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The social actors and structural adjustment

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This paper presents several hypotheses on the social and political context of the application of the so-called structural adjustment policies and their effects on the social organization and patterns of conduct of the collective actors involved. The central idea put forward here is that, quite apart from the crisis (economic, social and sometimes political) which precedes and generally accompanies the application of these policies, they ultimately bring about profound and lasting changes in the social structure of the countries implementing them. These changes, although assuming different features in each region and in the different countries, have taken a universal and trans-ideological scope. So far, much of the economic and social research has been concentrated on analysing the social disorganization which accompanies this transition, but it now seems necessary to devote greater attention to the new social order which arises with the process of structural adjustment. There are not sufficient empirical studies to make it possible to draw general conclusions in this respect; consequently, this study limits itself to putting forward some hypotheses designed to further the debate on this matter. It should be noted that, although structural adjustment is a process taking place in almost the whole world, this paper takes as its basic field the developing countries, and especially those of Latin America.

I
Structural adjustment

Since the early 1980s, the concept of structural adjustment has come to be a central element of economic policy as a result of the signals emitted by the multilateral finance and development institutions: the International Monetary Fund (IMF) and the World Bank. Structural adjustment means the way in which national economies must adapt to the new conditions of the world economy, characterized both by technological changes which demand greater flexibility within enterprises and greater decentralization of production and by more competitive and unstable world markets (Cortázar, 1989).

In the developing countries, the application of structural adjustment policies has pursued three main objectives (Mosley and Toye, 1988):

a) A financial objective, namely, that of providing resources for those countries which have acute external debt and balance of payments problems, since securing relief through greater liquid resources is an essential requisite in this case for the application of more structural economic reforms.

b) A macroeconomic adjustment objective which seeks to recover external balance in the short term through control over aggregate demand (expenditure-reducing policies). The measures in this field are aimed at reducing government expenditure (especially social and infrastructural expenditure), lowering or eliminating subsidies, securing a contraction in the money supply, and increasing real interest rates. Although the direct objective of these policies is to restore the external balance, it cannot be overlooked that they have more general effects.

c) A microeconomic adjustment objective aimed at improving economic efficiency through measures affecting supply (expenditure-switching policies) designed to promote growth by exploiting comparative advantages and making more effective use of capital and the other factors of production. To this end, efforts are made to change the relative price structure (real wages, interest rates, exchange rates) in order to encourage the transfer...
of resources from the production of non-tradeable goods to that of tradeables and, more generally, to increase the degree of response of supply. This is what leads to such measures as devaluations, trade liberalization, elimination of State subsidies, privatization of public enterprises, elimination of price controls, etc.

The objectives pursued by structural adjustment policies are not greatly different from the efforts at restructuring that take place in some socialist economies and which are characterized by assigning a more important role to the market in resource allocation, encouraging forms of private ownership, promoting foreign investment and favouring integration into international trade. Consequently, even though there may be differences with regard to the starting point, sequence and intensity of the measures taken and the instrument used in each national system or case, it is undeniable that all over the world the same megatrend is to be observed: a move towards deregulation, freedom of the market, privatization and internationalization.

Now, if we look at the various national cases, we see that the structural adjustment policies have been applied in two principal ways: through shock policies (that is to say, a broad set of measures applied simultaneously to secure immediate effects) or through gradualist policies involving corrective measures applied over a lengthy period of time and against a background of reactions from public opinion and the social and political actors. An interesting point to note here is that the selection of one or the other method does not depend primarily on the ideological stamp of the government in question.²

If ideological considerations are not the determining factors in this respect, then what does determine whether the structural adjustment is carried out through shock policies or through a gradualist approach? A comparative analysis makes it possible to identify certain economic, social and political conditions which, together, seem to help decide whether one or the other solution is selected:

a) The presence or absence of an active economic crisis with its inevitable social consequences is a factor that strongly influences the type of structural adjustment effected. If there is only a latent crisis, most probably a gradualist policy will be preferred, but if there is an open crisis (manifested in acute inflation, fiscal and balance of payments deficits, extreme social conflict, etc.) these conditions will tend to lead governments to select shock solutions.

b) The degree of independence enjoyed by the countries vis-à-vis multilateral agencies such as the IMF and the World Bank is another factor influencing the type of structural adjustment applied. Until recently, these agencies favoured the application of shock policies in their recommendations. The adoption of a gradual approach, however, depends partly on the amount of resources that can be obtained abroad for financing the transition. If a country is highly dependent on external financial assistance, it will have to follow those agencies’ recommendations, but if, on the other hand, it has a greater degree of independence, it will have more leeway for applying gradualist policies.

c) The degree of resistance aroused by the structural adjustment among the social actors (especially among the trade union movement, business associations, professional associations and high public officials) will also affect the government’s possibilities of applying one type of adjustment in preference to another.³ Thus, if there is strong resistance, it will most likely prefer to adopt gradualist policies, but if there is little resistance this opens up the possibility of selecting a shock policy. The resistance of the social actors is determined by two factors: firstly, their degree of political identification with the government in question, and secondly their level of organization. The less the degree of political identification of the social actors with the government, the greater their resist-

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¹ This type of restructuring is clearly observable in the cases of Hungary, Poland and China, but the economic policies followed by the Soviet Union also aim in the same direction (Duchêne, 1980).
² For example, it cannot be maintained that shock policies are typical only of authoritarian political regimes, since there have been applied by democratic governments which were themselves of differing ideological characters. On the other hand, there are regimes with an authoritarian reputation which have set about processes of restructuring through gradualist means, as in the case of the Soviet Union.
³ The social actors’ capacity for resistance, in turn, is conditioned by the existence and functioning of democratic institutions (parliament, free press, freedom of association, etc).
ance to the adjustment will be, and the more powerful they are, the more effective their resistance will be. The power of the social actors is also related to the existing level of corporatism of the societies and the degree of severity reached by the economic crisis (an open crisis weakens the social actors structurally and organizationally and thus reduces their capacity to block government policies).  

d) The political strength of governments is another factor conditioning the type of adjustment applied. A government which is strong (either because it has broad electoral support, because it is backed up by a majority coalition, or because it has the backing of powerful armed forces) will have more possibilities of implementing a shock policy and if necessary overcoming the resistance of the social actors. In contrast, a weak government will be obliged to seek compromises with the different political and social forces and will have difficulty in applying a consistent policy from the start, because it will also encounter opposition within the State apparatus itself. Democratic governments are usually stronger in the first half of their periods of office, so that unless shock policies are carried out in this first period they will subsequently have little possibility of success. It may also be noted that the failure of an attempted structural adjustment based on shock policies weakens the government responsible to such an extent that it will not even be in a position to attempt a gradual adjustment later.  

e) The success of structural adjustment policies—and this is true both for gradual and for shock policies—is partly conditional upon the existence of a competent public administration capable of applying the corresponding measures in a consistent and ongoing manner, for—leaving aside the liberal discourse surrounding structural adjustment policies—it must be acknowledged that they involve drastic State intervention. And if shock measures are applied, then an effective State bureaucracy is vital for overseeing the application of the measures and controlling their effects: in contrast, if a gradual approach is adopted, there are more possibilities of building up this bureaucracy in the course of the process.

In short, the more intense and generalized the economic and social crisis of a country is; the greater its dependence on multilateral finance agencies; the weaker the will and capacity of the social actors to resist the new policies; the stronger the Government; and the more highly organized the State administration, the greater will be the possibility that the adjustment will be carried out through shock policies. On the other hand, if the economy of a country is relatively stable, it has some independence vis-à-vis the recommendations of the multilateral agencies, the social actors have the power to block the application of certain economic measures, or the government is politically weak and does not have a disciplined body of civil servants, the most likely outcome is that the adjustment will take the form of a gradualist policy. In the final analysis, the adoption of such a strategy or of shock measures will depend on the mutual interrelations of some of these factors rather than on the ideology of the government in question.

6 This was what happened with the Government of Alfonsín in Argentina. When it tried to carry out an adjustment with shock policies, it no longer had the necessary legitimacy for this, so that all it managed to do was further multiply the reigning economic chaos. Alfonsín’s problem, however, was that he did not have sufficient power when he began his period of office either, since at that time, immediately after an authoritarian regime such as that which existed in Argentina up to 1983, the democratic State was still very weak. It may be inferred from this example that a government cannot simultaneously tackle the reconstruction of the democratic political system and the economic and social remoulding involved in a structural adjustment process. In other words, structural adjustment policies would only appear to be viable either before a transition to democracy, or after the consolidation of the latter.

7 As noted by Jessop, Jacobí and Kastendiek (1986), all economic restructuring (and this is just as true of the present process as of that which took place after the war) involves strong State intervention which will tend to slacken later when the new order has reached its peak.
II

The transition

Structural adjustment policies are being applied under different names in all regions of the world and by regimes of the most diverse ideological leanings. These policies are bringing about the restructuring of patterns of accumulation or development and of the form of regulation of the economy and of social relations. These sweeping changes are not due to any accidental causes but to the decline (at both the international and the national level) of the previously existing economic and social order. In line with this approach, the structural adjustment may be interpreted as the moment of transition, strongly impelled by national States and by multilateral agencies such as the IMF and the World Bank, from one mode of accumulation and regulation to another. Like every transition on this scale, it is accompanied by some degree of disorder, but such great changes can only be understood from their long-term projections, and not from their more immediate effects.

The structural adjustment must be understood in the context of the end of one phase in the world and national economies and the beginning of a new one. This transition has been precipitated by exogenous factors—the 1974 oil shock, the external debt problems of the 1980s, and the structural adjustment policies recommended by the IMF and the World Bank— but it has a basic endogenous cause: the crisis of a pattern of accumulation and regulation (“Fordism”) based on mass production and mass consumption (Jessop, Jacobi and Kastendiek, 1986; Lipietz, 1984). Among the salient features of the order which is coming to an end, mention may be made of the following:

a) From the point of view of production, it is characterized by mass production based on the system of automatic machines (“Taylorism”), with a form of collective organization of labour at the enterprise level which has led to the expansion of semi-skilled labour at the expense of skilled and unskilled labour.

b) From the point of view of consumption, it is characterized by the “growing importance of the mass consumption of standardized goods and/or the collective consumption of goods and services provided by the State, in contrast to the consumption of individualized goods and/or home produced goods and services” (Jessop, Jacobi and Kastendiek, 1986, p. 3).

c) From the point of view of the form of regulation, it is characterized by the combination of the following institutional forms (Lipietz, 1984): i) the generalization of wage relations in all sectors (including the tertiary sector) and types of activity (including those of management and control), at the expense of home, craft or independent work; ii) the fixing of wages (with, in most cases, a minimum guaranteed by the State) through long-term collective contracts generally adopted at the level of industrial branches, regions or the entire country, thus displacing direct ongoing negotiation between the employer and employee; iii) the growing importance of the State, both for ensuring economic growth and stability and full employment through Keynesian instruments and for guaranteeing the social security of the population through the Welfare State.

d) From the socio-political point of view, Fordism was characterized by what some writes have called the “Keynesian consensus”: a political exchange which involved on the one hand the acceptance of private control over the means of production, that is to say, the de-politicalization of the productive sphere, and on the other hand, the acceptance of the capacity of the State to intervene in the economic process in the spheres of circulation and realization” (Altvater, Hubner and Stanger, 1986, pp. 19-20). This same idea has been conceptualized by Przeworski (1983; 1985) as the “class compromise”, whereby the workers consent

8 The influential French school on regulation associated with the names of Aglietta, Brecher, Boyer and Lipietz uses two concepts which are important for the purposes of this study. The first of these is the “regime of accumulation”, which refers to “a form of distribution and systematic reallocation of the social product which brings about, over a lengthy period of time, some degree of mutual adaptation between the changes in production conditions... and the changes in final consumption conditions” (Lipietz, 1984, p. 4). The second concept is that of the “mode of regulation”, defined as “the set of institutional forms, systems and explicit or implicit rules which ensure the compatibility of behaviour within an accumulation regime, in keeping with the state of social relations, over and above the contradictions and the conflictive nature of the relations between the social actors and groups” (Lipietz, 1984, p. 6).
to control by the capitalists over the means of production in exchange for the security (guaranteed by the State) that their material interests will be satisfied (Tironi, 1988).

Between 1945 and the mid-1970s, the Fordist model—which took shape through the experience of the industrialized countries—became the paradigm for economic policy in almost all countries of the world. In some cases (for example, in the most industrialized countries of Latin America, such as those of the Southern Cone), it came to represent what Lipietz (1984) called “peripheral Fordism” or what was called in Latin American economic literature “inward-looking development” or “substitutive industrialization”.

The world crisis of the 1930s did, in fact, precipitate the adoption of an industrialization strategy induced and protected by the State in Latin America. As Tokman (1989) points out, that strategy endowed these countries with an industrial base with modern technology (that is to say, it installed a Taylorist organization of labour); it turned industry into the motor of growth and the main source of the generation of increasingly specialized jobs (that is to say, it extended wage relations and drove out craft workers); it led to a constant rise in real wages (that is to say, it generated mass consumption); and it led to a constant increase in the number and breadth of collective contracts negotiated between the parties (that is to say, it institutionalized the ongoing collective fixing of wages). The “Keynesian consensus” extended to these societies too: the central role assigned to governments in ensuring effective demand that would permit sufficient levels of expansion of production and employment, and the responsibility assigned to the State for protecting the poorest groups and incorporating them into social benefits, constituted a tacit agreement committing the most important social and political forces. The 1974 oil shock set off the first great economic recession since the end of the war (with severe effects on employment and wages) and precipitated the collapse of the Fordist accumulation regime and mode of regulation in the industrial countries. The roots of the crisis of Fordism went back further than that, however, and had been evident since the late 1960s in the fall in productivity increases and a significant explosion of labour conflicts (Lipietz, 1984; Crouch and Pizzorno, 1978). In addition to this, there was the problem of the introduction of new technologies which are incompatible with the Taylorist organization of labour, since they call for greater flexibility and decentralization (Montero, 1989). Thus, while this crisis affected Keynesian policies—that is to say, the concept of relying on budgetary policies that permit manipulation of aggregate demand in order to achieve full employment and stable economic growth—it went further than that, since it extended to the entire accumulation regime and mode of regulation (Jessop, Jacob and Kastendiek, 1986). This explains why the crisis has not been limited solely to countries with a Keynesian-type Welfare State, but has taken on a universal character.

In Latin America, the crisis of Fordism assumed certain special forms which differ according to the type of country. In the nations of relatively greater development, it was reflected in the difficulties both in keeping up the expansion of industry (which involved entering the “difficult stage” of substitution of intermediate and capital goods and expansion of markets) and speeding up the processes of social incorporation, and this culminated in social and political upsets which often ended in authoritarian regimes (Foxley, 1985; Tironi, 1985; Hirschman, 1986). In its most open form, however, the crisis only broke out in 1982, when international interest rates rose spectacularly. Up to then it had been possible to put off the arrival of the crisis in Latin America because of the availability of resources due to the high interna-

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9 It should be noted that many of the features of Fordist accumulation and regulation are also to be observed—in some cases to extreme degrees—in the Eastern European socialist countries. "Socialism" and "capitalism", it would seem, merely designate two "forms of industrialization"—one directed by the national bourgeoisie and the other directed by the national State—without any major differences with regard to the organization of labour and production and class relations (Touraine, 1984).

10 This peripheral (or Latin American) Fordism was of course only partial, since the modern sector, represented by industry, co-existed with a "marginal" (Germani, 1969) or "informal" (PREALC, 1978) sector which could not be absorbed because of the "insufficient dynamism" typical of peripheral capitalism (Prebisch, 1976), thus giving rise to a "dual" or "heterogeneous" economic and social structure (Cardoso, 1968; Pinto, 1970).

11 The notion of the "popular national State", as well as the concept of the "committed State", bear witness precisely to an effort to describe this "Latin American-style Welfare State" which is recognized as having played a central role in the economic development and social integration of the countries of the region between the 1930s and 1960s.
tional liquidity, but once the latter phenomenon came to an end this marked the beginning of economic recession, with its sequels of unemployment, de-industrialization, an increase in the number of informal-sector workers, wage reductions, etc. (Tokman, 1989).

In the industrialized countries, overcoming the crisis meant a transition to a new system of production and regulation — given the name of “post-Fordism” — in the context of a reorganization of the world economy (Jessop, Jacobi and Kastendiek, 1986). The fundamental features of this new order are the following:

a) The introduction of new technology based on microelectronics, which brings about important changes in the Taylorist organization of labour. The flexibilization of production means the end of the homogenization of the labour force, which is now polarized between unskilled manual workers (many of them not employed on a permanent basis) and highly specialized workers with creative and supervisory functions (Montero, 1989; Jessop, Jacobi and Kastendiek, 1986; Piore and Sabel, 1984).

b) The abandonment of the goal of full employment and, along with it, the expectation (characteristic of the Fordist model) of increasingly high levels of mass consumption (Jessop, Jacobi and Kastendiek, 1986). The mass market gives way to an increasingly segmented market, and increasingly personalized goods take the place of mass-produced articles.

c) The generalization of unstable, temporary or atypical forms of employment with low levels of social protection and high dependence on very short-term economic situations, which means that the core of steady wage earners is increasingly small (Córdova, 1986).

d) The extension of subcontracting and individualized wage levels, which is both a result of the decentralization of production and the greater flexibility in the work process, and at the same time acts as a further incentive for them. Not only does the mass of wage-earners become smaller, but it also loses internal cohesion, since wages and working conditions are no longer negotiated collectively.

e) The abandonment of Keynesian policies and the dismantling of the Welfare State (Jessop, Jacobi and Kastendiek, 1986). This means that: i) the privatization of the public sector and deregulation of the private sector are encouraged; ii) although the State continues to intervene in the economy, it no longer does so in order to regulate the market forces but instead to stimulate them through its management of monetary and fiscal policy, and iii) the social services are transferred to the market, and the social policy of the State is focused on certain target groups in line with minimalist criteria.

Just as the developing countries were not impervious to the crisis of Fordism, nor can they stand aside from the new tendencies characterizing the so-called post-Fordism (Tokman, 1989). Indeed, the transition to a new system of production and economic and social regulation is nothing new to the countries of the periphery. It must be repeated once again that the fact that this transition is being directly induced by governments through the structural adjustment policies pressed on them by the IMF and the World Bank should not lead anyone to think that the changes now taking place are accidental or transitory. The changes underway cannot be interpreted from a purely economic point of view, since they are linked with significant changes in social relations and actors, as well as in the political system and the ideological climate, which transcend the immediate effects of the crisis and the transition.

12 Exogenous factors enter into every historical change of any scale. This is even more true in the case of the developing countries. Even when there is no foreign power which exercises dominant influence, it is the State itself which exerts a decisive influence on the economy and society (Touniine, 1988). In the recent past, the whole weight of the State was put behind the promotion of Fordist-type industrialization and modernization. Today, that same weight of the governments and of the elites associated with them has been brought into play to carry out the structural adjustments considered necessary in order to progress to a new economic and social order.
III

The resistance of the social actors

The social actors (that is to say, groups of individuals with common interests whose realization depends on their capacity for organized collective action) generally develop an attitude of resistance to structural adjustment policies which seek to bring about transition from the Fordist to the post-Fordist order. Obviously, this reaction is motivated by the perception that such policies will adversely affect those common interests, and/or the uncertainty generated by any change in the economic and social system. 

The main resistance to structural adjustments undoubtedly comes from the trade unions. These immediately perceive the negative effects on the living conditions of the workers and the power of the trade unions which will result from greater unemployment and casual labour, the flexibilization of the labour market, the dismantling of public social security systems, and the reorientation of the economy towards external markets. There is also immediate resistance from the employees of the State and public enterprises, because except in the case of high-level technicians and bureaucrats, the trend towards privatization leads to cuts in the number of such employees and a decline (at least for a time) in their economic and social status. The professional associations are just as critical of the changes, since deregulation takes away from them a large part of their functions, which are transferred to the market. Moreover, even though structural adjustment policies seek to foster entrepreneurial activities, they are also opposed by part of the business community, especially producers of goods which are non-tradeable or are oriented towards the domestic market.

In principle, therefore, structural adjustment will generate resistance among most of the social groups or actors. This may or may not be sufficiently effective to prevent or paralyse the implementation of the measures designed to bring about economic and social change. Whichever of these two results takes place will depend basically on the level of "corporatism" of the society: that is to say, the existence of a socio-political system based on encompassing intermediate bodies which practically monopolize the relation between individuals and the State (Schmitter and Lehmbruch, 1979). Thus, if there is a long history of corporatism in a society, the social actors' possibilities of resistance will be much higher, so that it may be necessary in some cases to abandon the efforts at restructuring or apply gradualist strategies on more consensual bases. This is a dynamic phenomenon, however. Thus, for example, the social legitimacy of a corporatist structure may be eroded precisely as a result of the blocking actions which it imposes. In these circumstances, the capacity of the social actors for real resistance to structural adjustment policies —leaving aside speeches and declarations— may turn out to be much smaller than might have been expected. It may be added that, in general, the social actors' possibilities of opposition are reduced if there is an open and prolonged economic crisis, since this will lead to the fragmentation of the common interests and organization on which any collective action must be based.

Any government which proposes to apply economic and social restructuring or structural adjustment measures must therefore break down the resistance of certain social actors, the effectiveness of which will depend on the factors mentioned above. If it does not manage to do this, this may lead to an impasse which will prolong the crisis or disorder accompanying the exhaustion of the old system of accumulation and regulation and hold up the transition to a new one.

A comparative analysis makes it possible to identify four models whereby governments have managed to overcome the opposition of the social actors:

a) The first model ("authoritarian") is that in which the resistance of the social actors is broken
through the use of force, i.e., through the suspension or limitation of the rights of association and petition. This procedure can be applied by military governments (as happened in Chile) but also by democratic governments (as for example in Bolivia). This model is usually imposed after a profound political crisis.

b) The second model ("co-optation") is that in which the government manages to divide the social resistance front by winning over to its policies the support of businessmen and part of the middle groups. The more acute the "perceived threat" (O'Donnell, 1977) of other social and political forces feared by these sectors, the reader they will be to support the plans of the government.

c) The third model ("political") is that in which a government that is in a strong electoral position (either because it has obtained a substantial majority in recent elections or because it is supported by a broad coalition) appeals directly to the population or public opinion and wins their support for attacking and overcoming corporatist resistance.

d) The fourth model ("compromise") is that in which the government wins the support of the trade unions for the implementation of restructuring policies which will involve costs for the workers, in exchange for long-term guarantees and greater institutional participation in the design of economic policy. In order to reach a compromise of this type, the trade unions must place their confidence in the government, and this usually occurs when political parties closely associated with them have some degree of participation in the government.

The above-mentioned models are of course ideal types which are not observed in a "pure" form in any particular national case; instead there is usually an original combination of these types. What is important to note, however, is that firstly, there will always be some degree of resistance by the social actors to changes in the system of accumulation and regulation, and secondly, if this resistance is broken by the government (as in the first three cases), the social actors will thereafter be severely weakened. Thus, the manifest inability of these actors to defend the common interests of their members immediately leads to a preference for individual action, generally along the lines of conformist efforts to secure some adaptation of the new economic and social order which is being created. In the case of trade unions and professional associations, this attitude is reflected particularly in loss of membership and a high degree of independence of action of "primary" level organizations with respect to "secondary" and "tertiary" bodies; in the case of business organizations, this leads to the paralysis of their corporative activity.

IV

Social disintegration and reorganization

Structural adjustment policies are carried out by governments in order to bring about a transition from a rapidly deteriorating system of accumulation and regulation to a new system. They are therefore always applied in a context of economic, social and often also political crisis, which may be of varying degrees of intensity. Initially, the adjustment measures will tend to make this global crisis more acute. This state of disorder brings with it fragmentation of the system of social stratification. At the same time, it leads to a state of anomy in which individuals oscillate between apathy and rebellion, since they cannot perceive common interests around which to establish collective action. This situation of social disintegrarisation

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14 This trading of "immediate economic goods" for "political goods" (such as greater participation by the trade unions in the taking of economic decisions) is what Pizzorno (1978) called *scambio politico*.

15 Olson (1965, p. 7) points out that obviously for an individual there is no point in belonging to an organization when disorganized individual action can serve his interest as well as or better than action through such a body.
tion means that the elite and the State will assume leading roles.

From the point of view of social stratification, such a situation of crisis and transition will be accompanied by reduction of the functional differentiation of social classes or groups and the expansion or strengthening of conglomerates (sectors, marginal groups, elites) which do not stem from economic relations. The result of this is that the whole structure of status and roles loses complexity and becomes highly unstable. This likewise has the effect of strengthening—as a defence reflex—the internal links of the primary groups, thus increasing social segmentation. Prolonged mass unemployment, for example, upsets the whole system of stratification (from social classes down to the family itself) and de-socializes the individual, who tends to join up with his closest groups (Jahoda, Lazarsfeld and Zeisel, 1971).

These global crises have manifestations which go beyond the fragmentation of the material base of the social groups, however. They also involve a severe weakening of the reference values and symbols which hold a society together. In extreme cases, this may result in a situation of anomie, i.e., the absence of rules capable of governing the behaviour of individuals. This is particularly so in the case of rapid processes of replacement of one economic and social system by another. If this process lasts too long in time or fails along the way, the probabilities of sinking into a situation of anomie are very high, since the “modern” pattern has suddenly become inaccessible, while the “traditional” pattern no longer exists. When there are no rules that provide stable patterns of conduct, the interest groups disintegrate, the bonds of affective solidarity which link individuals with society as a whole are weakened, and what results is disaffection vis-à-vis the social order, or individualism.

The absence of regulation of social relations gives rise to an unstable and unsatisfactory environment from the affective point of view, and in some individuals this gives rise to idealistic “substitution images”. When they fall into a mental state of “romanticism”—as Parsons called this phenomenon—individuals have a high proclivity to cast aside their apathy in favour of short, intense mobilization—which may even take the form of violent revolt—that gives them an image of themselves as strong, respected persons (Kornhauser, 1959): this makes the masses visible, takes them out of the anonymity and mediocrity of everyday life, and allows them to experience a feeling of solidarity: in short, it gives a meaning to their existence (Graumann and Kruse, 1984).

Consequently, in conditions of crisis and social disintegration there are no longer social actors, but only forms of conduct aimed at defence or adaptation and expressive mobilizations which are often manipulated by the elites. The intermediate associations disappear or are weakened, and in the face of the insecurity produced by atomization, individuals tend to retreat into primary groups based on links of an affective nature, thus further increasing their isolation and social segmentation. Defence actions—which may take the form of mass revolt, especially by marginalized groups—are aimed fundamentally at defending the identity of a group or registering a moral protest rather than at furthering common interests based on the economic and social structure (Touraine, 1984; 1987). The dissatisfaction or frustration generated by social disintegration does not lead to reactions involving collective violence, however, since this implies the existence of social groups with their own identity, organization and resources, which does not occur in a situation like this.

It should be borne in mind that symptoms of social disintegration are present in every transition from one economic and social order to another. These are periods when the fate of the individual is dissociated from that of the community, thus reducing the importance of collective action of the social actors. It is literally a form of decadence of society, but from the historical point of view it

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17 It is the psychological instability caused by a situation of social disintegration which makes individuals vulnerable to the appeal of charismatic leaders of the masses, of prophet-like figures of religious origin who offer the restoration of the lost community in the “hereafter”, and of authoritarian ideologies of different ideological types (Kornhauser, 1959; Moscovici, 1981).

18 As we have shown in other studies (Tironi, 1989a and 1989b), conditions of social disintegration do not give rise to a particular propensity to resort to violence but, on the contrary, generate an attitude of passive resignation.
may be asserted that the loosening of social links is a phenomenon which always precedes the "rebirth" of civilizations, since when the routines are broken this also breaks up conformity, and this stimulates creativeness and reflection by societies about themselves.  

Save in exceptional cases, a situation of social disintegration cannot last indefinitely, as seems possible in the midst of the crisis. A new order is gradually being born out of the disorder; continuity emerges afresh after the disruption. New myths arise and old ones are reformulated, and these once again give society a common destiny. New rites are gradually consolidated by continued use and resume their function of integrating the individual into society and transforming disorganization into regularity and disorder into order (Balandier, 1988). The economic and social structure takes on increasingly regular forms which gradually determine routines, expectations and roles. Finally, new norms and institutions are consolidated (at both the political and social levels) and gain increasing legitimacy with the passage of time. The adaptation to the new order is effected first of all by individuals, but these are subsequently followed by the collective actors, both political and social.

Overcoming the crisis and the state of social disintegration—as well as the speed at which this can be done—will depend on a number of factors, among which mention may be made of the following:

a) The existence of a governmental elite which perseveres in the application of the economic and social restructuring project;

b) The presence of a business class with capacity to learn and change and to adapt itself to the new system of regulation and the new international insertion of the economy concerned, instead of trying to reproduce the attitudes and forms of conduct typical of the old Fordist-Keynesian system;

c) Support for the adjustment policies among sectors of the middle classes which may be interested in participating in a new "business culture" as well as of privileged working class groups interested in protecting their status;

d) The application of institutional reforms which remodel the social relations in certain key areas, such as reforms designed to remodel the labour market and deregulate labour relations.

The social actors will emerge from their prostration and recover their leading roles only when the economic and social restructuring process has been consolidated. Indeed, they can hardly be expected to rearticulate themselves within a context of economic crisis, reorganization of the systems of production and regulation, and institutional and political change. This is why it is often noteworthy that the "silence" of the social actors continues beyond the turning point after which the crisis begins to be overcome. This is only normal, however: there will always be a gap between the moment of economic and institutional reorganization and the moment of the rearticulation of the social actors, since the latter process rests upon the former.

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19 As the most recent scientific advances prove, crises, together with disorder and "chaos", are not just symptoms of a "dysfunction" of society: they are also moments which "generate innovations", permit the "simultaneous flowering of a host of new possibilities" and represent "a point in time at which society becomes more communicative" and more transparent, thus highly favouring "the capacity of the social system to reflect on itself" (Balandier, 1988). Crises and periods of social disintegration thus lead to profound redefinitions of the social actors, both because of the changes in their material basis and in the institutional regulations to which they are subject and because of the superior level of knowledge of themselves and of the system which is attained in this way.

20 This list naturally excludes strictly economic or economic policy factors such as the international terms of trade situation or the consistency of the macroeconomic measures applied.

21 As already noted, the social actors are not agents of change, but of the functioning of societies (Touraine, 1984). Consequently, they cannot begin to assert themselves until a certain degree of economic stability is recovered and a suitably regulated political and social "arena" is created.
Social segmentation and collective action

The end put to the Fordist regime of accumulation and regulation by the structural adjustment policies brings with it profound changes in the social structure and, hence, in the social actors and the system of relations between them and the State. To put this briefly, these changes overturn the old paradigm of modernization, according to which this process impels societies towards growing homogenization (of their beliefs, attitudes and economic and social organization) around the industrialization model, through mass production, consumption and communication. On the contrary, with the end of Fordism there is a strengthening of the image of a society made up of various segments organized “around different rules, processes and institutions which produce different systems of incentives and disincentives to which individuals respond” (Berger and Piore, 1980, p. 2). These segments are likewise “a coherent whole which draws its unity both from the consistency of its internal rules and organization and from the stability characterizing its relations with the rest of society” (Berger and Piore, 1980, p. 2). Until some time ago, segmentation and dualism seemed to be exclusively features of societies in the process of modernization, but with the end of Fordism, segmentation and dualism seem to have become features of modernization itself: consequently, the interpretation of the changes which are taking place in the different parts of the world can draw upon the same set of concepts.22

Many of the tendencies which, at times of crisis and structural adjustment, seem to point towards social fragmentation and/or disintegration, finally turn out to be factors helping to shape this new social order: for example, fragmentation turns into segmentation; disintegration turns into pluralism, and so forth. To the extent that social heterogeneity is consolidated and institutionalized, this reduces to a minimum the range of “common interests” referred to by Olson (1965). This leads to the decline of centralized collective action and leading social actors and the rise, in contrast, of individual action, organization centered around primary or local groups, and segmented and decentralized social action, focussed on particular issues and articulated basically through political parties or the State.

This tremendous set of changes has far-reaching effects on the trade unions, as a social actor, on the business community, and on their mutual relations. It raises queries about what will happen with the groups which occupy the most marginal positions in the dualist structure, now that the modernist objective of social integration as homogenization is disappearing. Finally, there remains the question of the role to be played by the State in a society based on segmentation, when it has lost many of its regulatory instruments and its role in the production and distribution of basic social services.

1. The trade unions and the business community

There is general agreement in the literature that the trade unions will come out of the current changes severely weakened (Regini, 1986; Córdova, 1986; Piore, 1986). During the crisis which accompanied the economic and social restructuring, they had to suffer the effects of unemployment, the decline in wages, the increasingly precarious nature of employment, and in many cases also the failure of their efforts to resist the structural adjustment policies.

The weakening of the trade unions as a social actor has causes that go beyond this, however. These are connected with certain features of the new regime of accumulation which erode the conditions on the basis of which trade unions and collective negotiation were developed. Thus, there is a tendency towards the disappearance of full-time wage employment: that is to say, employment in big industrial plants with a stable wage negotiated collectively, depending always on the same employer and enjoying the protection of social laws.
and benefits guaranteed by the State (Córdoa, 1986). The displacement of industry by services, technological change, and the decentralization of production, together with other factors, have led to the generalization of atypical forms of employment, including self-employment through independent activities or the formation of micro-enterprises, moonlighting, informal employment, and the expansion of contracts with one or more of the following characteristics: subcontracting, part-time work, fixed-term contracts, or flexible wages. These changes in the labour market have fragmented the social base of the trade union movement, reducing its capacity to represent the aggregate or common interests of workers and to channel their mobilization in an organized way (Regini, 1986). In the long term, this is what explains the drop in trade union membership (Córdoa, 1986) and the increasingly common occurrence of wildcat strikes which are out of the control of the trade unions and affect certain specific categories of workers.

But the weakening of the trade union actors is also related with the end of the conditions which made possible some degree of concertation or consensus-building in the formulation of economic policy between the trade unions, businessmen and the State: what has been called in Europe the "neocorporatist arrangement". With regard to the trade unions, this arrangement involved "a high degree of centralization and concentration ... combined with the monopoly of the unions as representational bodies" (Regini, 1984 and 1986), the latter feature being increasingly rare because of the decline in trade union power as a result of the fragmentation of their social base.24

The concertation-based model also assumed the existence of an interventionist and regulatory State capable of organizing and enforcing agreements and possessing public resources (social and fiscal benefits, jobs) which form part of the negotiation process, all of which disappear with the dismantling of the Keynesian Welfare State (Goldthorpe, 1984).

But just as it weakens the trade unions, the economic reorganization strengthens the business sector. In the case of the developing countries, the sector most favoured in this way is that connected with the international economy as producer of tradable goods and financial and trade services; in contrast, the traditional industrial sector oriented towards a protected domestic market is adversely affected by the restructuring process, since it must now compete with imports. The degrees and forms of incorporation of the business community into the new accumulation regime are therefore very varied, and the tendency towards segmentation does not leave this sector untouched. Such segmentation has repercussions on the corporative organization of the business community. As in the case of the trade unions, these organizations can no longer pretend to represent the "common interests" of the sector in a centralized manner, thus leading to their gradual weakening. In addition, there is the presence of a State which has abandoned a considerable part of its prerogatives with regard to the regulation of the economy, so that the organization of businessmen to exert pressure on it no longer makes sense. In a more segmented economic and social structure, where regulation is carried out by the market forces, the most likely outcome is that the tendency of businessmen to act as individuals will be strengthened, while their corporative organization will decline.25

As a general trend, the end of Fordism and of the Welfare State and the deregulation and privatization measures adopted mean that the power relations will be altered in favour of the business community as a whole (Regini, 1986). This causes many businessmen to imagine that class conflicts can now be left to the market forces once again, making it possible to eliminate the forms of economic and social concertation of the past, to which they now take a negative attitude. In most countries, however – especially European countries with

23 Córdova (1986) gives some impressive figures on the expansion of this type of atypical employment. Thus, for example, in 1985, 28% of all those employed in Norway were working on a part-time basis; in recent years, two-thirds of new contracts in Portugal and Sweden were on a fixed-term basis; in 1984, 18% of the Spanish labour force were moonlighting, and in Korea one-third of the labour force is engaged in atypical forms of employment.

24 This process affects above all the so-called "tertiary" trade union organizations (national or regional confederations), since the reason for their existence is precisely to represent aggregate interests, which become more and more elusive because of segmentation. The "secondary" and "primary" bodies (federations and factory unions, respectively) are in a better position to resist these tendencies.

25 As in the case of the trade unions, this decline in corporative organization will affect the business confederations (at the national and regional level) more than the federations or other bodies at the industry or local level.
a social-democratic tradition— it is not possible to do without the consent of the trade unions altogether. Business strategy is therefore directed towards increasing bargaining power by taking advantage of the dualization of the economic and social structure and the segmentation of trade union power and industrial relations: in the sectors or enterprises where the unions are weak, the owners will act at their discretion, while in sectors or enterprises where the unions are stronger, their co-operation will be sought through local compromises (Regini, 1986). In both cases, however, it is a question of removing the negotiations from the more political level (as when they are carried out at the regional or national scale) and putting them on the level of industries or firms, since the more direct the negotiation, the less possibility there is of an open conflict.\(^{26}\)

In the face of this strategy by the business community, and in a context characterized by segmentation, the trade union movement finds itself at a crossroads (Goldthorpe, 1984). One road involves opposing “dualism” in the name of the general interests of the working class. In this case, the action of the trade unions will be oriented basically towards the “political market”, where it will represent the “working class” as a whole (including the unemployed and workers in atypical forms of employment) in order to secure the adoption of legislation which reduces dualism and to try to negotiate a new social contract. The other road open to the trade unions is to accept segmentation and concentrate on the defence of the specific sectoral interests of their members at the level of the units of production: this is what has been called “micro-corporative forms of unionism” (Regini, 1986, Goldthorpe, 1984). The situations and styles may vary from one country to another, but the general tendency is towards an accommodation of trade unionism to the new social structure, sometimes even after having tried the first of these two roads.

2. The marginal groups

Among the segments making up present-day society, some of them occupy the most precarious positions in the labour market (unstable and/or low-productivity occupations) or are simply excluded from it altogether because they are at the lowest levels of the scale of incomes, live in particular geographical areas, and lack their own means of social mobility. In the developing countries, this segment has come to be called “marginal” or “informal”.\(^{27}\) Although this phenomenon is not exclusive to these societies it is obvious that in them it is on a much more massive scale than in the industrialized countries; furthermore, in the first-named countries the gap between the marginal segment and the other segments of society is much more marked.\(^{28}\) In the non-industrialized countries, the economic and social restructuring brought about by the structural adjustment policies has greatly increased the size of this marginal segment, accentuated the social distance between it and the other sectors of society, and narrowed the channels of social mobility open to marginal groups (channels of mobility historically associated with the social action of the State).

The position of the marginal groups in the economic and social structure makes it difficult for them to become traditional social actors. This segment is made up of a multitude of subsegments with little internal unity and almost without mutual interrelations. Consequently, it is not possible to identify common interests which can give rise to collective action and be represented by an organization in institutionalized organs of participation.\(^{29}\)

For this reason, the action of marginal groups has

\(^{26}\) In many cases the structural adjustment policies are accompanied by reforms in labour institutions deliberately designed to discourage negotiation at the industry or national level and promote instead negotiation at the enterprise level, as well as to limit the power of the secondary and tertiary trade union organizations.

\(^{27}\) Abundant literature has been published on the subject of "marginality" and the "informal sector" since the 1960s, especially in Latin America. Some recent reviews of the subject are to be found in Tironi (1990) and Tokman (1978 and 1987).

\(^{28}\) Originally, the notion of dualism was used in Latin America to describe a society divided into two completely independent, discontinuous or "afuncional" segments (see for example, Nais, 1969). The term was subsequently extended by Piore and Sabel (1984) to refer to segmentation and discontinuity in general, which is observed both in the developing and the developed countries.

\(^{29}\) The presence of great marginal segments, divided and without independent representation, has been interpreted as one of the factors which has hindered solutions based on social conciliation in Latin America and also as one of the factors which has precipitated populist solutions in which the incorporation of these groups is the direct responsibility of the State.
historically been heteronomous with respect to the State. Before the structural adjustment, the latter made an effort to meet their demands, but under the logic of the new order this responsibility is left basically to the functioning of the market. The marginal groups see in this the indefinite crystallization of a form of dualism which they reject. The frustration generated by this largely explains the outbreaks of violence that take place periodically in Third World cities in connection with the application of structural adjustment policies. Inasmuch as these forms of mass behaviour do not bring about any change in the situation, however, they are followed by an attitude of resignation and conformist behaviour (Tironi, 1989b).

The hypothesis has been advanced that the trade union movement could represent these marginal segments, thus giving a more organic character and a wider projection to their actions. However, the trade union movement of today tends precisely towards the opposite, that is to say, it tends to concentrate on the defence of the sectoral interests of its members, giving up generic appeals to whole classes and, a fortiori, the people as a whole. In a society experiencing a process of increased dualism, the marginal sectors tend to waver between anomic or mass movements, resignation and conformity, or dependence on the State.

3. The State and the political parties

The termination of every form of Welfare State means that the State gives up its role as a body seeking social integration. The provision of society-wide social services had redistributive effects as well as opening up channels of mobility, thus reducing segmentation and hence favouring social cohesion. The transfer of these services to the rules of the free market and, at the same time, the trend towards precisely focused, discretionary and minimalistic social action, simply reproduces segmentation or “dualism” or even serves to establish it. When there is no possibility of returning to the old order, States are obliged to make up for the tendencies towards social segmentation by making the fullest possible use of the factors of political integration open to them. This would appear to explain the value assigned to the revival of national symbols and the attention devoted to the functioning of institutions. In this respect, the role of the political parties assumes fundamental importance. All over the world, they are less and less representative of specific social segments in conflict and instead have become bodies which appeal to national unity and have a heterogeneous social base.

In short, it is a question of trying to compensate for the contraction of the social role of the State by strengthening its political role. It remains to be seen, however, if this is sufficient to contain the risk that in the developing countries segmentation or “dualism” will eventually turn into social disintegration.

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