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# Trade union debates on sustainable development in Brazil and Argentina

**Bruno Dobrusin** 

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# TRADE UNION DEBATES ON SUSTAINABLE DEVELOPMENT IN BRAZIL AND ARGENTINA

**Bruno Dobrusin** 

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## ABSTRACT

This paper analyses the development strategies followed by the governments of Argentina and Brazil since the election of left-oriented parties (2002 in Brazil and 2003 in Argentina), and focuses on the role the trade union movement has had on their policies and how it challenged their growth strategies. The main argument is that both of these countries underwent significant socio-economic improvements since these governments were elected, but this development has mainly been based on their extractive industries, such as mining, forestry, transgenic agribusiness-based agriculture and oil. These activities have produced immense wealth, which these governments very effectively distributed focusing on the poorest sectors. This is the basis of the massive support that both the Lula (and later Rousseff) and the Kirchners' administrations consistently receive. However, the model of redistribution, still inadequate in several aspects, remains controversial as it is unsustainable in the medium- to long-term, and it has produced intense social dislocations in the populations directly affected. These contradictions and the trade union responses to it are a central focus throughout the essay.

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## INTRODUCTION

Debates regarding development models have expanded in South America in the recent years, especially due to the impacts of extractive industries such as mining, oil-development and transgenic agriculture, on the well-being of local communities. The arrival of left-oriented governments has not challenged this structural development model. It has, if at all, deepened what has been named the "commodity consensus", which came to replace the neoclassical "Washington Consensus" that was predominant during the 1980s and 1990s. The trade union movement was slow to react to the issue of sustainability and 'sustainable development', and still remains divided among different schools of thought This paper looks into the recent debates concerning sustainable development and the potential for green growth in Brazil and Argentina. The discussion focuses on the standpoints of the trade union movement in such debates. The central analysis is placed on the contradictions in government discourses between the international position presented and the development models implemented at home, and outlines the wide support from the trade unions to these models. This paper also includes a case study where the partial nationalization of the oil industry in Brazil and Argentina, and the supportive responses from labour movements, are presented.

'Green economy' is a phrase that has been debated widely and has been recently promoted by dominant international institutions (UNEP 2011), but it has several definitions. The United Nations Environmental Programme (UNEP) report (2011) written for the Rio+20 Summit in 2012 defines the green economy as one that "results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive" (UNEP 2011. This statement should not raise any conflict since it represents a positive and common view of where the future societies should be heading to.

However, in the case of Latin American governments such as Brazil and Argentina, the push towards a 'green economy' has been perceived with suspicion as several aspects of the policy changes challenge the current development paradigm in those regions. In this view, the position of the government and the trade union movement is close to those who have expressed doubts about the project elsewhere (Lander 2011; Brand 2012). They proposal verses in the following terms: the suggested 'green transformation' does not intend to alter current power structures nor relations of domination and exploitation (Lander 2011). Nevertheless examples of 'greening' the economy have shown to lie close to the interests of corporations to expand capitalist market structures without considering the social implications of this transformation nor caring about actual improvements to well-being (Brand 2012).

Further, there is a significant lack of gender inclusion in the discourse of the green economy. As outlined by Guerrero and Stock (2012) the concept of the 'green economy', as promoted by the official United Nation (UN) agencies, does not include specific notes on the question of gender. It incorporates several new dimensions but does not significantly address the gender-based inequalities in access to resources and participation. The argument put forward is that if the green economy intends to be an innovative economic system, which promotes sustainable development and contributes to poverty eradication, it must necessarily change its outlook and incorporate gender roles into the proposal (Guerrero and Stock 2012). This is even more worrying considering that climate change can further affect gender inequalities by exacerbating women to access basic needs (Stock 2012). The lack of a gender perspective in the proposal has led to Latin American feminist movements, some of which are integrated by trade union delegates, criticizing the green economy's potential to deepen the current inequality between men and women since it takes the "economy of care", upon which society is based on women's unpaid work in the domestic sphere, for granted (Rebelion -2012).

The trade union movements in Argentina and Brazil have upheld this critical view of the green economy, not due to the lack of understanding the climate crisis the world faces, but due to the subordinated position the project places on the global South. The labour movement has expressed and defended the need for a 'just transition' to a low-carbon economy, much in the same way the regional governments have. However, behind this demand there are a multitude of changes proposed, with varying intensities. Two of the unions presented here, i.e. the Central Unica dos Trabalhadores (Unified Workers' Confederation, CUT) in Brazil and the Confederación General del Trabajo (General Labour Confederation, CGT) in Argentina, are behind the proposal for a 'just transition' that asequates the current model to a more sustainable (green) version, one which also responds to their sensibilities. A third union, the Central de Trabajadores de la Argentina (Workers' Confederation of Argentina, CTA) in Argentina, represents a more radical view demanding a 'just transition' that encompasses radical changes in the production and consumption system that are more in line with the social movements rallying against development projects in the region. This alternative perspective also includes the gender component. While the CGT remains uncritical of the potential gender dynamics the green economy can bring about, the CTA's campaign on commons has mainly been led by woman, who argues against the green economy as it worsens the access to resources for women. This last position is expanded later in this essay when it presents the upcoming people's Referendum on Commons that CTA is organizing for late 2014.

The position of the governments and the trade unions is not linear and entails several contradictions. This paper intends to outline some of these contradictions through an analysis of the discourse, the practice, and the challenges of the development agenda both in Argentina and Brazil. A section in this analysis includes two specific cases, one in Brazil and one in Argentina, in which the positions of the governments and the trade unions prioritize national development over the need to promote a sustainable strategy that focuses on environmental exploitation. Central to the debate presented here is the idea that discussions about sustainability and 'green' development have inevitably to take also the development process as a whole into account. It cannot be presented as a separate element, since it needs to question the development model of today t and the one suggested for the future.

This paper presents the debates mentioned above and compares the situation in Argentina and Brazil, the two largest economies in South America. The discussions on these two countries are not focused on a counter-position between a green economy and extractive industries; instead they target those who receive benefits from a particular development strategy. It then becomes a question of production and consumption. The trade unions are fundamental actors in these debates as they are the ones that would -through workersimplement the changes in the economy. In many cases, the position of the union is directly influenced by the specific future they foresee for the affiliates they represent.

This analysis is divided in five different chapters. *Chapter One* presents the development models in Argentina and Brazil in the current years, and debates the characterization of this process as "Commodities Consensus" incorporating the views of the governments on the 'green economy' proposal. *Chapter Two* introduces the trade union movements and the different perspectives on development and sustainability. *Chapter Three* presents a case study regarding oil developments in Brazil and in Argentina, and shows the reactions of the trade unions. *Chapter Four* presents the campaign for a people's Referendum on Commons that the CTA is going to carry out in Argentina. This specific section is meant to propose transformation positions on development as opposed to the conventional reformist approach. *Chapter Five* summarizes the debates and presents concluding remarks.

# 1. THE COMMODITIES CONSENSUS VS. GREEN GROWTH IN ARGENTINA AND BRAZIL

Argentina and Brazil have witnessed, like most Latin American countries, high growth rates in the past decade. This mainly due to increases in the prices of the commodities they exported to emerging markets like China and India. The current model of economic development requires high carbon emissions (mainly due to agricultural production) and redistributes the wealth of that production. This equation is essential to understand the recent success of the left-of-the-centre governments in South America at the moment. After years of Neoliberalism, the paradigm of development is now more popular than ever, and governments have received the discourse of the "green economy" as a potential threat to the current welfare that provides legitimacy for the parties in power.

The green economy discourse comes as a challenge to the development model that both Argentina and Brazil practice. This is the main reason behind their commitment —but lack of implementation - to negotiate climate change issues (Perez Flores and Kfuri 2012). They have not directly questioned the term 'green economy' but they remain sceptical of the predominance of the environmental aspect over the others that were included in the former term 'sustainable development' (Perez Flores and Kfuri 2012). These governments seem to believe that the green economy agenda represents a new mechanism at the disposal of the global capital to expand over their respective sovereignties and accumulate private wealth. This is clearly stated in an interview given by Argentina's chief negotiator at the Río+20 Summit, when she mentioned that the developed countries "want to transfer their crisis to us" (Pagina12 2012), in reference to the current financial crisis and the relative autonomy countries in the South have gained. Suspicion remains that, in the case of Argentina, the 'green economy' discourse will be translated into barriers to the country's exports. Similarly, the Brazilian position is anchored on the fear that they could lose control over the resources of the Amazon, a central element for the country's sovereign development path.

The perspectives of the governments of Brazil and Argentina towards the Rio+20 summit were similar. They originally defended their "right to develop", just like the industrialized world did at some point in history. Second, they argued that their development strategies have to consider the current climate crisis but cannot be imposed from the North (Medeiros 2012). In this context, governments have made their responsibilities to cut emissions clear, but simultaneously differentiated themselves from those countries that created the climate crisis, who should be leading the way.

The argument presented by the governments of Argentina and Brazil are in opposition to the strategies of the green economy partly because the claim for national autonomous development remains strong among the population and partly as the governments defend their current development models that have been implemented and gave their political parties high popularity.

"Commodities Consensus" (henceforth, CC)<sup>1</sup> is the expression that best explains the current situation in the development paths taken by Argentina and Brazil. The CC underlines the entrance of Latin America into a new economic and political order, which is sustained by the boom of prices of those commodities the continent, especially those which South America produces. This boom was caused by the increasing demands from developed and emerging economies (Svampa 2013). The expression CC intends to contrast the Washington Consensus, dominant in the 1990s. This new consensus has led to an economic boom in most Latin American economies during the last decade (CEPAL 2010). Even though commodities are defined in different forms, here they refer to the primary products and its derivatives (some with given degrees of industrial input)

<sup>&</sup>lt;sup>1</sup> Commodity Consensus is a term coined by the Argentine political magazine Revista Crisis, www.revistacrisis.com.ar

that are, in the case of Latin America, mainly represented by food grains (maize, soy-beans, wheat), gas and petroleum, metals and minerals (Svampa 2013).

The Commodities Consensus has certain characteristics that allowed the model to remain vital throughout the last decade and gave the governments in power renewed legitimacy (most left governments were always re-elected since 2002). Here, four distinct elements of CC are outlined as fundamental. First, a positive international price evolution produced a consistent influx of income to the countries increasing the dollar reserves in the central bank and contributed to these economic booms where average growth rates were above five percent annually. These high levels of GDP made this consensus so phenomenal since a rise in GDP is associated with an increase in welfare<sup>2</sup>. Second, this increase in income allowed the implementation of vast social assistance programs, including the Family Scholarship (Bolsa Familia) in Brazil and the Universal Child Grant (Asignación Universal por Hijo) in Argentina (Katz 2013). These programs are core elements of wealth redistribution and have considerably improved the conditions of those living in the poorer sectors of society. The third element is that, in opposition to the Washington Consensus of the neoliberal decades, the CC has engaged the state and required its presence. The shift to State participation has been a fundamental element in the legitimacy of the extractive industries project (Svampa 2013). Fourth, the model is based on extractive activities (intensive agriculture, mining, non-conventional oil exploration) in which the majority of the urban population is not directly affected, and therefore the consequences of these extractions are not endured by the main public. This is a central element, since the directly affected populations -peasants, indigenous people, smalltown inhabitants— do not play a significant role in shaping the national agenda, especially when referring to national media attention.

The general characteristics of the model outlined above have different conditions in each country. Both, Argentina and Brazil, have implemented such model of development. Since both have been struggling with the concentration of exports in primary products that the CC produces, both have a history of intense industrial development. After Argentina and Brazil recovered from their economic crisis, their abundance of natural resources in combination with the increasing demand from emerging economies (mainly from China) for agricultural exports, led to the belief that both countries had to use their "comparative advantage" by producing primary commodities (Constantino 2013). The return to David Ricardo's theory of comparative advantage already implied the debunking of autonomous development theories that dominated Latin America in the 1970s.

In Argentina, the post-2001 scenario has been characterised by four main elements: a recovery of unexplored industrial capacity (CIFRA-CTA 2010); a boom in the expansion of transgenic crops, mainly soy-bean; the novelty of open-pit

<sup>&</sup>lt;sup>2</sup> The notion of GDP growth associated with increases in welfare is well-established in leading political figures in Argentina and Brazil. Similarly, the notion of progress and modernization hegemonized the idea of welfare all over Latin America. For more on this issue see Gudynas 2011.

mining in the Andean provinces; and the discovery of shale gas and shale oil with the potential to meet internal demand. Similarly in Brazil, the last decade has witnessed an expansion of the agricultural frontier (de Freitas Barbosa 2011) and the discovery of shale oil at the coasts of Rio de Janeiro, which made Brazil a potential major oil exporter (Gobmann and Quiroga 2012). These factors have been the fundamental elements of the development model, and they have all received, for reasons explored below, significant support from the overall public. This paper will focus on the three factors that concentrate on the extraction of primary products for a world market, since these have produced the most income and have led to changes in the structure of the development model.

The expansion of the agricultural frontier is a salient characteristic of Argentina's and Brazil's current socio-economic development model. In the case of Argentina, the model of expanding the plantation of transgenic soy-bean basically converted from a neoliberal mode (earning for a few large producers and no redistribution) to a neo-developmentalist mode where the State participates intensely in the process and simultaneously redistributes some of the wealth produced through new taxation. To understand the size of the transformation, soy-bean production in numbers is a firm demonstration: Argentina produced 15 million tons of transgenic soy-bean in 1996 and 50 million tons by 2008 (Barri and Wahren 2010). Moreover, the overall land used for soy-bean was 7 million hectares in 1996 and it increased to 19 million hectares in 2008, representing 55 per cent of the cultivated land (Barri and Wahren 2010). By 2008, just soy-bean exports accounted for roughly 10 per cent of national GDP (Barri and Wahren 2010).

In the past decade Brazil experienced a similar boom in the export of commodities and in the expansion of the agricultural frontier. By 2009, 35 per cent of the 65 million cultivated lands were used for transgenic soy-bean, while this level increased to 80 per cent of the total in regions of the south-east (Frederico 2013). While the size of the overall land cultivated has increased, the number of workers employed in agriculture has declined during the last two decades (IBGE 2007)<sup>3</sup>. The mechanization and modernization of agriculture led to large increases in production making Brazil's exports predominantly primary commodities at the moment. As a consequence it increasingly imports products with high value-added (de Freitas Barbosa 2011). The model of agribusiness expansion<sup>4</sup> has a double impact on Brazil's economy and society. First, by concentrating exports in primary commodities such as soy-beans, wheat and maize it led to a financial boost that revalued the national currency the Brazilian Real. Second, it also has led to challenges in the capacity of rural populations to find employment and necessary means to remain well nourished. Between 2005 and 2011 the participation of basic products in exports increased from 29,3 to

<sup>&</sup>lt;sup>3</sup> Employment in the rural sector included 23 million people in 1985 and decreased to just over 16 million in 2006 (IBGE 2007).

<sup>&</sup>lt;sup>4</sup> Agribusiness refers to a model of agricultural expansion based on the use of transgenic crops, pesticides, and the concentration of production in a few large, usually multinational, companies.

47,8 per cent (dos Santos Branco 2013). The issue of food sovereignty has become a leading source of conflict between the advancement of agribusiness throughout the country and the Landless Workers Movement (MST), which is the main national opposition to that model.

The boom in soy-bean production has been joined by another extractive industry, mining, particularly open-pit, a highly environmentally-degrading method, which has expanded drastically. Argentina is not a country with a mining tradition such as Chile or Peru, and therefore the industry is relatively novel for the majority of the population. The boom in open-pit mining began in Argentina in the 1990s and has substantially been growing since 2003. From 2003 to 2009, the number of mining projects increased from 40 to 403, and investments into the mining sector surged by 1014 per cent during the same time (Comelli, Hadad and Petz 2010). The sector is dominated by foreign companies, mainly by Australian, Canadian and Chinese. Due to the pro-mining legislation these companies enjoy tax exemptions and unlimited access to water sources in the areas where they operate (Comelli, Hadad and Petz 2010). Argentina has become a leading country in mining investment, and due to the conditions provided by the legislation and the lack of social awareness, the mining industry is anything but expanding.

In the case of Brazil the mining industry is similar in regards to exploitation as (the environmental impacts are not debated as a consequence of the process), and the destination of exports (China), but the corporation carrying it out is different (dos Santos Branco 2013). While in Argentina the mining sector is dominated by foreign multinational companies, in Brazil, this industry has been mainly run by a former state-owned company, Vale do Río Doce. Even after its privatization this company maintained its state participation and funding. Vale has reconverted into a multinational company and has led Brazil to become the biggest mining exporter in South America. It exported more than 400 million tons in 2011, while the rest of the continent exported 147 million tons combined (Gudynas 2013). Brazil's mining activity has extended throughout the country allowing for substantial relocations of the rural population that were affected by the most relevant mining projects such as Cerrado and Caatinga (Gudynas 2013). An important aspect for Brazil is that most of the extractive projects are funded by the National Development Bank (Banco Nacional de Desenvolviemento Económico y Social, BNDES, which is controlled by the government and has been the backbone for most of these developments. Therefore, the State has a relevant role in the ongoing process of commodity production.

The Commodities Consensus (CC) has increasingly been criticised by popular mobilization both in Argentina and Brazil, as there is a growing awareness of the impacts the process has on nature and society, and because the conditions in the international sphere that contributed to the boom in the past decade are now changing. As explained in the following section, the trade union movement, with exceptions, has not been at the forefront of the struggles against this model. If at all, the trade unions have been pillars in defending the current development path taken by the governments.

# 2. THE UNIONS, THE COMMODITIES' CONSENSUS AND THE GREEN ECONOMY

The reaction of the trade union movement to the development process has mainly been dependent on the activities the union is engaged in and the influence it exerts over the national confederation. In this paper the discussion focuses on the main confederations of each country; the Central Unica dos Trabalhadores (CUT for Brazil and the Confederación General del Trabajo (CGT) and Central de Trabajadores de la Argentina (CTA)for Argentina. The paper does not intend to address all possible claims by the trade union movement, but rather focuses on the most relevant groups (by size and political influence). Overall the trade union movement has supported the process of economic development since the beginning of the century in both Argentina and Brazil. The main reason for their support is based on the characteristics of the model, which are based on rural-based intensive agriculture mixed with a model of mild industrial activity (but low in the overall economic structure), and a service economy that is wageled where higher levels of income is redistributed (Gudynas 2011). The trade unions' main base in both countries is highly concentrated in the urban sector, and so are the overall populations. This being said, the labour movement has begun to make critiques to the development model, mainly due to the impacts it had on the trade union allies: social movements and indigenous people. The trade unions can be grouped into two different groups. The first group consists of unions whose composition are not only the 'traditional workers' and therefore are characterised as "social movement unionism" (Seidman 2011; Fairbrother 2008); and the second group consists of those who follow a traditional and factorybased trade union model.

As argued elsewhere (Cock 2011, 2012; Cock and Lambert 2012) the trade union movement has responded to climate change in different forms, and in the case of the trade unions in Brazil and Argentina the reactions have shifted between support for the development model and critique for specific aspects of it. Overall, the confederations sided with the position of Brazil and Argentina presented at different intergovernmental summits, where they focussed on the defence of an autonomous development path and rejected the 'green economy' argument as a re-birth of neoliberal policies in these countries.

The support of the trade union movement to the development model can be explained by the fact that development as a nationalist discourse has historical grounds in Latin America, and particularly in Argentina and Brazil. Compared to the Washington Consensus of the 1990s, the model of commodity export and redistributive policies has produced improvements in the socio-economic conditions of the two populations (Katz 2013). This also includes increases in union affiliation in both countries. The rise of minimum wages and the improvements of social security services show that the historical demands of the trade union movement were obtained, and this explains part of the support given to the current governments by them.

#### 2.1. The unions in Brazil

The proposals for a "green economy" and the potential creation of "green jobs" have generated scepticism in the trade unions in Argentina and Brazil. The way of channelling these opinions differed from country to country. In the case of Brazil, the trade union movement led by CUT has participated in the debate of sustainable development for a long time, and in 2007 it created a Workers' Agenda for Development (WAD) (DIEESE 2007), in which the trade union movement established the fundamentals of the development model that should be established in Brazil. This document is a valuable source in order to understand the main framework of thoughts within the Brazilian trade unions. The document emphasizes, as a main priority, the promotion of economic growth with social inclusion (DIEESE 2007). In the view of this agenda gathered by the most important trade unions, the discussion on development has to focus on social inclusion, wealth redistribution, and the valorisation of labour (DIEESE 2007). These elements are at the core of the trade union mindset: both when they refer to development, and also when they discuss "green growth" and the "green economy". An example of this is the section regarding agriculture, where the unions promoted an agrarian reform — with land redistribution as the main approach — before discussing transgenic plantations (DIEESE 2007). Further, when they referred to the promotion of sustainable infrastructure the trade unions explicitly mention the need for state intervention in the process (DIEESE 2007) and not by the private sector as promoted under the "green economy" banners (Medeiros 2012). In addition, the unions demand the state to "transform the Amazon forest in a sustainable development priority for Brazil, guaranteeing its biological, cultural and social integrity" (DIEESE 2007). This statement is the most relevant referring to conservation, and it contradicts earlier statements about the need for infrastructural development. This contradiction has more to do with the trade union movement concentrations and its lack of presence in the Amazon, which allows for a claim of "sustainable development with environmental integrity".

In Brazil the WAD is a call for promoting sustainable development. Through the WAD agenda the trade unions make it clear that development has to consider the need for workers and the local populations, and its priority is to satisfy the needs for social justice. Social justice includes improving labour conditions; redistributing land; and broadening participation in the decision-making process (DIEESE 2007). The perspective is that sustainability cannot be placed before the current struggle for survival in the poorest sectors of the economy in the long-term. The WAD is the main pillar supporting the positions of the majority of the Brazilian trade unions with regards to the debates on sustainable development and the green economy.

In the process of preparing for the World Summit Río+20, the Brazilian labour movement, mainly CUT, generated a position based on the WAD that was critical of the green economy proposal. Baring in mind that Brazil was at the centre of the debate, CUT participated in every possible forum establishing a clear position on

the issue. As a preparation for the upcoming debates, in 2008 CUT published a report entitled "Energy, Sustainable Development, Income Distribution, Valorization of Work and Sovereignty" (CUT 2008a). This document is fundamental to understand the positions of the most active Brazilian trade union in the sustainable development debate. Already the title of the report reinforces the main lines used in the Agenda for Development (WAD) established in 2007centre on work, distribution and sovereignty. The document focuses on energy as a fundamental element in the debates around sustainable development (CUT 2008a). Within the new energy paradigms, CUT defends the promotion of biofuels, as an alternative source of energy in which Brazil can become a leading country as long as it does not challenge appropriate working conditions and establishes a National Agroecological Area free of biofuel-oriented plantations. The biofuels are perceived by CUT as an industry with high potential for social inclusion (2008) as long as the production chain considers the local farmers and integrates them into the overall production system. Regarding the Agroecologial Area, to be organized with participation from civil society, it represents e land that is fundamental for food production and simultaneously protects the central environments for the overall country (CUT 2008a:4-CUT has a very clear position on this proposal: protect production, work, and sovereignty through specific areas that are dedicated to guarantee efficient food production, small farmer agriculture, and environmental protection. The clearest proclamations CUT's position was made in regards to oil exploration and its recent developments at the cost of Brazil. This debate is presented in section IV of this paper and is presented in relation to the similarities with the debates in Argentina.

In a similar way, CUT opposed the idea of a "green economy" since its proposal, as presented by the United Nations Environment Program (UNEP) and the World Bank, who intend to overcome the environmental crisis through market-led developments that will further the conditions of social injustice and marginalization (CUT 2011). In addition to this, CUT sides with the government's proposal for the need to differentiate responsibilities, where not only developing countries but especially those countries that are responsible for most of the emissions need to take action. Also, the government suggests to provide financial means for poorer countries so that they can adapt better, and to guarantee the transfer of new technology in regards to renewable energies (CUT 2011). CUT, like other South American unions, has faced the proposal for Reducing Emissions from Deforestation and Forest Degradation (REDD) mechanisms in similar veins to the government, since these will promote market-based solutions and will eventually diminish the sovereignty of the countries to decide on their own development path. The fundamental axis of the trade unions, supported and promoted by CUT, is that without a "just transition" there will be no possible alternative supported by workers. The transition needs to consider the needs of the workers in the environmentally intensive industries, who will have to switch to alternative production systems (CUT 2011). This just transition cannot be achieved without decent work.

A final element to be mentioned regarding the debate in Brazil, is that all the main trade unions, as members of the Council for Economic and Social Development (Conselho de Desenvolvimento Economico e Social, CDES)were leading actors in creating the Agreement for Sustainable Development (CDES 2011), which became the Brazilian position towards the Rio+20 Summit. The agreement emphasizes "sustainable development" over "green economy" and it reinforces the need to fulfil these three dimensions: social, economic, and environmental. Further, the agreement introduces a fourth dimension, the political, which places emphasis on the need for society to participate in the decision-making process (CDES 2011). The position of CUT, and the rest of the trade unions, is in line with the agreement signed in the CDES. It states it is needed to change the pattern of production and consumption, but this change needs to consider first and foremost the social conditions of those affected, and the redistributive nature of the future situation as well as the role of the state in that context. The priorities are then clear and in line with the Brazilian government, which is willing to use the country's environmental and naturalresource potential as a tool for international power to defend the right to choose its own sovereign development path.

#### 2.2. The unions in Argentina

The debate in Argentina has some similarities to the Brazilian case, but it also strikes relevant differences. Two important differences can be outlined right away: the first is that the institutional framework presented in Brazil for discussion between government and civil society is not present in Argentina and the second is that the Argentine trade union movement is far more confrontational against each other than in Brazil. The incapacity of the two trade union confederations (CTA and CGT) to agree on a common position is the core difference.

While Brazil stands at the centre of the green economy debate, Argentina has been a secondary actor in this process. The trade unions have similar positions in some issues and differ in others. Both the CTA and the CGT expressed concern about the proposal for a 'green economy' for similar reasons to those expressed by the trade union movement in Brazil. Most concern is directed to the dominance of a market-based solution to the climate crisis, and the lack to focus on the need for a just transition that considers the needs of workers in environmentally degrading industries (CTA 2013; CGT 2012). The just transition is also presented here as a precondition for an agreement, so that the current welfare of the workers associated with the affected industries will not be challenged. The intensity of the challenge to the green economy is far larger from CTA than the CGT due to the characteristics of each of the confederations.

The CTA was founded in the mid-1990s as a novel labour organization that was class-based it also incorporated the figure of direct affiliation — workers can affiliate without a union— and challenged the 'factory-bias' of the CGT, the historic confederation (del Frade 2004; Rauber 1999). CTA was, throughout the 1990s, a harsh critic of the neoliberal reforms, while the CGT — with the

exceptions of the teamster unions —supported the reforms and negotiated with the government (Etchemendy 2005; Martucelli and Svampa 1997). Beyond the differences regarding government policy, the CGT and the CTA had a distinctive characteristic in their organizational form. While the CGT only affiliated workers through trade unions — mostly in traditional sectors of the economy — the CTA affiliated members from social movements, indigenous people, youth organizations, and from newly organized sectors such as sex-workers. It was actually a novelty within labour, since it increased affiliation during the 1990s (Palomino 2005). This element is central to understand the positions of CTA, differing from those of CGT, when it comes to debates on green economy and development strategies. The participation of social movements, especially those directly affected by the development model in Argentina —indigenous people, small towns affected by open-pit mining— led the union to take more radical positions than its counterpart of the CGT.

At the international level, the CTA and the CGT have shared their positions with the Argentine government, but at the national level CTA disputes the lack of implementation of sustainable development-oriented policies. This is due to the fact that the Argentine government has taken sides with the developing countries at international discussions placing responsibilities on the developedindustrial world for the current climate crisis, and it incorporated the labour demands for a just transition. However, this is not the position the government assumes at the national level, where the defence of the current development model does not question the environmental impact of highly degrading industries like mining, transgenic soy-bean production or the car industry (Aranda 2010).

The differences at the national level also arise from the contradictions within the trade unions themselves. While the CGT supports the need to create greener jobs with decent work conditions (CGT 2012), it also defends industries in which it has a high proportion of affiliates, such as mining. Similarly, CTA has such inconsistencies while promoting the need for a different development path that is environmentally sensitive and not based on extractive industries (CTA 2013), Contrary while, also supports the nuclear energy industry due to a relevant role played within the union by one of its affiliates, the Federation of Energy Workers (FETERA). The support for nuclear energy is also based on the fact that nuclear development in Argentina is considered a national strategic industry, in which development has been predominantly State-led, and therefore has generated support from movements that defend national sovereignty, like the CTA.

Both the CGT and CTA questioned the potential of the green economy to produce an alternative development path. They agree that the green economy as it was presented by the international multilateral institutions is a threat more than an opportunity. As they shared their positions at the Rio+20 summit, both confederations agreed on certain starting points: there is no green development without the concept of a just transition; the concept of sustainable development with the emphasis on social dimensions as well as economic and environmental is

more powerful than its 'green' alternative; the green economy undermines the capacity of a sovereign national development path and therefore creates further dependencies on industrialized countries. CTA presented another discrepancy that was mentioned by the social-environmental movements, which were integrated into the confederation and were expressed throughout Latin America: societies need to rethink modernization and development, and consider alternatives that respect the environment and where economic growth is not the only focus in view<sup>5</sup> (Gudynas 2011).

The alternative views on development have been the main discourse of the opposition presented by CTA activists and leaders of the open-pit mining industry, and will be discussed at the upcoming popular referendum on Common Goods (CTA 2013). However, their position lacks a coherent economic model that can be presented as an alternative, which is problematic and creates a great challenge for those trade unions that oppose, with valuable arguments, the current development paradigm and the green economy alternative, such as the CTA. Unless a coherent socio-economic feasible alternative arises, the confrontational argument will not survive in larger debates about development. This is exactly the case in discussions about open-pit mining and oil exploration, in which the government presents these economic models that are required for development strategies. They include the creation of decent jobs within the process, and challenge the opposition to present equivalent alternatives.

## **3. TRADE UNIONS AND OIL EXPLORATION**

The trade unions' position on sustainable development in regards to oil has been especially well presented, Both, Argentina and Brazil have recently witnessed important changes made to their oil-exploration policy and recognized that each country has enough capacity to be self-sufficient. In both cases, the trade unions fundamentally supported the progress by governments, which initiated partial nationalization of the returns from the oil and gas industry. This section outlines the reactions of the trade unions to the developments in the oil industries, where the national determination and self-sufficiency was prioritised over environmental impacts and sustainability in the medium- to long-term.

#### 3.1. Pre-Sal in Brazil

In November 2007, Brazil announced through its state-led oil corporation Petrobras the discovery of one of the largest offshore oil reserves, which positioned Brazil as a potential oil exporter, on short notice. The minister of the area, along with the director of Petrobras, made the announcement as it

<sup>&</sup>lt;sup>5</sup> A few years ago the Rosa Luxemburg Foundation in Ecuador created a Permanent Group for Alternatives to Development (Grupo Permanente de Alternativas al Desarrollo), that was conducted by leading leftist intellectuals from South America. This group produced two valuable volumes (2011; 2013) in which they discuss alternatives to the current mode of development emphasizing low carbon emissions and an anti-capitalist framework. Unfortunately, none of the unions has fully integrated this group, only the CTA got engaged in some instances.

represented a significant landmark on Brazil's sovereign development path. Brazil has historically depended on imports of oil and gas in order to satisfy the needs of its development model. The discovery of the reserve named "Pre-Sal" situated just off the shores of Rio de Janeiro implied that Brazil can potentially become a leading oil exporter led by a State-owned company, Petrobras, which was established via a historic campaign in the 1950s known as "*o petróleo e nosso*" (oil is ours). This idea was, and still remains, the driving force of Petrobras and thus earned a lot of support for the company's developments in oil-exploration near the coast.

There are indeed environmental impacts from the exploitation of the Pre-Sal reserve in Brazil and simultaneously deepening the overall dependence on oil as a source of energy questions sustainable development efforts by prioritizing nonrenewable resources of energy over renewable ones (Schutte 2013). Brazil is one of the emerging economies with the largest provision of energy from renewable sources with 45 per cent in total (Gobmann and Quiroga 2012). An important environmental concern about the Pre-Sal exploitation is that it decreases the overall contribution of renewable energy and increases that of conventional nonrenewable resources— mainly oil and gas (Gobmann and Quiroga 2012). This process of 'crowding out' investments in renewable energy is a significant risk that needs to be considered in Brazil (Schutte 2013). Another debate sparked by the Pre-Sal reserve regards the risks of offshore oil exploration for the marine ecosystem. Cases like the recent BP disaster in the Gulf of Mexico, and other cases of oil spills in Brazil that took place during offshore explorations mandated by the American multinational Chevron in November 2011 and March 2012<sup>6</sup> are examples of risks associated with offshore fossil fuels exploration.

In spite of the discussions summarized above, the environmental discussion in Brazil regarding the impacts of offshore oil exploitation and the dependence on oil have taken a secondary role regarding the Pre-Sal reserve. The main attention in this debate received the direction of the benefits from Pre-Sal, and the role of private investments in this project, as well as the role of Petrobras as the leading company of this exploitation. The trade unions supported the project and defended the renegotiations of the exploitation contracts in 2010 (Schutte 2013).

CUT, through its Federation of Oil Workers (*Federación Única de Petroleros*, FUP) approved of the initiative, and focused the discussion not on the environmental impacts but rather on the need for the state to control the industry through Petrobras, and to connect this project with the local industries (CUT 2008a). The initiative of CUT took two roads, one through government institutions and the other one through civil society. In 2008, CUT sent a letter to thne president, Lula da Silva, titled "Energy, development and sovereignty-- CUT's proposals" (CUT 2008b). In this letter CUT promoted the initiative of Pre-Sal, focusing on the need

<sup>6</sup> The situation with Chevron did not represent a major spill, but sparked the debate on the risk of Pre-Sal exploration in the agenda for a while.

<sup>(</sup>http://www.nytimes.com/2011/11/19/business/energy-environment/brazil-officials-criticize-chevron-over-oil-spill.html?\_r=0)

to "reinforce national sovereignty, respect workers' rights, promote a sustainable use of that energy and engage the population in the decision-making process" (CUT 2008). The letter also announced the campaign launched by CUT named "Energy and Sovereignty-- the Pre-Sal is ours", which intended to change the Oil Law and to cancel the concessions made to multinationals by allowing the state to manage the exploitation and to distribute wealth (CUT 2008).

The second element of the strategy used by CUT was the creation of a social movement-based forum named the National Forum Against the Privatization of Oil and Gas and for the Nationalization of Oil, Gas and full State control of Petrobras. This forum, which focussed on state control and sovereignty, and not on sustainability, was integrated by social movements and was led by the Federation of Oil Workers. They attempted to mobilize the population and to pressure the congress when the discussions about the new Oil Law were taking place.

The proposals made by CUT and other social movements to the government were recently placed on the negotiating table again when massive social uprisings took place in Brazil. Even though the government agreed to direct significant amounts of the utilities from Pre-Sal to basic health and education originally, it never presented an official figure of transfers. During the recent 'Day of Action' organized by the main trade unions in Brazil, the demand was to prioritize Pre-Sal resources to basic health and education, and to inherit that as part of the business plan of Petrobras.

#### 3.2. Oil expropriation in Argentina

In the case of Argentina, in 2012, the government nationalized the main oil company in the country, Repsol-YPF, which then became 51 per cent stateowned. Repsol-YPF was a private firm that took over YPF, the former national oil company and the oldest company in Latin America (Barrera, Sabatella and Serrani 2012; Gadano 2013). The nationalization was widely supported by all trade unions— both, the ones that were critical and those that were supportive of the government— as the control over a strategic resource like oil was considered critical for the countries' development. The fundamental difference to Brazil was that in Argentina during the 1990s YPF was fully privatized, and the state eventually even sold the so-called "gold share" that allowed it to make major decisions. This policy of privatization continued during the most recent decade until late 2011, when the country, for the first time, began to import oil and the lack of investments by the private sector became clear to the government (Barrera et al 2012). After several public debates, the Argentine parliament voted (208 in favour against 32 in the lower house, and 63 in favour against 3 in the upper house) in favour of the nationalization where 51 per cent of the shares of the company became state-owned (Barrera et al 2012).

Up to the moment of the nationalization, the trade union movement expressed unanimous support. CTA had historically held the premise that the State should have the main directives over strategic resources. Based on this premise CTA was one of the driving forces against the privatization process during the 1990s, especially through one of its founding unions, the Federation of Energy Workers (FETERA), many of which had lost their jobs as a direct cause of the privatization (del Frade 2004). When the Argentine government announced in 2012 that it will re-nationalize YPF, CTA celebrated this, even though it wanted the government to expropriate all of the company's shares (ACTA, 2012). Similarly the CGT also supported the nationalization and became a leading actor by placing the secretary general of the Oil and Gas Workers' Union as one of the acting directors for the State (Pagina12, 2012). The CGT was not strident in its denunciation of the privatization in the 1990s. Its leadership, especially from the oil sectors, had actually negotiated with the neoliberal government and the private companies to remain a relevant actor in the overall process. The support of the CGT to the nationalization was mainly pragmatic and in defence of its own interest as the government promised to maintain current employment levels and simultaneously expand the industry. In the press statement released by CTA's executive committee, the union made it explicitly clear that the nationalization was a relevant and fundamental step in the right direction. However, CTA emphasized that the government had to "take this momentum to reorganize the entire energy sector, to place the State and its priorities at the centre of energy production and distribution" (ACTA, 2012).

A significant element about the process of nationalization was that YPF was Argentina's potential in non-conventional oil and gas production (Bacchetta 2013). According to different analyst from the industry, Argentina had the potential to not only become self-sufficient again but also to eventually export gas if it explored the non-conventional sources. Up to the point when the newly nationalized YPF was meant to explore the possibilities for non-conventional oil, there was not a relevant critique on the public agenda. After several social movements, many of them belonging to CTA, began to denounce the environmental impact of non-conventional oil and gas production. Especially when the method of fracking<sup>7</sup> was introduced, the agenda of unconventional production became publicly contested. The methodology of exploration involves important environmental costs (as witnessed in many parts of the United States and Canada today) and demands large amounts of water, which is a scarce resource in the area where the largest reserves are located. The indigenous populations of the area where the exploration takes place claimed that they were not consulted nor were there any compensation given for the impacts the production had on their daily lives. This was the starting point for CTA's confrontation with the government project of non-conventional oil exploration. CTA acted mainly through its secretary for indigenous people, who is in charge of connecting the demands of workers with that of the indigenous populations.

<sup>&</sup>lt;sup>7</sup> Fracking is the method used for extracting oil and gas from the so-called nonconventional sources. The activity consists of drilling up 3,000 meters into the ground and inserting water at very high pressure to break the rocks and extract oil and gas from them (see Bacchetta 2013).

The recent agreement signed by YPF and the American multinational oil company Chevron led to confrontations as (Pagina 12, 2013) the multinational got access to the reserves. Additionally the multinational received tax exceptions and negotiated a legal framework that was similar to the concessions given in the 1990s during the first privatization. The loss of sovereignty represented the most problematic issue of the agreement for CTA (ACTA, 2013). The debate revolved no longer around fracking and its impacts, but rather on the concessions to sovereign development that the nationalization of YPF was meant to bring about to the country.

In contrast to the position taken by the CTA, which opposes the use of fracking and the contract with Chrevron, the CGT has been largely in favour of both, since it would allow the oil industry to expand and to enlarge the members of relevant trade unions such as the Oil and Gas Workers' Union. In this particular situation that Argentina was facing, the positions of the two most relevant confederations could not be more confrontational. On the one hand, the CGT supports a policy that potentially harms the long-term sustainability of Argentina's development, and increases the dependency on policy-making of multinational companies. On the other hand, CTA criticizes the agreement for the environmental impact and the concession to a multinational company that already has a history in Latin America of irresponsible oil exploration – especially considering the ecological disaster Chevron produced in Ecuador (ACTA 2014). The differences between CTA and CGT represent the portrayal of a minimalist approach carried out by CGT, and a transformative approach put forward by CTA.

# 4. A TRANSFORMATIONAL PERSPECTIVE? CTA'S CAMPAIGN ON COMMONS

This paper has so far argued that the responses by the main trade unions to the developmental model in Brazil and Argentina have been of overall support. The major exception to this has been the CTA in Argentina, for reasons outlined earlier, which mainly occurred through its composition of unions and social movements in the same organization. As Jacklyn Cock (2011) outlined a minimalist and a transformational approach to climate change by the trade union movement throughout the world. The minimalist position "emphasizes shallow, reformist change with green jobs, social protection, retraining and consultation" while the transformational one endorses "alternative growth path and new ways of producing and consuming" (Cock 2011). From the cases analysed above, the trade union that fits the last perspective is the CTA, which has engaged in alternative transformations since its inception. During 2014, CTA will be launching a national people's Referendum on Commons.

The Referendum on Commons can be included in a transformative perspective since it places communities and resources as the core value in a development

model that is people-oriented. The campaign was launched on October 11<sup>th,8</sup> 2013, and has two main actions. During the first year it will compose a national campaign towards the referendum building support from social movements and unions from around the country. The second action is the referendum itself, where the population will be asked to vote on whether they are in favour of the extractive economic model implemented in Argentina at this moment or not. The commons campaign intends to model itself on another initiative taken by CTA in 2001, when it carried out a National Front Against Poverty (*Frente Nacional contra la Pobreza*, FRENAPO), where more than 3 million people participated in a referendum. These campaigns are a novel form of union mobilization, since they do not involve classic strikes, but rather engage the overall public. It also places union-specific demands into the background and reaffirms general societal changes.

For the last four years, CTA has been at the forefront of resistance in every province where mining, oil exploration, and soy-bean expansion have made inroads. The Referendum on Commons intends to incorporate the local communities in the decision-making process by challenging the conception of development based on multinational companies exploiting the natural resources that should be managed with people's participation. This is certainly inside the paradigm of "regime change" (Cock 2011) as it challenges the conception of the capitalist system that only has interest in profits and "growth" when exploiting natural resources.

Moreover, a fundamental element in the campaign has been the achievements of CTA's Gender secretariat through organizing capacity-building workshops and by taking the campaign on commons to the National Women's Summit, which took place at the end of November 2013. The argument is that the current development model and specifically the extractive industries are male-dominated and have sided women from accessing land, water, and energy. The National Women's Summit incorporated the critical elements of the CTA campaign reinforcing the extractive model "produces terrible consequences over the local communities and over the lives of women" (ACTA, 2013). A critical innovation to the overall campaign is linking sovereignty over commons, where the need to realize women's sovereignty over their own bodies.

The campaign on commons challenges inequality on different levels. First, it aims to provide voice and participation to those communities that are directly affected by the Commodities Consensus, which generally do not benefit from this development model. In the case of Argentina, this is especially important for provinces in the Andes range as well as in the north-west as the national media is usually concentrated in Buenos Aires (the capital city) and its surrounding areas. Overcoming the inequality of representation is therefore a fundamental challenge the campaign intends to bring to the fore. A second element is the

<sup>&</sup>lt;sup>8</sup> October 11th is especially important because that is considered as the last day of freedom for the indigenous people of Latin America, just one day before the arrival of the Spanish colonialist forces.

inequality at the bargaining table. Generally, the multinational companies operate as a block, especially when they operate in the same sector (oil, mining, agribusiness). This strategic alliance puts small communities and local workers at a disadvantage, mainly when referring to lobbying the provincial and national governments. The Referendum on Commons unifies the local demands and presents them in a national context allowing for economies of scale on government persuasion and the public agenda. A third aspect of inequality is the challenge between formal workers, their communities, and informal workers. Formal workers have financial and representational capacities to influence the industry in which they operate, and generally have channels of communication with companies and governments. Local communities and informal workers do not have that structural influence. This is central to ought to transform labour into an all-encompassing force in society. The intention of the campaign on commons is precisely to overcome these inequalities, by providing a place where the demands of formal workers, of informal workers and of local communities can be unified into a general demand. A fourth challenge to inequality refers to the guestion of gender. As mentioned earlier, women suffer the most from the privatization of natural resources and the lack of access to public services. By incorporating a relevant component as gender inequality, the campaign can increase the potential of women to have a voice in the development agenda and also within CTA itself, which has not always been the most open space for women's participation.

The people's Referendum on Commons is a transformative idea by CTA that can place the stakes of the debate on sustainable development at a higher ground. It can challenge the priorities, social as well as economical, of governments to the right and to the left of the political spectrum. However, it is important to point at some critical shortcomings in the project. The first critique is that, for the time being, it does not promote an alternative development path that can be used as a counter-position to the current extractive industries. The referendum will at best mobilize political support against the Commodities Consensus, and possibly pressure local and provincial governments. The need to include a viable alternative remains an elusive issue. Another shortcoming is that although the referendum will be carried out throughout the country, it will centre on the "commons" of those places where the extractive industries are being developed. The cities, as a central space of dispute during the current struggles, are then not taken as a place for debate. This is a major shortcoming, since it relegates the majority of the population's daily realities, when they could be incorporated into the project.

## 5. CONCLUDING REMARKS

This paper presented the most relevant debates around development in Brazil and Argentina and related it to the green economy perspective that was presented as the alternative to the current climate crisis. Simultaneously, this paper also outlined the reactions of the government and the trade unions. The discussion focused on the sceptic view the governments and the trade unions expressed regarding the 'green economy' alternative, and the relationship between this scepticism and the legitimacy of the current development model in both countries. The trade unions have themselves expressed contradicting points. While they showed sympathy for a process of sustainable development that included environmental concern, they were widely supportive of the processes of oil nationalization, as shown in section three of this analysis.

The contradictions expressed by trade unions, and by governments, are byproducts of the realities of the membership, the lack of alternative systems, and the long-lasting ideological footprint of development in both Argentina and Brazil. As detailed by Sikkink (1991), developmentalism as an ideological foundation for an economic model has had a significant impact in both of these countries since the early 1930s. The support provided for the Commodities Consensus detailed earlier in this paper, has a lot to do with the historical influence of the ideology of development reinforced in both countries. The trade unions perceive the current development path as a leading force for combating inequality. This implies that the notion of the green economy, and a much needed more environmentally sustainable society, are perceived with scepticism.

As with other actors in the agenda, trade unions have prioritized their affiliates before broader conceptions for the medium- and long-term. Even the more 'progressive' labour movement has tended to side with the overall characteristics of the development path chosen by the region in the last decade. This has a lot to do with combating inequality, since both Brazil and Argentina improved their overall socio-economic conditions during this decade. The critical voices, like CTA in Argentina, have yet to come around the construction of an alternative agenda that moves beyond the resistance to change. The campaign on commons is only a response to the advancement of extractive industries. A transformative agenda needs to broaden the participation and to incorporate even those unions that are defending the extractive industries today.

The need for transition into a more sustainable socio-economic model is currently at the top of the agenda of governments and social movements around the world. The economic crises in Europe and the United States have made the limits of the current development path clear. Despite the overall consensus on the required changes, the question of how changes will take place, and fundamentally, who will benefit from it will need to be at the core of the debate. This paper analysed the discussions of Argentina and Brazil as cases of developing countries that are reluctant to join an agenda in which, as presented at the moment, they have more to lose than to win in the short- and medium-term. During the last decade these countries have witnessed a process of socioeconomic welfare and development that altered the fundamentals of the neoliberal model that ruled in the 1990s and gave rise to the current administrations popular legitimacy. The trade unions are an active part of that process and support the overall premises of the Commodities Consensus, while remaining doubtful of the promises of the green economy. Unless there is a concrete people-oriented (and not market-oriented), state-led (and not privateled), participatory alternative socio-economic project that leads to a more sustainable society, the chances of the current proposals for a green economy to be implemented will remain at most marginal.

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