although some labor rights were restored after military rule, the full potential of these rights remains circumscribed in the context of neoliberal reform and regional free trade as represented by Paraguay’s incorporation into Mercosur.

These labor reforms are driven by the belief that revising the old protectionist legislation is necessary to enable employers to increase investment levels. Ermida Uriarte does not agree, however, that reforming labor legislation or labor relations will resolve Latin America’s employment problem. This problem must be addressed instead through economic policies. Ermida Uriarte also raises the key point that excessive deregulation can ultimately be counterproductive and destabilizing. If countries do not set limits on these reforms, such deregulation could create a new “social question” similar to the one that provoked the rise of unions and labor legislation in the late nineteenth and early twentieth centuries. Ermida Uriarte reminds readers that unions play a useful function of “governing” labor relations and administering conflict. With a high degree of deregulation, governments run the risk of generating anarchic systems of labor relations, which could ultimately become more destabilizing than the protective legislation of old.

Employer Strategies and Workplace Change

Faced with mounting competitive pressures and aided by favorable government policies, employers in Latin America have been altering their practices and strategies in ways that are reshaping labor relations significantly. Employers are implementing new technologies, experimenting with new management systems, reorganizing production, adopting new human-resource policies, and demanding flexibility as well as new skills and knowledge of their employees. A substantial literature from the
United States, Japan, and Europe addresses the various models of production and new labor relations that have emerged in the last two decades in developed countries. Much of this literature centers on the characteristics and diffusion of Japanese techniques to achieve lean production. In Latin America, research in this area has considered how such models of productive restructuring apply to the region and what is happening in practice in firms in the most modern sectors of the economy. This shift in scholarship toward studying employer-employee relations and changes in the workplace reflects the weakening of the state-union nexus and the growing importance of capital-labor relations, and especially the firm as the predominant arena of change affecting workers and unions (de la Garza; Dombois; Pries; Pozas; Humphrey in Dombois and Pries; Urrea in Dombois and Pries; Catalano and Novick in Portella and Wachendorfer; and the chapters in Dombois and Pries by Marcia de Paula Leite, Carmen Marina López, Yolanda Montiel, Jorge Carrillo and Miguel Angel Ramírez, Antonio Sergio Guimarães, and Marlene de Oliveira).

Much of the recent work on labor in Latin America has focused on changes in the workplace resulting from the restructuring of production: changes in work organization, the impact of technological innovation, and worker involvement in productivity and quality programs. De la Garza notes that unlike technological innovations, organizational changes spread widely among Latin American firms in the 1980s. They have included broad banding (consolidating job classifications), internal job mobility, work teams, quality circles, and new philosophies of human resources in employee participation (Dombois). The new forms of work, like new technologies, tend to be concentrated in large transnational exporting firms (de la Garza, Pozas). De la Garza reports that quality circles introduced in transnational firms have obtained good results: greater productivity, better adaptation to new technologies, greater motivation of workers, and a more efficient use of the labor force. In national firms that used quality circles, these innovations tended to be dominant at “high and intermediate” levels of management and also reported positive results. Although Marcia de Paula Leite notes in Dombois and Pries that technological innovation in Brazil tended to coincide with traditional human-resource practices, she and others point to evidence that some sectors of employers are be-

8. Among these techniques are just-in-time inventory policies, quality-control circles (small groups of hourly workers, led by a foreman, that meet voluntarily to solve job-related quality problems), statistical-process control, organization of work based on teams, and continuous improvement in performance.

9. Studies focusing on the workplace were also important in the 1970s and 1980s, yet these tended to link the study of “the labor process” to explanations for the emergence in Latin America of the “new unionism,” referring to workplace-based labor militancy. The recent workplace studies, in contrast, appear more concerned with documenting changes in technology, productive restructuring, and work organization as phenomena worthy of study in themselves.
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ginning to alter these traditional practices (see also da Silva in Köhler and Wannöffel; Humphrey in Dombois and Pries). Likewise, some studies indicate that workers view such participatory programs positively. Still, the use of such programs appears to be limited throughout Latin America. In a 1990 sample of 150 firms in Mexico, only 24 percent of the exporting firms used quality circles, while 18 percent of nonexporting firms used them (de la Garza). Carmen Marina López reports on Colombia that the diffusion of total-quality programs was uneven, with firms tending to adopt elements of these programs in piecemeal fashion (in Dombois and Pries). In many instances, firms did not proceed beyond the superficial use of quality circles.

*Industrial Restructuring in Mexico*, the excellent study by María de los Angeles Pozas, is one of the few here to focus on firm restructuring rather than on labor relations per se, although labor relations are considered. Many analysts look to transnationals as leaders in implementing changes, but her study focuses on how large domestic companies concentrated in Monterrey, Mexico, have adjusted to the 1980s crisis and to economic opening. According to Pozas, Monterrey firms seemed to be enthusiastically adopting new management techniques from Japan, Europe, and the United States. But while companies appropriated a philosophy of quality, they did so by providing training for department heads rather than for workers. Firms also adopted a medley of components from different management models. Such innovations as work teams and quality circles were in vogue but were operating under an array of names and in different ways. Most firms confused flexible management methods with the adoption of isolated quality circles. López reports similar results in her study of quality-control programs in Colombia (in Dombois and Pries). She concludes that managers and supervisors resisted these new programs because of the challenges to their authority that worker-involvement programs represented. Leite comments in Dombois and Pries that Brazilian employers were also hesitant to expand employee participation in the production process. These findings resemble those of researchers surveying such programs in the United States (Appelbaum and Batt 1994).

Many studies have focused on the “flexibilization” of labor relations and have noted the mostly unilateral way in which such changes have been implemented in the workplace. Greater flexibility in the collective-bargaining agreements of the largest firms has been widely noted. This flexibility has taken multiple forms: redefining jobs so as to require that a greater number and range of tasks be performed; obtaining greater internal mobility and flexibility in hiring and dismissing workers; subcontracting; hiring workers for temporary periods; establishing hourly wage rates; awarding promotions according to merit rather than seniority; and limiting union involvement in the workplace (García in Köhler and Wannöffel). It would be inaccurate to assume that increased flexibility ex-
ists only in the largest firms. Carlos García stresses that in most small and medium firms in Mexico as well as in the maquila sector, flexible labor relations already existed. The degree of flexibility depends on a variety of factors as well as on the strategies of unions. In Mexico the degree of flexibility of labor contracts has been a function of the importance of productivity for the firm’s ability to remain in the market (greater flexibility among export firms); firm strategy (whether the firm emphasizes technological change, organizational change, or labor relations); government labor policy toward firms (greater comparative advantages granted to export firms by the state, including greater labor flexibility); union strategy vis-à-vis increased flexibility (whether passive, confrontational, or “concertational”); regional social and cultural traditions relating to unions and labor; and characteristics of the previous contract or the lack of a previous contract (de la Garza).

Despite the more participatory discourse associated with many of the new workplace practices, several authors note new tensions emerging in the workplace as a result of the adoption of flexible techniques. The three areas in which these conflicts are concentrated are wages, training, and productivity.

Pozas studied the systems of flexible production and labor relations in several plants in the Monterrey area. In the “most flexible” plant she studied, she found no real worker participation in decision making nor any worker control over production or assembly lines (for example, workers could not stop the assembly line if they found a mistake). Supervisors maintained authority and control over the process. Workers complained that supervisors did not seem to welcome their suggestions when they met in quality circles. A second plant, one that was modernizing production technology, had not organized workers in quality circles. Here the command mechanisms were still traditional, as were the education and training systems. The level of production for export was also much lower in this plant than in the first one (there is some correlation between market orientation and level of flexible restructuring).

Conflicts with workers tended to occur over wages, productivity bonuses, skill structure, task rotation, and relationships with supervisors. Pozas and her research team assumed that they would find a greater degree of satisfaction among workers whose jobs gave them greater control, but “to our surprise, no matter how we asked the question, we could not find this supposed sense of satisfaction which bosses insisted their workers had” (p. 72). Pozas goes on to note that complaints over low wages were common throughout the three types of plants that they studied but were especially strong in the most advanced group: “Even firms with the highest wages are paying multi-skilled workers several thousand pesos less than what the worst-paid worker received in 1982” (p. 73). Workers in modernizing factories were aware of their increased productivity and felt
that it was not reflected in their wages. Consultants to these firms tended to stress noneconomic rewards (bonuses, prizes, promotions) for jobs well done. While managers expressed optimism regarding the implementation of quality programs, workers perceived innovations as increasing their responsibility and workload without sufficient rewards. Worker discontent over the lack of fair rewards also seemed to lack channels for collective expression because of the type of unions that predominated in these firms, which were mostly company unions (sindicatos blancos). The main way to express dissatisfaction was to leave—to exit rather than voicing one’s views.

Indeed, management pointed in their interviews to high turnover as one of the main obstacles to adopting flexible production. Managers claimed that high turnover was due to changes in the culture of work among a new generation and to growth in the informal economy—not to low wages. But according to Pozas, “most [workers] need two or three wages in the household in order to survive; a single-wage family faces serious hardships. Extra income can supplement an inadequate wage” (p. 75). The highest turnover occurred among unskilled workers, who do not stay long enough to receive training to get into a higher job category. This turnover leads to a scarcity of skilled workers and technicians, whose wages have begun to rise as a result. Thus for management, the cost of starting workers at low wages may be a costly period of high turnover for the industry.

John Humphrey’s chapter on Brazil in *Trabajo industrial en la transición*, the volume edited by Dombois and Pries, provides an alternate perspective to the work on Mexico. Citing a survey of firms in Brazil, Humphrey notes that labor relations are not as rigid or employers as strict in the Brazilian firms he studied as they are along Mexico’s northern border or in Japanese transplants in the United States, for example. Brazilian employers provide incentives for their employees to cooperate in productivity and quality programs. Such incentives take the form of in-house training, basic education classes, and wage increases. Humphrey attributes this milder attitude on the part of employers to their efforts to keep unions out of involvement in the workplace and limit turnover—perhaps also to inexperience and experimentation as managers seek out workplace practices that yield the greatest efficiency. Yet this shift in labor relations represents a significant change in past employer attitudes and practices toward employees, which were more authoritarian and paternalistic. Another difference with northern Mexico may help to explain the Brazilian case better: Humphrey notes (in Dombois and Pries) that the Brazilian firms he studied were all in established industrial sites with a tradition of unionism, whereas in Mexico much of the new production relocated in the 1980s to the northern part of the country, a region of weak unions and relatively low union density (Carrillo and Ramírez).
Changing Roles, Strategies, and Responses of Unions

The volumes edited by Portella and Wachendorfer and by Köhler and Wannöffel both deal centrally with the question of how Latin American trade unions are faring under the neoliberal model. In the introduction to *Modelo neoliberal y sindicatos en América Latina*, Köhler and Wannöffel raise two key questions. First, what are the current challenges for union practice in the face of the devastating social and environmental consequences of neoliberal strategies? Second, where are the opportunities for union politics, given the transition to formally democratic regimes?

In general, the contributors to these two volumes paint a pessimistic picture of the prospects for Latin American trade unions. For example, Wachendorfer cites unions’ decline in bargaining power, their defensive position, and their loss of organizing potential as a result of the rise of the informal sector and a loss of influence and prestige within society. Whereas unions played an important social and political role during the struggle against authoritarian rule, their influence declined after the transition to democracy and as a result of economic reforms (Wachendorfer). The rise of the informal economy in particular has led to divided labor markets in which only a minority of the economically active population is employed under regulated and (relatively) stable conditions (Köhler and Wannöffel). De la Garza underscores this point in indicating that most of the Mexican workforce is not directly affected by the new production methods or new technologies. Mexicans are working either in small and medium-sized firms, in the informal sector, or in “unstructured” industries or sectors where unemployment and wage decline have been highest. Union membership has tended to decline throughout the region (except in Paraguay and Chile in the early 1990s). Decline has been marked in Venezuela and Colombia (Rürup in Wannöffel; Díaz in Köhler and Wannöffel; and Miguel Eduardo Cárdenas Rivera and José Ernesto Ramírez Pinzón in Wannöffel).

These trends raise questions as to whether unions can effectively represent the working population (Wachendorfer; Toranzo Roca in Portella and Wachendorfer). To do so, unions would have to come to terms with new labor processes, changes in how work is organized, changes in labor markets, and the need for improvements in productivity and quality (Wachendorfer; Dombois). They would also have to develop strategies for more effective cooperation at international levels. At the same time, unions need to defend the interests of workers in small industry and in the rural and traditional service sectors. Perhaps more difficult, unions need to establish relations and channels of communication with the informal sector. This approach does not necessarily mean attempting to organize in the informal sector but rather offering support in the form of services and advice (Köhler and Wannöffel). In a discussion of Bolivia, Carlos Toranzo
Roca points out the labor movement's inability to recognize the significance of the wide range of new groups emerging in Bolivian society—peasants, small entrepreneurs, women, young persons, those working in the informal economy—thereby limiting its influence. These problems are similar to those faced by trade unions in Peru, which have been unable to address the emerging "mentalidades obreras" that have resulted from the changing composition of the Peruvian workforce (see Rafael Tapia in Portella and Wachendorfer).

Union responses to restructuring have varied, yet the authors under review here suggest that virtually all these responses have been inadequate. This characterization fits regardless of whether the unions come from a corporatist tradition (as in Argentina, Venezuela, and Mexico), have an autonomous "clasicist" orientation (as in Peru and Bolivia), or are reconstituting themselves after a long period of authoritarian rule or civil war (as in Paraguay, Chile, and El Salvador). Corporatist unions in Argentina and Mexico supported the state's economic policies in exchange for guarantees to preserve union structure and patrimony, a limited strategy that has cost the unions support (see Catalano and Novick in Portella and Wachendorfer; Bensusán in Portella and Wachendorfer). Unions of the "dogmatic Left," as Wachendorfer characterizes it, suffered a severe identity crisis after 1989 and found themselves defending a status quo that they once aimed to overturn. Other unions in modern sectors have adopted as a survival strategy the defense of the immediate interests of their members, withdrawing from formulating larger social demands (Wachendorfer). These traditions correspond roughly to the three categories of responses that most unions in the region have adopted to neoliberal reforms: conservatism, rejection, or some form of negotiated involvement (López in Dombois and Pries).

Few authors in this group examine the role of internal union democracy in shaping labor responses to change, even though unions' internal relations affect their capacity to negotiate. De la Garza notes that the degree of union democracy affects the type and intensity of the union response: less democratic unions tend to be more passive in the face of changes, whereas more democratic and representative unions tend to be able to present alternatives or put up greater resistance in the form of prolonged strikes or serious conflicts. Díaz suggests in Köhler and Wannöffel that the weakness of internal democracy in the Venezuelan labor movement undermines unions' ability to forge effective responses. In Argentina as well as Mexico, the limited presence of internal democracy within the labor movement has led to the emergence of dissident labor currents dissatisfied with their union bureaucracies' complacent responses to economic and labor reforms (Catalano and Novick in Portella and Wachendorfer; Bensusán in the same volume). Köhler and Wannöffel suggest that the fact that democracy has not entered the realm of labor re-
lations has inhibited the internal democratization of unions and their much-needed renovation.

Despite such pessimism regarding trade unions’ prospects in Latin America, some authors represented here point to several areas that seem promising for strategic action by the labor movement in the future. One is the emphasis of firms on the importance of productivity, which can be used by unions as part of a strategy linking productivity to both training and compensation. How higher productivity is achieved—through greater exploitation or by improving income and working conditions—is an area for negotiation among workers, unions, and employers (see Julio Godio in Portella and Wachendorfer). The cost to employers of breaking this “compact” for productivity by not providing a real wage increase leads to more labor conflict (de la Garza). Humphrey also suggests in Dombois and Pries that a new “social pact” between workers and employers can be forged that would provide employment stability in exchange for worker participation and improved productivity.

One of the most interesting experiments with this kind of social compact took place in Brazil around the sectoral chambers. These tripartite institutions served as the site of negotiations over tariffs, prices, production methods, employment, and wages (Portella; da Silva in Köhler and Wannöfle). Sectoral chambers were established in various industrial sectors, but possibly the most successful example occurred in the auto industry. One of the biggest accomplishments of these institutions was breaking with the established pattern in which unions negotiated only over wages and working conditions. In the chambers, employers and government accepted a broader scope of issues for discussion with unions, among them industrial policy, tariffs, and product prices, decisions typically made by employers or the government alone (Portella). Although the sectoral chamber representing the auto industry was by all accounts successful during its peak period of activity (1991–1993), the government eventually withdrew from participation in these tripartite fora.

The nature of the new production systems increases the importance for employers of developing forms of control over the workforce. From the perspective of employers, the labor factor is an inherent weakness in the new model of organizing production in several respects. First, just-in-time (JIT) production leaves firms vulnerable to a stoppage in production arising from a labor dispute. Second, the introduction of new technology creates a segment of highly skilled workers who become valuable to the firm and thus gain greater power within it. Third, the globalization of production may give rise to transnational forms of worker organization (Pozas). These features of the new production system provide opportunities for workers and unions to exert new forms of leverage in bargaining for improvements and gaining greater voice within the workplace. They also form the basis for heightened levels of conflict.
The specific effects of involvement in regional free-trade agreements are not developed in these essays, perhaps because at the time of writing, these agreements had not yet been established or were still too new. Yet a number of authors mention in passing the potential importance of transnational union collaboration that may evolve from globalization and regional integration. Some also cite international labor standards that could grant greater leverage to national labor movements (see Bensusán on NAFTA and Portella on Mercosur, both in Portella and Wachendorfer). In the case of Colombia, some authors advocate that unions promote adherence to international labor standards as identified by the International Labour Organization in an effort to stem the decline of standards due to economic opening (Cárdenas and Ramírez in Wannöffel). Ermida Uriarte perceives in regional integration the opportunity to counteract the trend toward deregulation of labor by “reregulating” via social charters or labor rights accords linked to trade agreements, as well as through international union organizing.

Another development that may inject new life into some tired labor movements is the emergence of a new kind of worker, one with different attitudes and values than in the past. De la Garza points to the emergence of a younger “new proletariat” in Mexico’s industrial north as a development that could affect labor relations positively. This new workforce holds different attitudes with regard to unions, employers, and the state that may make it less pliant. Although these workers have a weaker commitment to unions in general, they are also culturally less dependent on the state and union bureaucracy and less attached to a particular company or region. The emergence of this new culture among workers could eventually lead to more militance and more demands for voice in the plants. Similarly, in Peru the emergence in some sectors of a younger and more pragmatic leadership may reorient parts of that labor movement away from the more intransigent positions that have characterized it in the past (Tapia in Portella and Wachendorfer).

Conclusions and Questions for Future Research

Despite the national diversity evident across the region, the various essays and monographs reviewed here paint a surprisingly convergent and largely pessimistic portrait of labor and industrial relations in contemporary Latin America. Most authors are concerned with documenting the changes effected by the dramatic shift in economic development strategy pursued by governments throughout the region and their impact on workers and trade unions. Analysts under review here generally agree on the characteristics of the neoliberal model implemented in the region and its effects on the state and on trade unions and workers.

Three main points of concurrence can be summarized. First, the
“modernization” of labor relations has been limited, despite the attention paid to new models of production and work organization in Latin America. Technological innovation in particular has been restricted to the largest firms, usually transnationals. Innovations in labor relations are the preferred “low-cost” means for addressing competitive pressures, yet these borrowed models as adapted by Latin American (and transnational) managers often do not match demands for greater worker involvement with adequate compensation, training, or real decision-making authority for workers. As in the United States and elsewhere, researchers have found piecemeal and often superficial adoption of new work methods and resistance to power sharing by management and especially by front-line supervisors. This area is the site of some of the most creative empirical work in Latin America. More studies on workplace innovations in Latin American firms are needed to understand workers’ attitudes toward these practices (including their positive responses) and the conditions under which managers will invest in their workforces.

Second, unions have been caught off-guard by these economic reforms, having emerged from severe economic crises and long periods of authoritarian rule or from periods of fragile democratic transition that demanded union restraint. Various developments have weakened unions’ ability to forge a response to harmful reforms and to represent the interests of a broader sector of the working population. Structural developments with these effects include the decline of manufacturing, the influx of women into the labor market, and increases in informal-sector employment and part-time and temporary work. Political and economic developments that have undermined unions include the shrinking of the state, privatization, and demobilization. Although solutions to this complex situation are limited, some authors stress that unions must move beyond their traditional areas of concern and take up issues that affect new categories of workers, such as women, young persons, migrants, and small entrepreneurs. The strategic options presented here would be located either at this level of representational strategies or at the level of the workplace or firm, where researchers suggest that unions appropriate the goals of productivity and negotiate over how best to arrive at the common larger goal. Further research is needed to identify strategic opportunities for trade unions in the hemisphere as a result of changes in regional trade, company demands for higher productivity, the need for broader social representation, and changes in other areas as well.

Third, the regional transition to democracy has been important for labor, but democracy has not necessarily ensured labor a stronger bargaining position in the face of neoliberal economic reform. The fact that economic crisis and neoliberal reforms have coincided with transitions to democratic regimes in many countries of the region has complicated labor’s ability to press its demands. Although democracy has restored cer-
tain basic rights to labor that were absent during military rule, many analysts note a tendency toward demobilizing labor as a collective actor so as to minimize its ability to oppose economic reform. Future research on how labor movements can resurrect an effective political voice in their countries (thus securing their commitment to democracy) under the current environment seems essential to ensuring the stability and enhancing the quality of democracies in the region.

It is noteworthy that all the studies reviewed here constitute national case studies or comparative studies of firms within countries rather than cross-national research. While the edited volumes here represent a coordinated effort to address common themes in different countries of the region, the research coming out of Latin America has so far produced few studies that are explicitly comparative. Nonetheless, these important national studies provide the necessary empirical foundation on which such comparisons can be based. Cross-national research is the obvious and necessary next step.

10. Important exceptions include Paul Buchanan's (1995) study comparing labor administration and democratization in Argentina, Brazil, and Uruguay. See also the research project directed by Rainer Dombois and Ludger Pries comparing national industrial relations systems and auto, textile, and telecommunications sectors in Brazil, Mexico, and Colombia. This project has generated a number of case studies, some of which appear in the edited volume reviewed here. For a comparative overview of the project, see Dombois and Pries (1994).

11. It is not clear, however, that this comparative research need be conducted only at the level of national industrial-relations systems, given the wide diversity of subnational industrial-relations systems that are emerging in developed and developing countries. On this point, see Locke (1995).
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