Beyond and beneath the hierarchical market economy: global production and working-class conflict in Argentina's automobile industry

Article (Accepted Version)

Fishwick, Adam (2014) Beyond and beneath the hierarchical market economy: global production and working-class conflict in Argentina's automobile industry. Capital & Class, 38 (1). pp. 115-127. ISSN 0309-8168

This version is available from Sussex Research Online: http://sro.sussex.ac.uk/id/eprint/53630/

This document is made available in accordance with publisher policies and may differ from the published version or from the version of record. If you wish to cite this item you are advised to consult the publisher’s version. Please see the URL above for details on accessing the published version.

Copyright and reuse:
Sussex Research Online is a digital repository of the research output of the University.

Copyright and all moral rights to the version of the paper presented here belong to the individual author(s) and/or other copyright owners. To the extent reasonable and practicable, the material made available in SRO has been checked for eligibility before being made available.

Copies of full text items generally can be reproduced, displayed or performed and given to third parties in any format or medium for personal research or study, educational, or not-for-profit purposes without prior permission or charge, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way.
Beyond and beneath the Hierarchical Market Economy: global production and working class conflict in Argentina's automobile industry

Adam Fishwick (University of Sussex, UK)

Abstract

This paper argues that the Hierarchical Market Economy (HME) category does not provide an adequate starting point for addressing capitalist diversity in Latin America. Building from a critical perspective on the Global Commodity Chain (GCC) and Global Production Network (GPN) approaches it will instead consider the impact of firms’ transnational relations and the often neglected role of working class struggles. It will argue that capitalist diversity can only be understood at the nexus of these ostensibly global and local phenomena. By specifying the strategic decisions taken by firms in Argentina’s automobile industry, it will account for the failure of this sector. I will also examine the role of working class struggles in the industry in Córdoba, Argentina, arguing that these were vital in shaping the specific and unstable form of capitalist diversity in Argentina, as well as potential alternatives to it.

Keywords: Hierarchical Market Economy, Varieties of Capitalism, industrial development, Argentina, working class
Author biography

Adam Fishwick is an ESRC-funded DPhil student in International Relations at the University of Sussex. He has an MA in Global Political Economy and MSc in Comparative and Cross-Cultural Research Methods. He has conducted fieldwork and is completing his thesis on the working class and industrialisation in Argentina and Chile between the 1930s and 1970s.

Correspondence: adf25@sussex.ac.uk
Introduction

The Hierarchical Market Economy (HME) category for Latin American political economies represents the most recent and successful extension of the Varieties of Capitalism (VoC) framework (Schneider, 2009; Schneider and Soskice, 2009; Friel, 2011). It claims that the region should be understood as one that is characterised by the hierarchical coordination of economic activity by transnational corporations (TNCs) and economic grupos within a liberal regulatory environment. Two problems with this position will be presented in this paper. Firstly, it fails to adequately capture the determinants of firm behaviour by marginalising the global interconnectedness of production and exchange networks. Secondly, in privileging the agency of firms it obscures the struggles of workers within and against these structures and the unstable forms of capitalism that this produces.

Via this critique, the first section of this paper will develop a critical perspective on the Global Commodity Chain (GCC) and Global Production Network (GPN) approaches (Gereffi and Korzeniewicz, 1994; Dicken, 2011). On the one hand, it will be argued that the GCC/GPN framework contributes significantly to going beyond the HME category by offering an interpretation of firm behaviour that adequately considers the impact of their transnational relations. On the other hand, it will be argued that going beneath the HME category requires a more substantive engagement with those actors that are often neglected or marginalised by ‘firm-centrism’ (Selwyn, 2012). Working class conflict must be incorporated into the analysis of specific sectors and their transnational production networks, for workers’ political interests and the conflicts that arise around them produce unstable forms of capitalism that tend to be reified in firm-centric accounts of both the HME and orthodox GCC and GPN literatures.

To concretise this theoretical critique, the second section of the article will examine Argentina’s automobile industry during its most rapid period of development in the 1960s and 1970s, focusing on the city of Córdoba. This case addresses three important aspects of the theoretical argument: the sector is an example of a hierarchically ordered and ‘failed’ experience of economic development that HME scholars emphasise; it has always been highly dependent upon the global firms and technology that GCC/GPN concentrate on; and it was an important arena of worker militancy (see also Bailey and Shibata in this special issue on contestation). TNC investment decisions were induced by both national policy
incentives and imperatives derived from their structural position in the global economy. Workers then mobilised to contest these decisions, particularly over new productive and managerial discipline. This combination of global competitive pressures and the conflicts they induced left the automobile industry in Córdoba fragmented and internationally uncompetitive, but also as a site for the emergence of potential alternatives to this particular form of industrial capitalism.

**Going beyond and beneath: A critique of the HME category**

The rise of the Varieties of Capitalism (VoC) approach in the last ten years has successfully countered the prominent notion of global capitalist convergence. Since Hall and Soskice (2001) launched the approach as a coherent set of theoretical and empirical propositions, studies reinforcing the claims of continued divergence in Western capitalist countries have proliferated. Complex matrices of domestic institutions are shown to form part of an iterative process whereby corporate strategies are shaped in response to the opportunities arising from particular regulatory environments. Such corporate strategies are then claimed to reinforce and reproduce distinctive forms of capitalism (Hall and Soskice, 2001: 14-17; Schneider and Soskice, 2009: 33). The importance ascribed to the state in constructing these institutional environments offers an antidote to efforts to minimise its economic role, but for advocates of this approach the most significant economic actor in maintaining divergence is the firm. The positive reception received by this framework has encouraged its extension beyond the original focus on the Anglo-Saxon Liberal Market Economy (LME) and the continental European Coordinated Market Economy (CME). The most successful of these extensions has been Ben Ross Schneider’s characterisation of the Latin American Hierarchical Market Economy (HME). As such, the HME category, and the VoC approach it is based upon, is the key point of reference for this article’s critical engagement with comparative capitalisms (CC) research, although other perspectives will also be briefly discussed.

In defining the HME it is argued that, unlike in LMEs and CMEs, firm strategies and relations in Latin America are coordinated primarily by hierarchy as a default preference (Schneider, 2009: 18). The prominence of TNCs and large diversified business grupos means
hierarchy is built into inter-firm relations and corporate governance structures of Latin American enterprises. These entities are the key conduits for access to capital, technology and markets and so can continually reproduce the hierarchical relationships that sustain them. Hierarchy also facilitates the weakening of broad-based labour movements and consolidation of asymmetric bargaining. This tendency then reproduces low levels of investment in skills and training and the informal, low-skilled character of the HME (ibid.: 5-13; Schneider and Soskice, 2009: 33-41). The HME is then posited as an inefficient form of socioeconomic organisation that hinders economic development, reproduced by hierarchical economic relations and the predominantly liberal institutional environment.\(^2\)

The approach, however, has been strongly critiqued as ahistorical, methodologically nationalist, and firm-centric (Ebenau, 2012: 211-216). Firstly, it is argued that in limiting change to a narrow path-dependency model, HME over-emphasises historical continuity. It is a static ‘snapshot’ of Latin America that is projected as both cause and consequence of the present predicament. Radical changes in the region throughout the 20\(^{th}\) century and long-run historical processes are not adequately incorporated into the framework, leaving little analysis of the ‘default to hierarchy’ as contested social practice. Secondly, emphasising national institutions reinforces this stability, for this conceals the effect of institutional changes at both a sub- and transnational level. Instead, it is argued that the national level, whilst still important, is but one element of the ‘multiscalar’ environment upon which an understanding of capitalist diversity must rest. The HME appears as as a self-contained and self-explanatory model, in which actors and institutions within the relatively closed national political economy reproduce and reinforce the contemporary form. Finally, it is argued that by focusing primarily upon the constitutive power of firms, the state and labour are reduced to little more than bystanders in the face of corporate strategy.

Whilst reincorporating the state is important, this article will focus on extending this critique of firm-centrism to better understand the activity of firms and the constitutive role of labour. First, even on its own terms, HME fails to adequately explain the role of firms in constructing and reproducing hierarchy. The notion that hierarchy is a ‘default preference’ for powerful actors conceals the important determinants of agency that make this so. Whilst proponents of HME do acknowledge the global nature of TNCs, firm behaviour remains determined by the prevailing national institutional context. Decisions to relocate investment in technology and skills are seen primarily as intended to reproduce hierarchy, rather than being linked to strategies responding to global competition. Secondly, whilst the
TNCs and the *grupos* upon which HME proponents focus are undeniably powerful actors, they are not alone. For example, Schneider (2009: 1-2) argues that he moves away from traditional academic concerns on Latin America by incorporating labour relations and worker training. Yet in the HME category there is an emphasis primarily upon the weakness of workers and trade unions (ibid.: 10-11). His concern is clearly with the *impact* of hierarchy on labour relations, rather than on the agency of workers in contesting and constituting economic relations more broadly.

To address some of these weaknesses that pervade both the HME and VoC approaches, Wolfgang Streeck (2009) argues that an understanding of institutional change and development must ‘bring capitalism back in’. He argues for ‘a dynamic theory of social order free of teleological determinism and linear progressivism’, in which the relative power differentials between different actors are acknowledged in the contested and unstable manifestations of capitalist diversity (ibid.: 29). This dynamic understanding of the tensions and fragility of institutions opens space for bringing the conflicts endemic within capitalism to the fore in understanding the form that market institutions come to take and the practices actors come to follow. In a similar vein, Marino Regini (2006) and Ronald Dore (2006) come to the conclusion that the VoC approach fails to address the contested character of institutional formation. For the former, the failure to acknowledge the conflicted past and constant renegotiation of institutional constructs is at the heart of this weakness (Regini, 2006: 611). For the latter, it is the ‘excessive economism’ that creates problems for understanding aspects of social life that influence institutional formation: social interaction, conflict generated around the outcomes of various institutional forms, and the ideological interpretation of change and its meaning (Dore, 2006: 605-6).

These authors offer a view, rooted in broader CC discussions and debates, that brings to the fore the contested social processes of institutional change. Yet whilst they take an important step, they continue to reproduce the marginalisation of actors beyond and beneath national institutional configurations (see also Gough in this special issue). On the one hand, TNCs and their practices emanating from the global market are not adequately addressed, and, on the other hand, the importance of workers as salient political actors remains obscured beneath the institutional constructs that prevail. By emphasising the relatively closed space of national institutions there is a failure to address the influence of interconnectedness within the global political economy. Such a position sustains the proposition that hierarchy is a default preference and conceals deliberate strategic decisions
shaped by transnational relations of production and exchange. In moving beyond the HME the GCC/GPN approach offers an alternative explanation of capitalist diversity through ‘a network-based, organizational approach to studying the dynamics of global industries’ (Bair, 2005: 158). Economic activity is argued to be shaped by global relations in terms of what is produced, where it is produced, how it is governed, and the prevailing international, national and local policy regimes. The earliest formalisation of such an approach was GCC, which emphasised the disaggregation of production and the global networks under which it was organised (Gereffi and Korzeniewicz, 1994). This initial position has evolved from more ‘traditional’ economic sociology approaches emphasising production to culturalist understandings that explore the importance of consumption in shaping contemporary capitalism (Bernstein and Campling, 2006: 415-17). What has been consistent, however, is the rejection of the national political economy as the main unit of analysis.

In the GPN approach exemplified by Peter Dicken’s Global Shift (2011), it is argued that global production networks must be viewed as both interrupting and being interrupted by the politically bounded spaces in which they come to be located. Global networks shape economic relations in the locations they are embedded, but they cannot be detached from the local political and historical contexts they encounter as part of an interrelated circuit (ibid.: 54-7). Firm behaviour is shaped by these multiple, but interrelated, scales of activity: for example, TNCs, whilst acting as the main coordinators of the ‘geoeconomy’ (ibid.: 60-2), take decisions based on the imperatives emanating from the various sites of regulation and from the economic relations in which they are embedded locally, nationally and, most importantly, globally.

It is also argued that the formation of these GPNs is necessarily contested. They are not simply ‘technical-economic mechanisms of production and exchange’, but rather areas of conflict and collaboration where economic and political actors struggle over economic outcomes (ibid.: 59-60). In these terms, Dicken (2011: 63-4) acknowledges that labour must be considered as more than a ‘dehumanized factor of production’. Yet by emphasising the stark asymmetry between TNCs and organised labour, both politically and geographically, he tends to return to a firm-centric approach in practice. This raises the challenge of how to ‘reinsert the “slices” identified...into the larger entities from which they are extracted’ (Bernstein and Campling, 2006: 444). That is, how to locate specific sectors of the economy within the struggles innate to global capitalism. Recent critical GCC literature has begun to argue that it must be a priority to incorporate the struggles of labour into any understanding
of particular experiences of capitalist development (Selwyn, 2012; Cumbers et al., 2008). It is not enough to simply explicate the impacts that various production regimes and economic relations have on labour or to reproduce the political asymmetries between firms and workers. What must also be investigated is ‘how action by labour may co-determine processes of local capitalist development’ (Selwyn, 2012: 217; original emphasis). In failing to acknowledge the importance of workers for the constitution of capitalist diversity, TNCs tend to be over-privileged at the expense of understanding the nexus at which the practices of global firms come to be transformed within locally contested relations of production.

It is the contention of this paper that to understand the instability of capitalist diversity it is necessary to go beneath firm-centrism in order to explore how workers contest and constitute particular forms of capitalism (see also Hürtgen in this special issue). E.P. Thompson (1980) argued that to understand the ‘making’ of a working class, the concrete situations of social life had to be interpreted through the perceptions and the experiences of workers as constituted by everyday social interactions and historical memory. The worker must also remain a constitutive part of a political economy that produces and reproduces social relations experienced collectively as a class. Rather than being understood as merely pursuing their own interests, they should be understood as influential in generating conflict around the practices and institutions of capitalism that they face.

The insights of Lebowitz (2003) are particularly useful in taking such an argument further. He argues that it is not enough to simply posit that the working class can be understood in its relation to capital. Workers are not homogenous in their experiences of production, in the social struggles that they pursue, nor in the identities that they come to form. But equally, the working class should not be reduced to a heterogeneous collection of individuals. Whilst contingency and historical specificity are integral to any adequate understanding of the concrete political interests of workers, these interests must also be linked to the ongoing development and transformation of capitalist social relations, and of workers that come to constitute a politically salient working class in diverse and contested contexts. Understanding working class struggles within and against global capitalism through workers’ experiences and contested identities provides a starting point for understanding how they may shape capitalist diversity in Latin America.
Towards deeper diversity: TNCs, working class conflict and the automobile industry in Argentina

By the 1970s the automobile industry in Argentina was dominated by TNCs and riven by fragmentation, obsolete technology, high costs and prices, and increasingly intense social conflicts. This section will explore how this came about (see also Ebenau in this special issue for more recent years). Firstly, it will be argued that fragmentation, high costs and backward technologies were the result of TNC competitive strategies that responded to constraints and opportunities offered by the global economy and national economic policy. Secondly, it will demonstrate the constitutive role played by one fraction of the working class: workers in the automobile industry in Córdoba. Workers active in the modern automobile sector were unique in their experiences of work at the time, as they were employed by large TNCs with access to the most advanced technology (Nofal, 1989: 98). They also represented one of the most active and radical segments of the working class in the city. They held a structural advantage vis-à-vis other fractions of the working class through the close living proximity and shared workplace experiences that gave them a distinctive and unified identity (Brennan, 1996: 294; Brennan, 1994: 43). By exploring this nexus between work, conflict and the formation of political interests, it will be argued that only by looking beyond and beneath can we understand the unstable and contested nature of capitalist diversity in Latin America.

TNCs and the automobile industry in Argentina

The early and ongoing involvement of TNCs in the automobile industry has had an important effect on Argentina’s automobile industry. Prior to 1930, Ford, General Motors and Chrysler accounted for over 95 per cent of vehicle sales in the country, whilst suppliers such as international tyre manufacturers also entered the market throughout the early 1930s (Nofal, 1989: 9-12). Despite many foreign firms leaving following the rise to power of Perón in 1946, by 1951 he too was pursuing measures to further incentivise foreign investment in the sector. Alongside the continuation of assembly operations, some commercial vehicle production began with Mercedes and the state-owned IAME, but this remained below
50,000 units per annum (Jenkins, 1984a: 41-4). After 1959, TNCs and their home governments increasingly lobbied for a 'good' climate for foreign firms, premised on the argument that fewer restrictions on machinery imports and foreign investment would increase technical efficiency (Jenkins, 1984b: 58). Global competition from the recovery of Japan and Europe had encouraged strategic moves into the markets of Latin America from weaker firms such as Kaiser, Mercedes-Benz and Fiat, as they sought to manufacture price-inflated goods behind domestic tariff barriers (ibid.: 53-4; Guillen, 2001: 4). As a result, automobile production in Argentina soared. The annual manufacture of cars alone, for example, grew from 18,290 to 153,047 units between 1959 and 1969 (Jenkins, 1977: 290). The loosening of foreign investment regulations and increasing global competition meant TNCs gradually consolidated their control over this growing, but technologically backward and fragmented, network of international and local automobile firms.

Firms' investments occurred behind tariff walls, allowing them to secure competitive advantage and maximise profits with limited technology and capital investment. The return of larger firms such as Ford, General Motors and Chrysler led to a new competitive strategy emerging with the rapid and deliberate expansion of the range of models being produced by individual firms (Jenkins, 1984b: 61). Not only did this further the fragmentation of the industry, but it also limited the possibility for economies of scale in a market with low demand. Factories were, on average, 10-15 per cent of the size of those in the Global North, with less automated production and much higher degrees of vertical integration (Katz and Kosacoff, 1989: 54). Technological backwardness was reinforced by the continued dominance of TNCs over production networks. For example, contracts for 'technology transfer' prevented 'learning by doing' through restrictions on the purchase of intermediate and capital goods and by specifying particular suppliers (Nofal, 1989: 156-157). Much of this technology transfer, moreover, was simply imports of second-hand plant and equipment. A 1967 study found that almost a quarter of machinery in use was more than 10 years old (Jenkins, 1984a: 52). Yet despite this fragmentation and technological backwardness, TNCs secured substantial profits from their affiliates, receiving, for example, substantially more from intra-firm sales of parts and components than was made in direct foreign investment and capital contributions (Nofal, 1989: 147). Whilst technology, economies of scale and work organisation remained behind those of establishments located in the Global North, profits remained high for the TNCs operating across the country.
This was no more apparent than in the parts and components sector. Relatively high local content requirements had remained in place despite the opening up of the industry during the 1960s and 1970s. International component manufacturers could only continue to supply the subsidiaries of their customers if they too were located within the national borders. As a result, by 1972 there were 2000 parts firms, of which 74 foreign-owned companies accounted for 52.2 per cent of production and 50.4 per cent of internal sales (ibid.: 47). This should have brought new technology and production methods into this crucial sector as foreign and local producers entered into competition. Yet TNC control limited this, as subsidiaries and the component manufacturers that followed them did not import modern technologies and international best practice. Local component suppliers became trapped in a cycle of inefficient production, as they were incorporated as sub-contractors producing to blueprints provided by these TNCs (Jenkins, 1984b: 68). The proliferation of model types and producing firms meant component manufacturers were subjected to rapidly changing product requirements, as the fragmentation and proliferation of suppliers was actively encouraged ‘as an offensive strategy to heighten competition among them and to gain greater bargaining power over prices’ (Nofal, 1989: 38). They were then either driven out of the market or kept as small-scale producers, increasing the fragmentation and high-cost of the industry, as well as the profits accruing to TNCs.

Working class conflict in Córdoba and beyond

Work in Argentina’s automobile plants was characterised by simplified and repetitive tasks, reminiscent of Fordist automated production, but on a slower work cycle due to older obsolete tools and more manual handling (Nofal, 1989: 90). A ‘proto-Taylorist’ system was established in which technological and organisational elements of work were oriented toward discipline and control (Catalano and Novick, 1998: 32). In Córdoba, this form of automobile production was implanted by two global firms: IKA and FIAT. The increasingly harsh discipline led these workplaces to become important sites of industrial conflict. Despite the relatively advanced technology, the slower and more manual nature of work required high numbers of unskilled workers, including many recent rural migrants exposed to mass production practices for the first time (Brennan, 1994: 90-1; Gordillo, 1991: 167).
Shopfloor tensions were intensified by the impersonal demands of modern production that were strictly imposed by authoritarian foremen (Brennan, 1994: 314-16). These working and managerial practices inscribed a specific identity upon the newly urbanised workers in Córdoba, producing combative relations between worker and employer.

The unions representing these workers were not constrained within the corporatist legacy of Perónism. Rather than one union representing the bargaining of the entire sector, TNCs attempted to weaken worker representation by lobbying successfully for a ‘one union per company’ policy (Catalano and Novick, 1998: 29). Ostensibly this provided greater strength to the companies by fragmenting the workers, but this fragmentation allowed for a more autonomous political identity (ibid.: 33). A distinctive class identity then came to be formed in the factories and neighbourhoods of the automobile industry in Córdoba as they engaged with leftist political parties, student groups and local intellectuals (Brennan and Gordillo, 2008: 28). Discipline and fragmentation had induced a socialising counter-tendency whereby workers were bound together by their relatively similar experiences inside and outside the factories, enabling growing ideological and material resistance. This resistance first came to a head in 1969 with the cordobazo, in which the most active and organised elements of this protest were workers from the large automobile plants. Not only was the military government targeted, but also the TNCs that were strongly perceived as their exploiters (Brennan, 1994: 140, 151-3). Longstanding Perónist concerns over the economic advance of labour were thus reinterpreted within the more open political spaces of Córdoba’s trade unions. Resistance to disciplinary working practices and attempts to lower labour costs were combined with radical discourses of anti-imperialism and combative class politics.

Increasingly combative union leaders became prominent in the city and challenged industrial policy and practice, particularly following trade union electoral victories for leftist currents during the 1970s (Gordillo, 1999: 401-2). Attempts to convince the union leadership to pacify workers who had risen against the regime in both the cordobazo and its repeat in 1971 – the viborazo – continually failed. A meeting of dissident unions in 1971, both Perónist and clasista, proposed a program of nationalisation of key economic sectors, central planning, worker participation and the reversal of both rationalisation and the liberalisation of foreign investment. By 1972, the regional branch of the CGT in Córdoba was articulating a vision of national development that had moved towards the idea of an anti-imperialist and ‘national’ form of socialism (Brennan and Gordillo, 2008: 154). Moreover, despite the
continued latent support for Perón during these years of conflict, industrial workers launched the most widespread and militant protests following his electoral victory in 1973, with factory occupations occurring throughout Argentina (Brennan, 1994: 243-5). And by 1975, informal coordinating committees emerged that linked militants across automobile plants in a nascent grassroots movement stemming from the ongoing conflicts and seeking to displace the traditional union leadership (Evans et al., 1984: 154). The formative conflicts leading up to and following the cordobazo produced a radicalised and politically salient working class, with automobile workers in the city at the fore. Politicised experiences of industrial work were imbued with a historically-situated meaning that motivated and justified political mobilisation, shaping capitalist diversity in Córdoba and in Argentina.

**Conclusion**

The HME category does not adequately capture the contested and unstable nature of capitalist diversity in Latin America. By seeking to construct an abstract model to understand institutional continuities through the firm-centric lens of the VoC approach, two vital facets of capitalism in the region are marginalised. Firstly, even on its own terms the HME category does not adequately explain the behaviour of firms. To understand the emergence and consolidation of particular forms of industrial capitalism, as demonstrated by the case of Argentina, it is necessary to look beyond the national political economy. The nature of production in the automobile industry meant strategic decisions were not simply a ‘default to hierarchy’, but rather had their roots in global networks of production and exchange. The imperatives and opportunities provided by global economic competition meant accumulation strategies were neither geared to maximising productive capacity nor to reinforcing hierarchy. Instead, it has been shown that automobile TNCs in Argentina were acting to maximise profits in national political economies as a means of remaining competitive globally. In seeking to maximise profits across the multiple levels of the global political economy, TNCs helped create a sector characterised by long-run fragmentation, high costs, and a lack of specialisation. This paper has been able to account for the failures of the automobile industry in Argentina by specifying the strategic decisions taken by firms
and emphasising the determinants of agency, both of which take us beyond a simple reproduction of hierarchy.

Secondly, this paper has demonstrated that reducing workers to passive actors impacted upon by changes in the economy serves to conceal the contestation that occurs around efforts to transform and discipline their working lives (see also Bailey and Shibata in this special issue). Any comprehension of capitalist diversity must incorporate these struggles, which go on beneath the institutional framework ostensibly established between states and firms. In examining TNCs’ disciplining practices in automobile factories in Córdoba, it has been shown that workers’ struggles against them played a constitutive role in constraining the possibilities for this particular form of industrial capitalism. Resistance to disciplinary working practices provided the source of grievances that became increasingly politicised through the 1960s and 1970s. Initial smaller protests, and the space provided both inside and outside traditional union structures, enabled the coalescing of an increasingly prominent class identity amongst automobile workers. This identity took a historically contingent form, shaped distinctive outcomes beyond those actively pursued by the state and TNCs, and offered potential alternatives for the development of the sector. This shows that not only must the imperatives and incentives beyond national borders be incorporated into any analysis, but also the struggles of workers that contest and shape the outcomes of these changes from beneath. Only then can we account for the diverse and unstable nature of capitalism.

Acknowledgement

This research is supported by the Economic and Social Research Council [ES/H018263/1]. A slightly different, German-language version of this article – entitled ‘Zur Kritik der “hierarchischen Marktökonomie”: Globale Produktion und Arbeiterklassenkonflikte in Argentiniens Automobilindustrie’ – was published in Peripherie (2013), 33(130/131), 287-302. This was part of the special issue on ‘The World of Capital’.

References


Notes

1 This paper forms part of a DPhil project investigating the relationship between the working class and industrial development in Argentina and Chile. For the purposes of this paper attention is focused primarily on firm-worker relations. The role of the state in labour relations and industrial policy is considered elsewhere in the project.

2 A recent non-VoC comparative capitalisms approach has emerged around the work of Brazilian scholars Renato Boschi and Flavio Gaitan (2009). This approach emphasises the importance of political institutions and the role of the state in Latin American economic development over the corporate strategies of firms in reproducing institutionalised economic activity. However, it is still problematic – see Ebenau’s paper in this special issue for more.

3 Whilst this section focuses upon experiences in the industry up to 1976, there is a burgeoning literature on automobile production in today’s increasingly globalised political economy. Today, for example, the industry in Córdoba is argued to be ‘glocaldependiente’, as firms pursuing globally-oriented strategies force the state to develop local strategies that exacerbate the historical patterns of dependency described in this paper (Tomandi, 1999: 5; Tomandi, 2009).

4 After 1946 Perón established the national labour federation (CGT), which remained strongly tied to the state, heavily centralised, and bureaucratic. It was made up of industry-wide union federations, which negotiated contracts for their affiliated branches. The newly established automobile industry, however, was represented by the weaker, but more autonomous, mechanics and automotive workers’ union (SMATA). Despite being affiliated
with the CGT it was able to exercise a relative autonomy in the labour movement in Argentina, particularly in its regional branches (Evans et al 1984: 138-139).

5 Important left-wing political currents emerged during the 1960s and 1970s, particularly in Córdoba. Clandestine Trotskyist political parties as well as leftist Perónist student and worker movements were increasingly prominent. Famous examples include the CGTA (a leftist Perónist labour federation established to counter the CGT and headed by Raimundo Ongaro), the clásista unions at SITRAC-SITRAM, and the clásista SMATA based at the IKA-Renault plant in Córdoba after 1972, headed by Rene Salamanca, a member of the Trotskyist Partido Comunista Revolucionario.

6 The cordobazo and viborazo were interconnected but distinct uprisings that occurred in Córdoba in 1969 and 1971. The former was primarily a trade union-led mobilisation triggered by dissatisfaction with the political and economic regime, whilst the latter, inspired by the events of the former, was led by those sectors of the radical left that would later become part of the armed guerrilla movements of the late 1970s.