Sustainability in Brazil and Argentina: the trade unions within the commodity consensus

Abstract

This paper analyses the development strategy followed by the governments of Argentina and Brazil since the election into power of left-oriented parties (2002 in Brazil and 2003 in Argentina), focusing on the role the trade union movement has had in affecting those policies and challenging the growth strategies. The main argument is that both these countries underwent significant socio-economic improvements since these governments were elected, but this development has been based mainly on the extractive industries (mining, forestry, transgenic agribusiness-based agriculture and oil). These activities have produced immense wealth, which the governments have been much more effective at distributing, with focus on the poorest sectors. This is the basis of the massive support that both the Lula (and later Rousseff) and the Kirchers’ administrations consistently receive. However, the model of redistribution, still inadequate in several aspects, remains controversial since it is both unsustainable in the medium-long run, and 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.

Author’s Biography

Bruno Dobrusin is a research scholar at the Argentine Council for Science and Technical Research (CONICET). He has an MA in Globalization and Labour from the Tata Institute of Social Sciences in India and is currently enrolled in the PhD program at the University of Buenos Aires (UBA). He has been an advisor in international relations for the Workers’ Confederation of Argentina (CTA).

Author’s note: for helpful comments, guidance and support I would like to thank Birgit Mahnkopf, Alexander Gallas and Bea Maria Ruoff.

TABLE OF CONTENTS

- Introduction
- The Commodities Consensus vs. Green Growth in Argentina and Brazil
- The unions, the commodities’ consensus and the green economy
  - The unions in Brazil
  - The unions in Argentina
- Trade unions and oil exploration
  - Pre-Sal in Brazil
  - Oil expropriation in Argentina
- A transformational perspective? CTA’s campaign on commons
- Concluding remarks
- Bibliography
Introduction

Debates regarding development models have extended in South America in the recent years, especially due to the impacts of extractive industries—such as mining, oil-development and transgenic agriculture—in 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 replaced the neoliberal “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 remains divided along different lines. This paper looks into the recent debates concerning sustainable development and the potential for green growth in Brazil and Argentina, focusing the discussion 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 and the development models implemented at home, and the wide support from the trade unions to these models. A case study is presented with the partial nationalization of the oil industry in Brazil and Argentina and the supportive responses from labour movements.

‘Green economy’ is a phrase that has been debated widely, being recently promoted by dominant international institutions (UNEP 2011), but with several definitions. The United Nations Environmental Programme (UNEP) report (2011) prepared 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: 1).

This statement, presented as it is in the report, should not rise conflict since it represents a positive common view of 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, due to several aspects of the policies intended that challenge the current development paradigm in the region. 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). The view is that the suggested ‘green transformation’ does not intend to alter current power structures nor relations of domination and exploitation (Lander 2011: 4). Further, as the examples of ‘greening’ the economy have shown to the moment, behind the main discourse lies the interest of corporations to expand capitalist market structure, without considering the social implications of the transformation nor actual improvements to well-being (Brand 2012: 38-39).

Furthermore, there is significant lack of gender inclusion in the discourse of the green economy. As outlined by Guerrero and Stock (2012: 4) the concept of the 'green economy' as promoted by the official 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: 7). This is even more worrying considering that climate change can further affect gender inequalities, deepening the vulnerability of access of women to 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, to criticize the green economy by the potential of deepening the current inequality among men and women, since it takes for granted the “economy of care” upon which society is based on women unpaid work in the domestic sphere (Rebelion 19-06-2012).

The trade union movement in Argentina and Brazil have upheld this critical view to green economy, not due to lack of understanding of the climate crisis the world faces, but due to the position of subordination in which the project places 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 different degrees of changes proposed. Two of the unions presented here, Central Unica dos Trabalhadores (CUT) in Brazil and the Confederación General del Trabajo (CGT) in Argentina, are behind the proposal for a just transition that adapts the current model to more sustainable forms. A third union, the Central de Trabajadores de la Argentina (CTA) in Argentina represents a more radical view, demanding for a just transition that encompasses radical changes in the production and consumption system, more in line with the social movements that have been rallying against development projects in the region. This transformative perspective also includes the gender demand. While the CGT remains uncritical of the gender dynamics the green economy can bring, CTA's campaign on commons has been mainly led by woman, who argue against the green economy on the bases of furthering the lack of access to resources for women. This last position is expanded later in this essay when presenting 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 lineal and presents several contradictions. This paper intends to outline some of these contradictions through an analysis of the discourse, the practice and the challenges to development 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 have prioritize national development over the need to promote a sustainable strategy that places the focus on environmental exploitation. Central to the debate presented here is the idea that discussions about sustainability and ‘green’ development have to necessarily debate the development process as a whole. It cannot be presented as an element, since it needs to put into question the model of development being implemented at the moment and the suggested one for the future.

This paper presents the debates mentioned above, comparing the situation in Argentina and Brazil, the two largest economies in South America. The debate in these two countries is not so much focused on a counter-position between green economy and extractive industries, but rather on who receives the benefits from a development strategy. It is then a question of production and consumption. The trade unions are a fundamental actor in this debate since they are the ones that would implement, through
workers, 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 movement and the different perspectives around development and sustainability. Chapter Three presents a case study regarding developments in oil exploration in Brazil and in Argentina, and 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, mainly due to increases in the prices of the commodities they export to emerging markets like China and India. The model of economic development implies high carbon emissions (mainly due to agricultural production) and redistribution of the wealth of that production. This equation is essential to understanding the 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 – regarding climate change negotiations (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: 14). Underlying the governments' standpoint is the belief that the green economy represents a new form for global capital to expand over national sovereignty and accumulate private wealth. This is clearly stated in an interview given by Argentina’s chief negotiator in Río+20, when she mentioned that the developed countries “want to transfer their crisis to us” (Pagina12 10/06/2012), in reference to the current financial crisis and the relative autonomy countries in the South have gained. A suspicion remains that, in the case of Argentina, the ‘green economy’ discourse will be translated into barriers to the country’s export. 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 first defend ‘right to develop’, just like the industrialized world did at some point in history. Secondly, and considering the first element, the argument is that this development has to be considered in view of the current climate
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus

crisis, but it cannot be imposed from the North (Medeiros 2012: 12). In this positioning, governments have made clear their responsibilities to cut emissions, but differentiated from those countries that created the crisis and who should be in charge of leading the way.

The argument presented by the governments of Argentina and Brazil in relative opposition to the strategies of the green economy has to do in part with a discourse of national autonomous development that remains strong among the population, but also it is about defending the current development model that both countries have implemented and that gave the parties in governments high levels of popularity.

“Commodities Consensus” (CC henceforth)\(^1\) is the expression that best explained the current situation in the development path taken by Argentina and Brazil. The CC underlines the entrance of Latin America into a new economic and political order, sustained by a boom in the international prices of the commodities the continent, especially South America, produce, due the increasing demand from developed and emerging economies (Svampa 2013). The expression intends to contrast the Washington Consensus dominant in the 1990s, with a new consensus that has led to an economic boom in most Latin American economies over the last decade (CEPAL 2010). Even though commodities are defined in different forms, here we refer to the primary products and its derivatives (some with given degrees of industrial input), that in the case of Latin America are mainly represented by food grains (maize, soy-beans, wheat), gas and petroleum, metals and minerals (Svampa 2013: 31).

This consensus has certain characteristics that allowed for the model to remain vital throughout the last decade and gave the governments in power renewed legitimacy (most left governments were re-elected from 2002 to the present). Here four distinct elements are underlined as fundamental. First, an international price bonanza that allowed for sustained influx of income to the countries, increasing the reserves in the central banks in dollars, and allowing for economic booms with average growth above five percent annually. Increasing levels of GDP is at the core of the fanaticism behind this model, due to the economistic association of GDP growth with welfare\(^2\). Second, this income has allowed for the implementation of vast social assistance, including the Family Scholarship (Bolsa Familia) in Brazil and the Universal Child Grant (Asignación Universal por Hijo) in Argentina (Katz 2013). These programs are a core element of wealth redistribution and have considerably improved the conditions of those in the poorer sectors of society. Third element is that, in opposition to the Washington Consensus of the neoliberal decades, the CC has engaged the State and requires its presence. The shift in State participation has been a fundamental element in the legitimacy of the extractive industries project (Svampa 2013: 36-38). Fourth, the model is based on extractive activities (intensive agriculture, mining, non-convetional oil exploration) in which the majority of the urban population is not directly affected, and therefore the consequences of these extractions are not suffered by the main public. This

---

\(^1\) Commodity Consensus is a termed coined by the Argentine political magazine Revista Crisis, www.revistacrisis.com.ar

\(^2\) 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.
is a central element, since the directly affected populations — peasants, indigenous people, small-towns 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 specific conditions in each country. Both Argentina and Brazil have implemented such models of development, struggling with the concentration of exports in primary products that the CC produces — both countries have a history of intense industrial development. As Argentina and Brazil left their economic crisis, the abundance of natural resources and the increasing demand from emerging economies (mainly China) for agricultural exports, led to the belief that both countries had to use their “comparative advantage” in producing primary commodities (Constantino 2013: 85). The return to David Ricardo's theory of promoting development 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 mining in the Andean provinces; and the discovery of shale gas and shale oil with the potential to satisfy 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 in the coasts of Rio de Janeiro, which put Brazil as 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. In this paper the focus will be on the three factors that focus on the extraction of primary products for a world market, since these have produced the largest income and 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 socioeconomic 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 (the State participates intensely in the process and through new taxation it redistributes some of the wealth produced). To understand the size of the transformation soy-bean has produced the numbers are 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: 45). By 2008, just soy-bean exports accounted for roughly 10 per cent of the national GDP (Barri and Wahren 2010).

In the past decade Brazil witnessed a similar boom in the export of commodities and the expansion of the agricultural frontier. By 2009, 35 percent of the 65 million cultivated land was used for transgenic soy-bean, while this level increased to 80 per cent of the total in regions such as the south-east (Frederico 2013). While the size of the overall land cultivated has increased, the number of workers employed in agriculture has been
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus

in a sustained decline for the last two decades (IBGE 2007). The mechanization and modernization of agriculture led to large increases in production, making Brazil exports at the moment predominantly primary commodities, while increasingly importing products with high value-added (de Freitas Barbosa 2011). The model of agribusiness expansion\(^4\), has a double impact on Brazil's economy and society. It is impacting on the economy by concentrating exports in primary commodities such as soy-beans, wheat and maize; and it has led to a financial boost that had revalued the national currency, the Brazilian Real. It is also leading to challenges in the capacity of rural populations to find employment and to feed themselves. Between 2005 and 2011 the participation of basic products in exports went up from 29.3 percent to 47.8 percent (dos Santos Branco 2013: 98). The issue of food sovereignty has become a leading source of conflict with the advancement of agribusiness throughout the country, with the Landless Workers Movement (MST) as the main national opposition to such a model.

The boom in soy-bean cultivation has been joined by another extractive industry, mining, particularly the highly environmentally-degrading method of open-pit mining. Argentina is not a country with a mining tradition such as Chile and Peru are, and therefore the industry is relatively novel for the large public. The boom in open-pit mining began in the 1990s in Argentina but substantially grew from 2003 onwards. From 2003 to 2009, mining projects increased from 40 to 403, while there was a 1014 percent increase in investment in the sector (Comelli, Hadad and Petz 2010: 136-7). The sector is dominated by foreign companies, mainly 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.

The case with Brazil and mining is similar in the form of exploitation (the environmental impacts do not figure in the centre of the process), and the destination (China), but differ in the corporation carrying it out (dos Santos Branco 2013). While in Argentina the sector is dominated by foreign multinational companies, in Brazil, the mining industry has been run mainly by a former state-owned company, Vale do Rio Doce, which after privatized remains with state participation and funding. Vale has reconverted into a multinational company and has led Brazil top become the biggest mining exporter in South America with more than 400 million tons exported in 2011, while all the rest of the continent combined exported 147 million tons (Gudynas 2013). Brazil mining activity has extended throughout the country, producing large dislocations in rural populations affected by the most relevant mining projects such as Cerrado and Caatinga (Gudynas 2013). A relevant element for Brazil, is that most of the extractive projects are funded by the National Development Bank (BNDES), which is controlled by the government and has been the backbone for most of these  

---

3 Employment in the rural sector was at 23 million people in 1985 and has come down to just over 16 million in 2006 (IBGE 2007).
4 Agribusiness refers to a model of agricultural expansion based on the use of transgenic crops, pesticides and the concentration of the process in a few large, usually multinational, companies.

[Escribir texto]
developments. Therefore, the State has a relevant role in the ongoing process of commodity production.

The Commodities Consensus has increasingly come under criticism by popular mobilization both in Argentina and Brazil, as a consequence of increasing awareness of the impacts of the process, as well as changing conditions in the international situation that allowed for the bonanza in the past decade. 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 been divided and depends mainly on the activity the union is engaged, and the influence it exerts over the national confederation. In this paper the discussion focuses on the main confederations of each country, this being the Central Unica dos Trabalhadores (CUT) for Brazil and the CGT and CTA for Argentina. The paper does not intend to address all the possible claims by the trade union movement, but rather focus on the most relevant groups (by size and political influence). Overall the trade union movement has backed the process of economic development promoted since the beginning of the century, underlined above in both Argentina and Brazil. The main reason behind the support is the characteristics of the model, which is 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 which has been wage-led with higher levels of income redistribution (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 on trade union allies: social movements and indigenous people. The trade unions can be group in two different groups: those whose composition is not only the 'traditional workers’ and therefore are characterised as “social movement unionism” (Seidman 2011; Fairbrother 2008); and those that follow a traditional, factory-based, 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 Brazil and Argentina presented at the world level, with focus on the defence of an autonomous development path and the rejection of using the ‘green economy’ argument as a re-birth of neoliberal policy in these countries.

---

5 Confederación General del Trabajo (CGT)
6 Central de Trabajadores de la Argentina
7 Argentina has just over 90 per cent of the population living in the urban sector, while Brazil is about 85 per cent of the total.

[Escribir texto]
The support of the trade union movement to the development model is mainly due to 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 socioeconomic conditions of the populations (Katz 2013), including increases in union affiliation in both countries. The increases in minimum wage and improvements in social security fulfilled the historic demand of the trade union movement, therefore explaining part of the support channelled by the unions to the current governments.

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 form of channelling these opinions differs 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 henceforth (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 to understand the main framework of thought within the Brazilian trade unions. The document underlines, as a main priority, to promote economic growth with social inclusion (DIEESE 2007: 7). In the view of this agenda gathered by the most important trade unions, the discussion on development has to be centred on social inclusion, wealth redistribution and the valorisation of labour (DIEESE 2007: 24). These elements are at the core of the trade union mindset and positioning when referring to development, and also when discussing “green growth” and the “green economy”. An example of this is the section regarding agriculture, when the unions placed the centre in promoting an agrarian reform — with land redistribution as the main axis — before discussing transgenic plantations (DIEESE 2007: 32). Further, when referring to the promotion of sustainable infrastructure it makes an explicit mention to the need for State intervention in the process, and not the private sector (DIEESE 2007: 37) 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: 37). This statement is the most relevant referring to conservation, and it contradicts earlier statements about the need for infrastructural development. This contradiction has to do more with the trade union movement bases and its lack of presence in the Amazon, which allows for a claim of “sustainable development with environmental integrity”.

The WAD in Brazil is a call for promoting sustainable development, but not under any circumstances nor for the sake of sustainability. The trade unions make it clear through this agenda that development has to consider the need of workers and the local populations, and the priority is to satisfy the needs for social justice. Social justice includes improving labour conditions; redistributing land; and broadening popular participation in decision-making (DIEESE 2007). The underlying perspective is that sustainability in the long-term cannot be placed before the current conditions of survival
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus

for the poorest sectors. The WAD is then the main pillar behind 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 preparation for the World Summit Río+20, the Brazilian labour movement, mainly CUT, was active in generating a position based on the WAD and 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 understanding the positions of the most active Brazilian trade union in the sustainable development debate. The first element do underline is that already from the title of the report, the main lines established in 2007 in the Agenda for Development (WAD) are reinforces—centre on work, distribution and sovereignty. The document focuses on energy as a fundamental element in the debates around sustainable development (CUT 2008a: 3). 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 and as long as it does not challenge appropriate working conditions and there is an established National Agroecological Area free of biofuel-oriented plantations. The biofuels are perceived by CUT as an industry with high potential for social inclusion (2008: 8) as long as the production chain considers the local farmers and inserts them in the overall system. Regarding the Agroecological Area, to be delimited with social participation, it is the land fundamental for food production and protection of central environments for the overall country (CUT 2008a:4-5). This element of the proposal is clear on the position of CUT: protect production, work and sovereignty with specific areas dedicated to guaranteeing food production, farmer agriculture and environmental protection. Perhaps the clearest scenario on the positioning of CUT is regarding oil exploration and the recent developments in the cost of Brazil. This debate is presented in section IV in relation to the similarities with the debates in Argentina.

In a similar way, CUT opposed the idea of a “green economy” since the proposal, as presented by the UNEP and the World Bank, intends to overcome the environmental crisis through market-led developments, that will furtheered the conditions of social injustice and marginalization (CUT 2011). In addition, CUT sides with the government proposal for the need to differentiate responsibilities (do not place it on developing countries but on those responsible for most of the emissions) , to provide financial means for poorer countries do adapt, and to guarantee the transfer of technology regarding renewable energies (CUT 2011: 8). CUT, like other South American unions, have faced the proposal for REDD mechanisms in similar veins to the government, since these will promote market-based solutions and will eventually diminished 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 that will have to convert to alternative production systems (CUT 2011: 10). This just transition cannot be achieved without decent work as the underlying need.

[Escribir texto]
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 (CDES, in Portuguese) 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 the 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 (CDES 2011: 12). The position of CUT, and the rest of the trade unions, is in the same line as with the Agreement signed in the CDES: there is a need to change the pattern of production and consumption, but this change needs to consider first and foremost the social conditions of those affected, the redistributive nature of the future situation and the role of the State in that context. The priorities are then clear, and in line with the Brazilian government, willing to use its environmental and natural-resource potential as a tool for power internationally, defending the right to choose its own, sovereign, development path.

2.2. The unions in Argentina

The debate in Argentina has some similarities with the Brazilian case, but it also strikes relevant differences. Two 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; the second is that the Argentine trade union movement is far more confrontational with each other than in Brazil. The incapacity of the two trade union confederations (CTA and CGT) to agree on a common position is at the centre of the difference.

While Brazil is at the centre of the Green Economy debate, Argentina has been a secondary actor in the process. The trade unions have similar positions in some issues and differ in others. Both the CTA and the CGT expressed concern with the proposal for a ‘green economy’ for similar reasons to those expressed by the trade union movement in Brazil. This is mainly the dominance of a market-based solution to the climate crisis, and the lack of 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 presented also here as a precondition for an agreement, so as not to challenge the current welfare of the workers associated with the affected industries. The intensity of the challenge to the green economy is far larger from CTA than the CGT. This has to do with the characteristics of each of the confederations.

The CTA was created in the mid-1990s as a novel labour organization that was class-based, incorporated the figure of direct affiliation — workers can affiliate without a union— and challenged the ‘factory-biased’ of the CGT, the historic confederation (del Frade 2004; Rauber 1999). CTA was throughout the 1990s a harsh critique of the neoliberal reforms, while the CGT — with the exceptions of the transport 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 its organizational form. While the [Escribir texto]
CGT only affiliated workers through trade unions — mostly in traditional sectors of the economy — CTA affiliated members from social movements, indigenous people, youth organizations and from newly organized sectors such as sex-workers. It was actually a case against the current, in that it increased affiliation during the 1990s (Palomino 2005: 22). This element is central to understanding 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-put mining— led the union to take more radical positions that 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 developing countries at the international discussions, placing responsibilities on the developed-industrial world for the current climate crisis, and incorporating the labour demands for a just transition. This is not the position the government takes 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 and 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 at the centre of their proposal (CGT 2012), it also defends industries in which it has a high proportion of affiliates, such as mining. Similarly, CTA has such inconsistencies when it promotes the need for a different development path that is environmentally sensitive and not based on extractive industries (CTA 2013) and then it supports the nuclear energy industry due to a relevant role played within the union by one of its affiliate, 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 strategic national industry in which development has been predominantly state-led, therefore generating support from movements that defend national sovereignty, like the CTA.

The CGT and CTA has questioned the potential of the green economy to produce an alternative development path. They share the view that the green economy as presented by the international multilateral institutions presents a threat more than an opportunity. As the positions taken to Rio+20, both confederations agreed on certain basics: there is not 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 dependence on industrialized countries. CTA presents a further discrepancy, in line with that of the social-environmental movements that integrate the confederation and expressed elsewhere in Latin America: societies need to rethink modernization and
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus

development to consider alternatives that respect nature and do not place economic growth at the centre of life\(^8\) (Gudynas 2011).

The views expressed by the alternative views on development have been the main discourse behind the opposition presented by CTA activists and leadership to open-pit mining and the upcoming popular referendum on Common Goods (CTA 2013). However, the main problematic with this position is the lack of a coherent economic model that can be presented as alternative. This is a relevant challenge for the trade unions like CTA that opposed, with valuable arguments, the current development paradigm and the green economy alternative. Unless a coherent socioeconomic viable alternative arises, the confrontational argument will not survive in the larger debates regarding development. This is the case in issues such as open-pit mining and oil exploration, in which the government presents these models as requirements for development and well-being, including the creation of decent jobs within the process, and challenges the opposition to the projects for their lack of alternatives.

3. Trade unions and oil exploration

If there is one area in which the trade union position on sustainable development can be reviewed that is the case of oil. Argentina and Brazil recently witnessed important changes in their oil-exploration policy and in the capacity of each country to be self-sufficient. In both cases, the trade unions were a fundamental support to the progress made by governments with the partial nationalizing of the returns from oil and gas development. This section presents the reactions of the trade unions regarding developments in the oil industries, where the priority is given to national determination and self-sufficiency over environmental impacts and sustainability in the medium and long terms.

3.1 Pre-Sal in Brazil

In November 2007, Brazil, through its state-led oil corporation Petrobras, announced the discovery of one of the largest offshore oil reserves, which placed Brazil as a potential oil exporter in a short span of time. The announcement was done by the minister of the area and the main directors of Petrobras, since it represented a significant stage in Brazil's sovereign development path. Brazil has historically depended upon imports of oil and gas in order to satisfy the needs of its development model. The discovery of the area named “Pre-sal” just off the shores of Rio de Janeiro, implied that Brazil can potentially become a leading oil exporter, and that it is led by a State-owned company like Petrobras, created by a historic campaign in the 1950s known as “o petróleo e nosso” (oil is ours). This idea was, and remains, the driving force behind the creation of Petrobras in 1953 and the current support for the company's developments in oil-exploration in the cost.

---

\(^8\) The Rosa Luxemburg Foundation in Ecuador created a few years ago a Permanent Group for Alternatives to Development (Grupo Permanente de Alternativas al Desarrollo), integrated by leading leftist intellectuals from South America. This group has produced two valuable volumes (2011; 2013) in which they discuss alternatives to the current mode of development, with low carbon emissions and an anti-capitalist framework. Unfortunately, none of the unions has fully engaged this group, with only the CTA participating in some instances.
There are indeed environmental impacts from the exploitation of the pre-sal in Brazil and overall furthering the dependence on oil as a source of energy generates questions regarding sustainable development and the prioritization of non-renewable sources of energy versus renewable ones (Schutte 2013). Brazil is one of the emerging economies with the largest provision of energy being from renewable sources, at 45 percent of the total (Gobmann and Quiroga 2012: 5). An important environmental concern with regards to the Pre-Sal exploitation is that it has led to decreasing the overall participation of renewable energy and increasing that of conventional non-renewable—mainly oil and gas—(Gobmann and Quiroga 2012). This process of 'crowding out' investments in renewable is a significant risk to consider in Brazil (Schutte 2013: 133). Another debate presented by Pre-Sal regards the risks of offshore oil exploration for the marine ecosystem. Cases like the recent BP disaster in the Gulf of Mexico, and also cases within Brazil with oil spills that took place with an offshore exploration by the American multinational Chevron in November 2011 and March 2012 are examples of the risks associated with offshore fossil fuels exploration.

In spite of the debates presented 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. The main debate is the direction of the benefits from Pre-Sal, and the role of private investment in the project, and the role of Petrobras as the leading company in the exploitation. The trade unions have expressed their support for the project and were central players in defending the renegotiation of the exploitation contracts in 2010 (Schutte 2013: 127).

CUT, through its Federation of Oil Workers (FUP) backed the initiative, and centred the discussion not on the environmental impacts but rather on the need for the state to control to industry through Petrobras, and for the project to be connected to the local industrial complex (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 then-president Lula da Silva, entitled “Energy, development and sovereignty--CUT’s proposals” (CUT 2008b). In this letter CUT promotes the initiative of Pre-Sal, with centre on the need 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: 2). The letter also mentions the campaign launch by CUT named “Energy and Sovereignty-- the Pre-Sal is ours”, which intends to change the Oil Law and cancelled the current concessions made to multinationals, by placing the state at the centre of the exploitation and distribution of the wealth (CUT 2008: 3).

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—with the focus on state control and sovereignty, not sustainability—was integrated by social movements and led by the Federation of Oil Workers, in an attempt

---

9 The situation with Chevron did not represent a major spill, but placed the debate on the risk of Pre-Sal exploration in the agenda for a while. [http://www.nytimes.com/2011/11/19/business/energy-environment/brazil-officials-criticize-chevron-over-oil-spill.html?_r=0](http://www.nytimes.com/2011/11/19/business/energy-environment/brazil-officials-criticize-chevron-over-oil-spill.html?_r=0)
to mobilize the population and pressure the congress when the debates of the new Oil Law were taking place.

These proposals taken by CUT and other social movements to the government were placed on the negotiating table again recently with the massive social uprisings that took place in Brazil. Even though originally the government accepted to direct significant amounts of the utilities from Pre-Sal to basic health and education, it never gave a specific figure of it. During the recent 'Day of Action' organized by the main trade unions in Brazil, a central demand was to prioritize Pre-Sal resources to basic health and education, and to place 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 became 51 per cent state-owned. Repsol-YPF was the private firm that took over YPF, the former national oil company and the oldest in Latin America (Barrera, Sabatella and Serrani 2012; Gadano 2013). The nationalization had wide support from all the trade unions— both the ones that were critical and supportive of the government— since the control over a strategic resource like oil was considered critical for the countries' development. The fundamental difference with Brazil is 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 take major decisions. This policy of privatization was continued during the recent decade, until late 2011 when the country for the first time began to import oil and the lack investment in exploration by the private sector became clear to the government (Barrera et al 212). 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 of 51 percent of the shares of the company (Barrera et al: 11).

Up to the moment of the nationalization, the trade union movement expressed unanimous support to the measure. CTA had historically hold 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 during the privatization (del Frade 2004). When the Argentine government announced in 2012 that it will re-nationalized YPF, CTA celebrated this even though it wanted the government to expropriate all of the company's shares (ACTA 18/04/2012). 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 17/04/2012). 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 since the government promise to keep current employment levels and to expand the industry. In the press statement released by CTA's executive committee, the union made it explicit that the nationalization was a relevant,
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus

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 18/04/2012).

A significant element in the process of nationalizing YPF was Argentina's potential in non-conventional oil and gas (Bacchetta 2013: 69). 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 denouncing the environmental impact of non-conventional oil and gas production —especially through the use of fracking as method— the agenda 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. There are demands by the indigenous populations of the area where the exploration takes place that they were not consulted nor there was any compensation for the impacts of the production 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.

The following element that led to confrontation was the recent agreement signed by YPF and the American multinational oil company Chevron (Pagina12 17/07/2013) in which the multinational got access to the reserves, with tax exceptions and a legal framework that has similarities with the concessions given in the 1990s during the first privatization. The loss of sovereignty represented for CTA the most problematic issue with the agreement (ACTA 18/07/2013). 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 to the country.

In contrast with the position taken by the CTA of opposing the use of fracking and the contract with Chevron, the CGT has been largely in favour of both, since it would allow for the expansion of the oil industry and enlarge the members of a relevant trade union, the Oil and Gas Workers’ Union. In this particular situation that Argentina is facing, the positions of the two most relevant confederations could not be more confrontational. On the one hand the CGT, defending its base, is supporting a policy that potentially harms the long term sustainability of Argentina’s development, and that increases the dependency of policy-making on multinational companies. In a confrontational position, CTA criticized 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

10 Fracking is the method used for extracting oil and gas from the so-called non-conventional 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)
Chevron produced in Ecuador. The differences between CTA and CGT represent the portrayal of a minimalist approach (carried out by CGT) and a transformative one (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 positioning has been the CTA in Argentina, for reasons outlined earlier, mainly being its composition of unions and social movements in the same organization. A Cock (2011: 238) outlined, there is 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: 238).

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 and resources as the core value in a developmental model that is people-oriented. The campaign was launched on October 11th\textsuperscript{11} 2013 and has two main actions. For the first year it will be composed of a national campaign towards the referendum, building the support from social movements and unions from around the country. The second element is the referendum itself, which means to ask the population whether they are in favour or not of the extractive economic model implemented in Argentina at this moment. The commons campaign intends to model itself on another initiative taken by CTA in 2001, when it carried out a National Front Against Poverty (FRENAPO in Spanish), with the participation of more than 3 million people 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 and place union-specific demands in the background while reaffirming 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 on the decision-making table, 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: 239), since it challenges the conception of the capitalist system that brings the interest of profit and “growth” as the leading element for natural resource exploitation.

Moreover, a fundamental element in the campaign has been the build-up by CTA's Gender secretariat, organizing capacity-building workshops and taking the campaign on commons to the National Women's Summit, which took place at the end of November

\textsuperscript{11} October 11th is especially important because that is consider as the last day of freedom for the indigenous people's of Latin America, just one day before the arrival of the Spanish colonialist forces.

[Escribir texto]
2013. The argument is that the current development model and specifically the extractive industries are male-dominated and have sidelined women from accessing land, water and energy. The National Women's Summit incorporated the critical elements of the CTA campaign, reinforcing that the extractive model “produces terrible consequences over the local communities and over the lives of women” (ACTA 25/11/2013). A critical innovation to the overall campaign is linking sovereignty over commons, with the need to realize women's sovereignty over their own bodies.

The campaign on commons challenges inequality on different levels. The first element is providing voice and participation to those communities which are directly affected by the commodity consensus, and that generally do not benefit from this development model. In the case of Argentina, this is especially important for provinces in the Andes mountains as well as in the north-west, since 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 inequality at the bargaining table. Generally the multinational companies operate as a block, especially when in the same market (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, providing for a larger capacity to influence the government and the public agenda. A third inequality that is challenge is that 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 a central element if we 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 the space where the demands of formal workers, informal workers and local communities can be unified into a general demand. A fourth challenge to inequality refers to the question of gender. As mentioned earlier, women suffer the largest from the privatization of natural resources and the lack access to public services. By incorporating a relevant component as gender, the campaign can increase the potential of women having 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 and economic, of governments on the right and left of the political spectrum. However, it is important to point at some critical shortcomings in the project. The first critique is that it, for the time being, 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 commodity consensus, possibly pressure local and provincial governments. The need to include a viable alternative remains an elusive issue. The second element 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 developed. The cities, as a central space of dispute during the current struggles, is then not taken as a point 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, relating it to the green economy perspective presented as the alternative to the current climate crisis and 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 the analysis.

The contradictions expressed by trade unions, and by governments, are by-products 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 had a significant impact in both these countries since the early 1930s. The support provided for the commodity 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 but a response to the advancement of extractive industries. A transformative agenda needs to broaden participation and incorporate even those unions that today are defending the extractive industries.

The need to 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 clear the limits of the current development path. Despite the overall consensus on the required changes, the question of how does changes will take place, and fundamentally, who will benefit next 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 lose than to win in the short and medium term. These countries have witnessed in the last decade a process of socioeconomic welfare and development that altered the fundamentals of the neoliberal model that ruled in the 1990s and gave 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), state-led (and not privately), participatory alternative socioeconomic 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.

Bibliography


Barri, F. and Wahren, J. 2010. ‘El modelo sojero de desarrollo en la Argentina: tensiones y conflictos en la era del neocolonialismo de los agronegocios y el cientificismo-tecnológico’ Realidad Económica No.255.


CEPAL. 2010. La hora de la igualdad: brechas por cerrar, caminos por abrir. Santiago de Chile: CEPAL.

[Escribir texto]
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus


[Escribir texto]
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus


Favareto, A. 2009. ‘La nueva ruralidad brasileña. Lo que cambió (y lo que no cambió) en el ámbito rural’ Nueva Sociedad, No.223: pp.146-163.


[Escribir texto]
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus


[Escribir texto]
Sustainability in Brazil and Argentina: the trade unions within the commodity consensus


[Escribir texto]