

Review

A perspective on public policies during the last dictatorship and the beginning of democracy in Argentina: The case of “Obras Sanitarias Sociedad de Estado Mar del Plata-Batán”

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During the 1990's Argentina was at the forefront of one of the most important privatization processes in the Western world. This breaking down of the old, post-war Intervention State began in the 1980's when this state was in clear decline. The purpose of this paper is to explore the first privatization attempts which -unlike the following privatizations- caused great conflicts among the political leaders and the organized labor movement. This study focuses on a state-owned, water and sewerage company in Argentina; this company begins its decentralization during the studied years and it is privatized in the following years.

Key words: Privatization process, political struggle, democracy, dictatorship.

INTRODUCTION

The purpose of this article is to analyze, to what extent, the discourse and implementation of neoliberal recipes met, without resistance, state policies aimed at the privatization of public companies in Argentina during the mid-80s. For this purpose we look into the transition of a local public company –*Obras Sanitarias Sociedad de Estado Mar del Plata-Batán*– decentralized from a larger company –*Obras Sanitarias de la Nación*– during that time. At the national and provincial levels, this company was privatized; however, as a result of the pressure from

anti-privatization unions and their reluctance to the incorporation of employees to a new municipal labor agreement – which they deemed disadvantageous– the Mar del Plata branch¹ constituted a unique case. That situation prompted the Municipality of Mar del Plata to create a strategy that satisfied the demands and needs of the local people. Some of these needs called for improvements in the supply and distribution of water and in the sewerage system. The employees of this company were not considered part of municipal personnel because they were ill-paid and received poor social benefits although the finances of the Municipality reached fiscal balance and public surplus was attained. A tentative solution to these problems was the creation, in 1984, of

¹The Argentinean city of Mar del Plata is located southeast of the Buenos Aires Province on the Atlantic shore. Mar del Plata is one of the country's major beach resorts with a permanent population of 650,000.

OSSE Mar del Plata-Batán. Such municipal level, state-owned company was the first and only one found in the country. In its particularity and uniqueness, the case of OSSE Mar del Plata-Batán encloses tensions, conflicts, and behaviors from the various players that took part in it. Their participation has contributed to the understanding of the actions and strategies of trade unions during the administration of Dr. Alfonsín¹ (1983 to 1989); the last possibilities of creating a state alternative against privatization; the intense process of privatizations of public companies during the 90s; and the diverse steps taken by different unions, both at local and national levels.

As already been said, this case is valuable because its resurgence, problematization and resolution took place in diverse contexts and involved assorted variables which were very particular at a national level. Even if the problematization on the object of study is not precisely our main concern, this will help us to cast light on the process of privatization and reform of the Argentinian state initiated in 1981 in which no similar situations were found until after the financial crisis of 2000 to 2002 when the state, as from 2003, begins to create public enterprises and to re-state others which were in private hands.

CONTEXT OF THE MILITARY PROCESS

The end of the Justicialista government² of the 70s was interrupted by a military coup³ that caused an inflection point in Argentina at the social, economic, political, and cultural levels. Nonetheless, some of the structural changes in the accumulation pattern -which were later deepened by the self-proclaimed National Reorganization Process- started during the government of María Estela Martínez de Perón⁴. In June 1975, severe shock

measures enforced by the Minister of Economy Celestino Rodrigo foretold the new scheme (Restivo and Dellatorre, 2005: 11) that would begin the slow downfall of the old Argentinean benefactor state.

The Dictatorship's economic policy enforced by Martínez de Hoz at the Ministry of National Economy (1976 to 1981) consisted in transferring the accumulation model from the manufacturing of industrial goods to a system of financial speculation, dependent on financial movements and foreign credits (Restivo and Dellatorre, 2005: 14), supported by the inner market. The Argentinean state became a guarantor of private indebtedness first and public indebtedness later, thus generating a transfer of revenue from the middle and lower sectors towards more concentrated capital. In addition, by not disarticulating some industry sectors dedicated to exports, small and medium companies began to compete with more concentrated national industrial groups, resulting in the bankruptcy of the former (Castellani, 2006; Schorr, 2004). The final characteristics of the new economic plan would then be composed by neoliberal, neoconservative, and even developmentalist ideas that aimed at disciplining society through the marketplace and redefining the relation between capital (big business community) and labor (basically the labor movement organized by unions controlled -in the majority of cases- by people belonging to the *Partido Peronista*⁵ (Novaro and Palermo, 2003).

The financial reform of 1977 promoted by Martínez de Hoz and the tariff reductions and exchange control (Schvarzer, 1986: 61, 87-88) of 1978; the extraordinary liquidity of the financial market; and the opening of international asset and capital markets created the necessary conditions for a triple movement which allowed for the maintenance of the new accumulation model and capital transference. This strategy consisted in external private indebtedness with the approval of the government; financial speculation through the placement of short-term funds in the local market as a result of the high rates of profits obtained in comparison to the external markets (Schvarzer, 1986: 71); and, lastly, the flight of that capital to safer banks abroad (Castellani, 2006: 340). To sustain this accumulation method in the long term, the Argentinean State became so severally

¹ Raúl Alfonsín was elected president of the Argentine Republic on 10 December, 1983; he was the first president to take office after the military dictatorship that ruled from 1976 until 1983. Alfonsín won the elections after the internal restructuring that occurred within his own party -the Unión Cívica Radical. Alfonsín modernized his party through both his heavily democratic discourse and socially democratic project. He had to abandon office months earlier and transfer power to the newly elected president Carlos Menem, a member of the *Partido Justicialista*.

²The Justicialista government -interrupted in 1976- had been in office since the open elections of September 23rd 1973 won by Juan D. Perón; this win marked the third presidential period for Perón, however he passed away on July 1st 1974. Since his wife María Estela Martínez de Perón was the nation's vice-president, she assumed her late husband's position amidst a context of economic upheaval, institutional instability and social violence -resulting from confrontations between paramilitary groups and guerrilla organizations.

³ On March 24th 1976 the three Armed Forces Commander's Board (the Army, the Navy, and the Air Force) carried out a joint military coup that overthrew President Martínez, closed down Congress, and forbade the action of political parties. The «National Reorganization Process» enforced practices of State terrorism that led to massive Human Rights violations and the disappearance of tens of thousands of Argentinean citizens.

⁴ The Argentine Anticommunist Alliance (also known as Triple A) was created in 1974; the Triple A was a clandestine, right-wing, terrorist organization that

made attempts on the life of left-wing leaders and collaborators, artists, businessmen, and people opposed to the government -amongst others- through selective murders, terrorist attacks, kidnappings, and torture. In addition, in the economy sphere, the *justicialista* government applied shock therapy measures consisting in a mega devaluation of the local currency, a dramatic increase of public services and fuel, as well as measures that benefited investments and the financial market. Although is true that in 1975 the economy was on the verge of collapse, thus, justifying certain unpopular measures, it is also true that there was an important struggle over wealth-distribution in Argentina during that period and a substantial income regressivity caused by the *Rodrigazo*.

⁵ El Movimiento Peronista was originally composed of three branches: el Partido Peronista, trade unions, and the female branch. After General Perón was overthrown by a military coup on September 1995 and forced into exile, Perón and his political party were banned. Since this prohibition ruled out the possibility of concentrating the electoral strength on their political party, el Movimiento Peronista found an aggressive harborage in union corporations.

indebted that by the early years of the 80s, the dictatorship could not find a solution to the existing economic crisis.

At the social level, the dictatorship organized a plan to dismember and eliminate all types of ideological and combative opposition. That plan included not only armed forces, but also labor unions, political groups, and the setting-up of an overall sensation that all the population was under suspicion (Quiroga, 2005). Once in power, the military took a number of actions which aimed to weaken the organized labor movement. First, it blocked its funds, financial sources and bank accounts. Second, it prohibited internal elections and assemblies. Third, it intervened its health insurance companies, persecuted and harassed the principal labor union leaders and banned the right to strike and hold collective work negotiations. The Military Junta decided to discipline the labor movement by attacking its foundation. There was repression, suspension, and the intervention of workers' unions in factories as the most severe criticism and protests against the military came from this sector (Palomino, 2005). In spite of the impact of this repressive policy, some research on jobs indicates that there was resistance. This conflict was often minimized by workers grouped in unions. Right from the start of the dictatorship, there were strikes and other resistance practices in jobs, particularly in industrial factories that were characterized as a molecular defensive struggle, barely articulated at a national level. It was not until after 1980 that the level of persecution had diminished and a sector of the syndicalism began to protest by calling the first strikes against the military government. As from 1980 there also began an internal change within the CGT (Confederación General del Trabajo) which called a series of labor strikes that, in spite of being repressed by the government, did not cease. Although the military dictatorship constantly advocated for the subsidiarity principle of the state, it did not advance further than the sale or liquidation of smaller companies and the "peripheral privatization" of services or of auxiliary provisions of some state-owned companies. Instead, this government implemented a policy to decentralize public companies towards the provinces (*Agua y Energía Eléctrica and Obras Sanitarias de la Nación*) and municipalities (*Subterráneos de Buenos Aires*) (Nahón, 2006).

In the context of a severe economic crisis inherited by the dictatorship, and in the process of transition and democratic consolidation, the Argentinean society and the national ruling class felt the need to reform the old State that had originated in the 1930s. That was an attempt to modernize a State that—in the eyes of the citizens—was perceived as too "big", deficit-inducing, and uncompetitive. The growing inflation undermined the possibilities for planning short -and medium- term policies. The opposition of the *Partido Justicialista* and of the union sector, connected to this party as well as the growing pressure from foreign creditors, constituted constant determinants that had a severe impact on the

governability of the country (Palacio, 2009).

International credit organisms (World Bank, International Monetary Fund) issued unfavorable prospects to Latin-American States, the majority of which (Argentina, México, Brasil, Chile, and Perú, among others) bore external debts that hindered development strategies through state expansion policies. Therefore, the solution for countries in crisis was the retreat of the State, and the first step was the decentralization of assets and services run by the national state. In 1984, the growing fiscal deficit generated a slow reconciliation between the economic team and the IFM guidelines, as well as the granting of a new loan in July of that same year, which the government could not pay off in due time. The enforcement of the Plan Austral⁶, introduced by the new Minister of Economy, Juan Sourrouille, in 1985 succeeded in improving the economic situation in the short term. In the Plan Austral, some pillars of the old benefactor state could be observed, because within its outline, one of the key cornerstones for industrial restructuring was to provide and modernize state-owned companies, both industrial companies and companies that provided social services (Sourrouille, 1985, cited in Palacio, 2009: 47-48). Cooperation between private and public sectors -to achieve the awaited industrial development- was instrumental for the Plan Austral.

In the social and political sphere, Alfonsín's administration faced strong opposition. As a response to the proposal for reformulation of the structure of unions introduced by the Minister of Labor, Antonio Mucci, the government witnessed firsthand the organizational capabilities of the labor movement. This pressure group was controlled by leaders adherent to the *Justicialismo* and the *Partido Justicialista*, when they came together to call 13 general strikes between 1984 and 1988 (De Genaro, 2005). This Act attempted to normalize the internal situation of unions in different organizational aspects after their intervention during the de facto government (1976-83). Some unions had not recovered their internal autonomy; others were governed by temporary commissions appointed by the military government. Even though neoliberal policies were present in the economy, there was still a sense of confidence in the management of the public sector to improve the described situation. The pressure exercised by the organized labor movement and its belief that unions are bodies independent from the government (especially, if the national government is not a Peronist government) created the basis for the resurgence of certain strategies that combined public management and labor resistance. These strategies included the overpowering theory and privatization and decentralization practices enforced by Carlos S. Menem's administration since 1989.

⁶ El Plan Austral was an Argentine monetary stabilization program implemented during the administration of Raúl Alfonsín by his second Economy Minister, Juan Sourrouille.

FROM OBRAS SANITARIAS DE LA NACIÓN TO OBRAS SANITARIAS SOCIEDAD DE ESTADO MAR DEL PLATA-BATÁN: STRUGGLE BETWEEN POLITICIANS AND THE ORGANIZED LABOR MOVEMENT

Previously, we recreated –in general terms– the social and economic situation generated by the dictatorship in Argentina, and how the gradual establishment of neoliberal discourse started to gain greater acceptance as the economic situation could not be successfully contained by Dr. Alfonsín. During those years, the situation of the organized labor movement did not weaken. By contrast, it gained greater strength in terms of its organizational capabilities to apply pressure to the democratic government on issues concerning their field. This led us to wonder if this last factor created a favorable situation for the arising of the necessary conditions to form a State-owned company in Mar del Plata at the municipal level. The return of *Obras Sanitarias de la Nación* (henceforth, OSN) to the national sphere or the privatization of this company was not expected to happen at that time.

OSN began to be transferred to different jurisdictions at the end of the 1970s and at the beginning of the 1980s. It is precisely in 1980 that the provincial branch is transferred to Buenos Aires province with the creation of the Office of Sanitation of Buenos Aires Province (DOSBA, after its Spanish acronym)⁷. However, by order of Executive decree 1365/80, the capital city of every region became responsible for the management and execution of the sewer and water networks in each section of the province. On March 26, 1980, engineer Luis Pilatti, on behalf of OSN, along with the de facto governor, General Saint Jean, entered into a service transference agreement, which included equipment, facilities, goods, real estate, and services and employment agreements (Núñez, 2007: 6-7).

OSN personnel would be legally incorporated to the province and notified within 10 working days; those workers who notified their refusal to the jurisdiction change would be discharged and indemnified by the Nation. The agreement was *institutionalized* (emphasis added) by Executive Order No. 1057/80 and Act 9518, passing to the provincial sphere as from August 1st, 1980. In the case of the jurisdiction of General Pueyrredón District, the municipality received the responsibility for the management of *Obras Sanitarias* through Executive Order No. 765, which establishes the municipalization of Mar del Plata sanitation services, pursuant to the terms of Act 9347. OSN workers immediately responded by the withdrawal of their support and the beginning of their protest concerning unfavorable working conditions at the provincial/municipal level, compared to the benefits of belonging to a national facility.

The manner in which the provincial executive power

handled the working problems of the former OSN employees that were transferred to DOSBA was expressed by Act 9592/80 which, in its Section 3, stipulates that the employees of the former OSN would be compensated whether they had been transferred to the provincial or the municipal jurisdiction. Section 4 of that Act states that the previous section would be rendered void if –at the time the employees were incorporated to the province and at the time the Act was passed (September 5, 1980) – said employees had already been municipalized. Thus, there would be no chance of appeal because the employees would be the sole responsibility of General Pueyrredón municipality. The incorporation of workers to General Pueyrredón municipality was agreed upon between the engineer Andrés Garlán (manager of *Obras Sanitarias*) and Mar del Plata Mayor Luis Fabrizio (Núñez, 2006: 330). This merging was done without taking into account the complaints against the City Mayor Fabrizio, the person virtually responsible for *Obras Sanitarias*. In response to this situation, the workers called a strike on August 5, 1982⁸. Although the newly incorporated workers claimed for salary readjustment, the municipal government refused to give it to them because the municipal government feared that the remaining 2000 local public employees would make a similar appeal. Despite these claims, the workers signed the jurisdiction transfer, yet by September over 80% of workers adhered to gradual-by-shift strikes. Rubén Pereyra, member of the national management of National Federation of Sanitation Workers (FeNTOS, after its Spanish acronym) was present in the negotiations between the local Union for Sanitation Workers (SiTOS, after its Spanish acronym) and Mayor Fabrizio to provide support for a labor union federation.

On February 1983, 35 union representatives gathered in Mar del Plata to form the Argentinean CGT⁹, Mar del Plata Social local office (Sangrilli, 2009). A year after *Obras Sanitarias* was incorporated to the municipal jurisdiction, the workers had not yet received an answer from the local executive power. This situation led to a new strike called by Mar del Plata workers on August 1983 -with the support of the CGT-RA- during the period of union normalization.

On October 1983, Ángel Roig was elected Mayor for the UCR¹⁰ party. The results revealed that he had won 51.14% of the total number of votes. During the first days of 1984, the union accused the municipal government of not investing in public works for over a year and of

⁸ The Atlantic. Newspaper 07/08/1982.

⁹ CGT is the Spanish acronym for “Federation of Trade Unions” (Spanish: Central General de Trabajadores).

¹⁰ UCR (Spanish acronym for “Unión Cívica Radical”). The UCR is a political party in Argentina which was founded on 26 June, 1891 by Leandro N. Alem. It was in office several times under the presidency of Hipólito Yrigoyen, Marcelo T de Alvear, Arturo Illia, Arturo Frondizi, Raúl Alfonsín and Fernando de la Rúa. This political party was heavily influenced by populist, conservative and developmentalistic ideas. In the context of this study, the UCR represented the social democracy.

⁷ http://mepriv.mecon.gov.ar/Obras_Sanitarias/Res-Hist-OSN.htm

turning the company in a collecting agency¹¹. The union suspected that the company was being “drained”¹² to undermine its image and ultimately achieve its privatization¹³. During Roig’s administration, the presence of Secretary of Government Dr. Arturo Letamendía was instrumental for the orchestration of the negotiations between SiTOS, FeNTOS, and the setting up of OSSE MDP-Batán. In 1984, claims grew stronger. Among those claims were the demands to enforce the labor collective agreement approved on November 1983 to modify the municipal budget because, on the one hand, it did not allow for the sewerages and sanitation requirements of various neighborhoods in the city.

On the other hand, it did not allow for payment of the difference in salaries that was still unresolved amongst municipalized workers (Núñez 2006: 332). In view of that situation, the Mayor and his team presented two alternatives. The first option was to return *Obras Sanitarias* to the jurisdiction of Buenos Aires Province (with the same nuisances the consumers had suffered between 1980 and 1982). The second one was to turn *Obras Sanitarias* into an autarkic company¹⁴. The first alternative generated a strong opposition among senior employees of OSN because the claims for unpaid salaries would be lost if the company was returned to the province. Local union leaders would lose their own local union (SiTOS) if the workers were incorporated to FeNTOS. The CGT gave its constant support to the local union management, which resulted in the creation of a mixed commission composed of members of the government and of the union. The Mayor ordered the formation of a special Commission composed of a representative of the Office of the Secretary of Government; a representative of the Department of Economy and Treasury; a representative of the Department of Public Work and Services; a representative of IMDUR and a representative of SiTOS adhered to FeNTOS. All members were present at the negotiations over the creation of the autarkic municipal entity. Socialists, led by former Mayor Fabrizio, -Bronzini, and Cordeu- demanded the implementation of the collective labor agreement to OS MDP workers, thus preventing their incorporation into the municipal workers union (STM, after its Spanish acronym). The old socialist tradition in Mar del Plata of creating municipal entities caused the PSD to strongly support the proposal for a municipal entity independent from local and provincial government. The MID introduced a proposal for *Obras Sanitarias* to become a mixed economy company¹⁵ run by a board of directors served on by members of the municipality and private shareholders. The project was called “Mar del Plata Agua”, and both the municipality

and neighbors served on it.

THE SOLUTION: STATE SOCIETY

The labor collective agreement could not be implemented by the municipality because this agreement was national/provincial in nature within a State-owned company. A local, public company could not be a State-owned company because the latter was part of the national sphere, like OSN had been. It should be borne in mind that a State-owned company is a company formed pursuant to private law regulations, but its shares are owned solely by the State and are regulated by Act 20705/74. The company is managed internally through a shareholders meeting (Núñez, 2007: 14).

The concept of a municipal State-owned company was created by Arturo Letamendía (Núñez 2006: 179), Secretary of Government while Mayor Roig was in office. Under the creation of that new organism, a solution to the claims made by workers, union leaders, opposing political parties, citizens and the municipal government itself was found. This State-owned company is a municipal entity which has political-administrative autonomy and financial autarky. The company is financed through the same sanitation service rate it charges its users; hence its income money remains in the same company. Like any other business, it can enter into a company collective agreement. Yet the main difference is that this State-owned company is municipal, a fact that makes it unique in the country. Owing to its distinctive nature, by the time it was created, there were no precedents. This State-owned company was formed by municipal order (Order No. 7445/84).

Order No. 7445/84 stipulates that the only shareholders are the 24 council members. Given that in every company there are shareholders meetings, in the case of OSSE, each session of the City Council serves -in theory- as a shareholders meeting.

In June, the presidents of the main 4 blocks in the City Council (2 representatives for the UCR, 2 for the Justicialismo, 2 for the PSD¹⁶, and 1 for the MID¹⁷) met with union leaders and agreed to the formation of a State-owned company (SE, after its Spanish acronym). These blocks agreed that *Obras Sanitarias* should remain within the jurisdiction of the municipality, but they had different opinions in terms of how to implement its operation. The PJ and the UCR proposed that the SE be subject to the municipal government; the MID suggested neighbor participation within the mixed commission and a high level of union involvement; the PSD conceived the company as a corporation¹⁸, and for some time, the

¹¹ The Capital. Newspaper, 01/22/1984.

¹² The Atlantic. Newspaper, 03/02/1984.

¹³ The Atlantic. Newspaper, 03/04/1984.

¹⁴ Personal interview to Carlos Katz. 12/14/2009.

¹⁵ The Capital. Newspaper, 04/06/1984.

¹⁶ PSD is the Spanish acronym for “Partido Socialista Democrático” (Democratic Socialist Party).

¹⁷ MID is the Spanish acronym for “Movimiento de Integración y Desarrollo” (Integration and Development Movement).

¹⁸ Personal interview to Carlos Katz. 12/14/2009.

UCeDé¹⁹ proposed the privatization of public companies because they cause deficit and inflation²⁰. While discussions on OS were being held, on June 8²¹, the on-off strikes turned into a general strike with the full support of the CGT both at local and national levels. Faced with a great deal of pressure in front of City Hall, the Mayor ordered the repression of the manifestation, a fact that led to the amalgamation of both union and political opposition. On June 15, the City Council approved the short-term creation of OSSE as a solution to the conflict; the MID abstained from casting a vote, claiming that it would only vote if the SE were mixed. On July 2, OS workers presented a statute on State-owned company created at the end of the 1970s and beginning of 1980s in San Juan (Bonofiglio and Nahón, 2007) (sanitation works) and Mendoza (railways) provinces in the north-west region of Argentina. This statute, which had been created in OSSE, did not contemplate the labor collective agreement or the equality of conditions amongst former OSN workers and OS workers. As a result of this, OSSE was rejected by SiTOS.

August 1984 was a hard month in Mar del Plata because the conflict between OS workers and the municipal government became more intense, and the strikes and water shortages lasted up to 72 h. The workers saw the creation of OSSE as an advantage because if they were fully incorporated to the municipal unions, they would have fewer benefits, which led a great majority of OS workers to ask for their transfer to OSSE. However, union leaders called workers to keep fighting²². Upon witnessing a gradual reduction in their number, unionists decided to make their demands more flexible. In the meantime, Mayor Roig managed to get Buenos Aires Governor -Alejandro Armendáriz, and National Labor Minister, Juan Manuel Casella- to apply the labor collective agreement to favor the protections established by the co-participation regimen (Núñez 2006: 340). In September of that same year, the creation of OSSE MDP-BATÁN was finally approved and the deliberations to appoint authorities and board of directors began. It should be noted that OSSE MDO-BATÁN was and still is the only sanitation and drinking water distribution company created in Buenos Aires province. All the other companies separated from OSN in the province were gradually privatized between 1980 and 2001 (Azpiazu and Bonofiglio, 2006: 66).

Although OSSE was created in 1984, the new company achieved stability in 1986 under the management of engineer Baltar. Because of frequent pressure from opposing parties and little to no financing granted by Mayor Roig –whose main concern was to achieve financial stability for the municipality– the first year of OSSE

was not very satisfactory²³. After its incorporation to the municipal jurisdiction, OSSE –as an organism– lost all the supplies it received from Buenos Aires province. Being an autarkic entity, created under extreme urgency, from the onset, OSSE was virtually deprived from initial funding and from the necessary sanitation and sewer and water distribution infrastructure required by any big-to-intermediate sized city such as Mar del Plata (Améndola et al., 2011).

FINAL CONSIDERATIONS

The creation and later implementation of a *sui generis* institution used as a means to solve pre-existing tensions in the municipal sphere may be analyzed from different perspectives. We believe that OSSE concentrates and finally materializes (from the moment of its creation and throughout its over 20 years of existence) the ground disputed by four forces that tried to gain power during the democratic transition after their eclipse caused by the 1976 to 1983 military dictatorship.

On the one hand, the most powerful players clashed as a result of a decaying situation, that is, the irreversible transfer of national public companies to local governments. The municipal government that took office after the national elections of October 30, 1983 tried to work out a compromise by settling OS and workers' claims, without disregarding the fragile municipal finances. Very soon the polarization in the dispute between the Mayor and the workers became more complex because two other players got involved in it as intermediaries. These opposing parties were the union leaders and their national representatives on the one hand, and the political parties represented at the City Council (UCR, PDS, PJ and MID) on the other.

These political parties tried to recover the ground they had lost during the extraordinary election of the UCR, which capitalized 51.7% of votes at the national level. This situation is reflected in the little political support that these parties lent to the proposals that Mayor Roig and his team put forward to solve the conflict of OS. At the national level, disputes in the partisan territory were also witnessed in the opposition of the local and national union leaders to the proposal of a SE, with a flimsy legal frame and too many legal loopholes unresolved. Some union leaders thought that the objective was to achieve a new union order through a new labor sphere in which they would not have the same incidence as they did before over State public companies. However, when the workers themselves gradually began to ask for their incorporation to the SE, because of the benefits they would receive (application of the labor collective agreement, status differentiation, status maintenance, and salary upgrades), the union leaders changed their strategy by accepting this new institution. That strategy

¹⁹ UCeDé is the Spanish acronym for “Unión del Centro Democrático” (Democratic Center Union). This party was heavily influenced by neo-liberal ideas.

²⁰ The Capital. Newspaper, 03/19/1984.

²¹ The Atlantic. Newspaper, 06/08/1984.

²² Personal interview to Carlos Katz. 12/14/2009.

²³ Personal interview to Carlos Katz. 12/14/2009.

chiefly aimed to avoid being discredited before the eyes of society, at a time when the inhabitants of Mar del Plata were rejecting protests as a result of lack of drinking water.

CONCLUSION

We believe that the unique case of the creation of OSSE MDP-Batán constituted a battlefield in which different social players used different strategies to achieve greater political power at a time when the return of institutions required the use of classic democratic methods. We could argue that the union struggle was once again brought forward and that their organization capabilities once again came into play to face a legitimate government. The union struggle spread in time for over two years and in such a combative manner (strikes and water shortages of up to 72 h) because that confrontation was a way of “normalizing” the situation from within the union. For unions, their legitimization -as a representative of workers- was at stake during times when the *Peronismo* itself (and by association many *Peronists* unionists) were rejected by an important portion of their traditional constituency. The concept of OSSE is born in Mar del Plata in this context of openness and political participation, during the return of democracy, as a product of a social struggle with the participation of the traditional most powerful players in Argentina.

We are now left to wonder what the transition of OSSE was like during the surge of privatizations in the 1990s; what the performance of unions connected to OSSE was like during that period; and what the relationship between OSSE and the municipal and provincial government was like, paying special attention to the conflicts surrounding its legal situation.

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