Chapter Seven
Neoliberalism, Democracy, and the Transformation of State-Society Relations in Argentina

Overview of the Comparative Analysis
The preceding analysis articulates the connections among the transformation of the Chilean state’s linkage to civil society, the recasting of its political institutions and economic and social policy, and the structure of political opportunity confronting the popular sectors. It argues that market-oriented reform in Chile, implemented by the military regime and perpetuated by democratically elected governments, imposes substantial impediments to collective action among Chile’s popular sectors. The constraint of popular participation, in turn, compromises political representation and accountability and thus indicates the negative impact neoliberalism has on the quality of Chilean democracy.

To what extent is the negative impact of neoliberalism on popular sector organization and participation in Chile evident elsewhere in the region? Do countries in Latin America which have, like Chile, transitioned from authoritarianism to democracy and state-led to market-oriented development exhibit similar forms of state-society relations? More precisely, has their adoption of neoliberal reforms imposed similar impediments to popular sector organization and collective action? Chapters 7 and 8 develop a preliminary response to these questions through assessment of the Argentine and Mexican cases. Chile, Argentina, and Mexico possess important similarities and differences that make them useful cases to compare when attempting to understand the impact of neoliberal reform on the popular sectors’ capacity and propensity for collective action. Among the most striking similarities among all three cases is the degree to which economic elites have been able to gain privileged access to political leaders and policy makers (Schamis 2002; Teichman 2001). Despite this
important similarity, these cases differ as to when and to what extent they have adopted neoliberal reforms. As noted earlier, Chile adopted neoliberal reforms during General Augusto Pinochet’s seventeen year military dictatorship. Given the extensiveness of the neoliberal reforms the Pinochet regime adopted and its capacity to ensure their perpetuation even after it had relinquished power, the continued fragmentation of the popular sectors after the transition to democracy is not surprising.

We find more mixed results in Argentina because most neoliberal reforms were implemented under the administration of democratically elected President Carlos Menem. As a result, the government had less latitude to use repression against the popular sector opponents of neoliberal reform and key social actors were in a position to resist or force modification of such reforms. Finally, the Mexican case is distinct from both the Argentine and Chilean cases. While neoliberal reforms were introduced under the PRI’s (Partido Revolucionario Institucional) authoritarian rule, this rule was less repressive than was the case under Chile’s military regime, but civil society was less organized and less autonomous than was the case in Argentina under Menem. Moreover, the defeat of the PRI in the 2000 presidential election after seventy-one years in power has increased the level of political competition in the country, presenting the prospect that political parties will become more responsive to the needs and concerns of the popular sectors.

Ultimately, this analysis reveals that though there are important differences among the three cases, the similarities are equally, if not more, pronounced. With respect to key differences, we find, for example, that in contrast with the Chilean case, key segments of the Argentine and Mexican labor movements have been able to preserve some of the social protections that they accrued under state-led development. To the extent that such differences among the three cases exist, this analysis reveals that they can be explained by (1) the timing of reform (pre- or postauthoritarian); (2) regime legacies—for example, the extent to which key social actors such as organized labor are tied to dominant political parties; and (3) the level of party competition and the nature of party ideology. Despite differences in these three key areas, and the resulting differences in state-society relations, examination of these cases reveals neoliberal economic reform’s pervasive negative impact on popular sector organization and political opportunity in these nascent democratic regimes. Across all three cases, we see a decline in unionization and collective bargaining, the increased flexibilization of labor contracts along with increased informality and the attendant fragmentation of the labor movement, and substantial stratification in welfare coverage.

While labor movements in Argentina and Mexico have been able to utilize their ties to traditional party allies (the Partido Justicialista or PJ