

## Corporatism and political representation in Ecuador: the National Council on Work and Salaries

### *Corporativismo y representación política en Ecuador: el Consejo Nacional de Trabajo y Salarios*

Soledad Stoessel

IdIHCS (UNLP-CONICET)

soledad.sto@gmail.com

Orcid code: <https://orcid.org/0000-0003-1872-5758>

#### **Abstract**

*The aim of this paper is to present the results of the research carried out to explore the dynamics of a corporate institution in Ecuador: The National Council on Salaries during the period 2007-2017. It was approached from two dimensions: its institutional design and the dispute around political representation. The implications of both dimensions in the management of the conflict between capital and labor, the democratic scope of the institution and the state autonomy to control the wage policy. The research was based on a methodology that combined regulatory, journal and official document analysis, and key informant interviews. Some conclusions refer to the rules of political representation of trade unions and business chambers, the reinforcement of the capital power, and the inclusive orientation of the Council in opening participation to historically excluded workers.*

#### **Keywords**

*Corporatism, political representation, State, wage conflicts, democracy, Citizens' Revolution.*

#### **Resumen**

El texto presenta los resultados de una investigación que exploró la dinámica de una institución corporativa en Ecuador: el Consejo Nacional de Salarios durante el período 2007-2017. Esto se abordó a partir de dos dimensiones: su diseño institucional y la disputa alrededor de la representación política. Se estudiaron las implicancias de ambas en la gestión del conflicto entre el capital y el trabajo, el alcance democrático de la institución y la autonomía estatal para controlar la rectoría de la política salarial. La investigación se apoyó en una estrategia metodológica que articuló análisis normativo, hemerográfico y de documentos oficiales, y entrevistas a informantes clave. Algunas conclusiones refieren a la disputa por las reglas de la representación política de sindicatos y cámaras empresariales, el reforzamiento del poder del capital, y la orientación incluyente del Consejo al haber abierto la participación a trabajadores históricamente excluidos.

#### **Palabras clave**

Corporativismo, representación política, Estado, conflictos salariales, democracia, Revolución Ciudadana.

**Suggested citation:** Stoessel, S. (2020). Corporatism and political representation in Ecuador: the National Council on Work and Salaries. *Universitas*, 32, pp. 133-148.

## Introduction

In 2007, the Government of the *Revolución Ciudadana*, Citizen Revolution (RC) in Ecuador arrived in a context of a crisis of political representation. The classic representation channels had lost legitimacy. Both party and corporate representation - through unions and sector organizations - had shown their limits to guarantee social inclusion and political stability. The song during the days of April 2005 that ended with the destitution of Lucio Gutiérrez - “all should go” - gave an account of this tiredness with institutional and partisan politics. In this framework, the new government faced several challenges. On the one hand, to reform the State that had been scrapped in its social and economic coordination functions. On the other, reconfigure the forms of socio-political intermediation from modifying the interaction patterns bequeathed from previous decades. Both challenges responded to what from the RC project began to be called the “problem of corporatism” (Senplades, 2014)

One of the lines of state reform was aimed at resolving the state “capture” that during neo-liberalism various social groups with private interests had perpetrated through the occupation of spaces of power within the State, with their leaders obtaining representation quotas in councils, commissions and governing bodies of public policies. For the Government, this was a pernicious form of socio-state linkage that weakened public orientation towards the common good. Such reading did not differentiate types of interest, ignoring the nature and hierarchy that exists between, for example, those from the big bankers and those from the indigenous movement. Thus, for the RC, the fight against corporatism was fundamental to recover the State and establish a public administration impervious to specific interests. This meant changing the institutional design of the State and setting new rules of political representation.

One of the policy areas where the “problem of corporatism” did not translate into the extinction of sectoral representation quotas<sup>1</sup> but in various

---

1 Institutions linked to finance, foreign trade, natural resources, and transport underwent reforms that modified the composition of the governing bodies, councils, and institutional commissions, or were directly eliminated. For example, the Hydric Resources Law, one of the most conflictive in its approval, stipulated that the water authority would be formed mainly by members of the Executive Power, not by indigenous representatives as demanded by CONAIE. The board of the National Transit Agency expelled from its bosom the formal representation that the carriers exercised and was also formed by officials of the Executive Branch. To delve into the fields of politics and the organizations that were “depopulated”, see the works of Ramírez Gallegos (2012); Stoessel (2017); Ospina Peralta (2009).

reforms to intervene in its operation, was that of capital-labor relations, particularly the institution that regulates them: the National Wages Council (CONADES), which has become the National Work and Wages Council (CNTS) since 2016. This institution is a tripartite organization (trade unions, businessmen and the State as main actors) and during the 2007-2017 period, it not only survived as a formal negotiating space between different interests but also underwent certain transformations, both promoted by the government itself, as “from below” by unions and business chambers.

This text presents the results of an investigation that explored the dynamics of this corporate institution from two dimensions: its institutional design and the dispute around the political representation within it. The research was based on a qualitative methodological strategy that combined three techniques: analysis of normative archives that regulate CONADES/CNTS and the public records of its meetings, sector commissions and the formation of electoral colleges;<sup>2</sup> interviews conducted during April 2019 with former public officials with knowledge about CONADES/CNTS, union leaders and business chambers who participated as delegates in the Council;<sup>3</sup> and hemerographic review of three nationally circulated newspapers (*El Telégrafo*, *El Universo* and *El Comercio*) to identify events that involved the object of study in question.

In terms of the theoretical-empirical debate, this research dialogues with two main theses that have crossed the question of socio-state relations during the period governed by the RC. Some works support the thesis of the de-corporatization of the State. This assumption argues that government policy during that stage was aimed at suppressing or regulating the corporate arrangements that had been created during neoliberalism with the aim of the State gaining margins of political autonomy (Ramírez Gallegos, 2012; Posso, 2013). The scope of greater autonomy would be given, then, to put a stop

---

2 This information was provided by the Ministry of Labor (former Labor Relations), with official letter number MDT-DAS-2019-0016 in April 2019.

3 The people interviewed during April 2019 were the following: Mauro Andino (former Minister of Labor Relations of Ecuador, N°1); Lenin Cadena (former secretary of CONADES, N°2); Liliana Durán Aguilar (National Assembly member and former delegate in CONADES, N°3); Rodrigo Gómez de la Torre (employer delegate to the CNTS, in charge during 2016-2019, No. 4); Xavier Sisa (Employer Delegate, alternate 2012-2013 and holder 2016-2019, Legal Director of the Chamber of Industries and Production, No. 5); Pablo Serrano (President of CEOSL, N°6); Oswaldo Chica (President of the Unitary Central of Workers, N°7).

to “the veto capacity of certain power groups (inside and outside the government) and of certain bureaucratic rings” (Ramírez Gallegos, 2012, p. 367).

Other works, also framed in the discussion about corporatism, without contradicting the previous thesis, reinforce another aspect to the detriment of the state element. They analyze the fight against corporatism as the way in which the government weakened the direct participation of organizations and movements in public decision-making and thus produced some passivity of social actors (Ospina Peralta, 2009; Marega, 2015). This work seeks to contribute to this debate by offering other features around Ecuadorian corporatism: in certain policy areas, the government, instead of suppressing corporate arrangements, reinforced them with a certain disposition to functionalize them in its favor. This was the case of public transport management (Stoessel, 2017) and labor relations, as analyzed in this text. This did not imply a necessary weakening of the involved social actors, but that this result was subject to the weight of the interests in question, of the relations of force between State, government and actors, and to certain structural constraints that marked the ground of the options of political action.

The text is organized into three sections. In the first, the emergence of the regulation of the capital-labor relationship and the creation of the Council in the 1970s are contextualized. In the second, the main elements of its institutional design and its transformations are presented during the period under study (2007-2017). Finally, the type of representation reconfigured within the body and its impacts on the handling of the conflict between capital, labor, and State is exposed.

### **Regulation of capital-labor relations: the emergence of CONADES**

During the thirties in the Latin American region, several countries underwent processes of institutional transformation to contain the increasingly pressing conflicts and resistance led by workers who were already beginning to organize in unions and trade unions. Thus, several institutions were created, such as labor ministries, social security organizations, salary, and economic councils. The case of Ecuador was not exempt from these processes. Since the twenties, Ecuadorian workers also began to demand greater participation in public decision making and the extension of social rights

(Achig & Neira, 1989). State responses such as the creation of the Ministry of Social Welfare and Labor, and the state control of foreign capital linked to oil companies to regulate working conditions and claim participation in profits, some of them (Coronel, 2013). By the 1970s, the conflict between capital and labor was already escalating to another level. The first attempts to form a front of workers appeared from the convergence of different trade union centrals such as CEDOC, CTE, and CEOSL. It was during the 1971-1979 period that 42% of the trade union organizations of the stage between 1920-1990 (Velasco, 1987) were constituted. The November 1975 strike will mark the birth of the Unitary Front of Workers (FUT) and since then governments would have opened several fronts, both with business elites and with workers who showed strong social activism, even during repressive and authoritarian governments like Leon Febres Cordero's.

The creation of the National Wage Council (CONADES) in 1974 by the military government of Guillermo Rodríguez Lara, in effect, was aimed at containing the conflicts between capital and labor. The oil boom in a context in which the price of bananas and their production went into decline, favored, together with the progressive end of the *huasipungo*, the emergence of a mass of salaried workers. Likewise, Ecuadorian society experienced the emerging appearance of a new bourgeoisie (industrial, commercial and financial) and the progressive expansion of an urban middle class in Quito and Guayaquil (Oleas, 2013, p. 23).

CONADES emerged through a presidential decree (No. 318) and a ministerial agreement (number 039-A). It was established as a technical, consultative and tripartite body in which private-sector workers, employers and the State would be represented to define the basic salary by mutual agreement. The worker's remuneration would not be less than the minimum vital salary or the one set by the Sectorial Commissions - the body that made up CONADES - for each branch of activity. CONADES would be responsible for preparing analyzes about occupational structures, salary schemes, and productivity. The unions and businessmen would have a voice, but no vote and the decisions adopted there would not be binding.

During the years of neoliberal hegemony, CONADES dedicated itself especially, to the wage discussion. The material conditions and the bargaining power of the workers had already been greatly weakened as a result of the set of structural adjustment policies that began to be implemented in the 1980s with the business-government of Febres Cordero and continued

in successive governments.<sup>4</sup> These measures were institutionalized with the 1998 Constitution. The FUT, the union front that had representation within CONADES, began to decline (Ycaza, 1991). Businessmen, on the other hand, continued to influence and strengthen themselves through other mechanisms, such as alliances with right-wing political parties, the occupation of strategic executive positions, the financing of electoral campaigns and lobbying to obtain the approval of certain laws.

In 2000, the law known as “Trole 1” was passed, which amended some articles of the Labor Code (CT) under the pretext of encouraging business competition and investment. It stipulated the incorporation of hourly hiring and that the involved parties agree on the salary remuneration per hour worked (Aguilar, 2007). CONADES continued to be responsible for defining the amount of the unified basic salary, but annually and no longer every six months. In most cases during the 1990s, no agreement was reached within CONADES, so, as stipulated by law, it was the Minister who set the salary. He had the last word and should increase the salary by the same amount as the inflation projected by the Central Bank. In general, this contradicted article 126 of the CT, which established that the criteria for defining wages should reside, in addition to inflation, in the satisfaction of basic needs, work performance and physical wear.

With the turn of the century and the beginning of the post-neoliberal government of the RC, the field of labor relations was reformed. The question of the “world of work” and its operating conditions was one of the central thematic nodes and the one that generated the greatest consensus among the workers and the government during the constituent process (2008-2009). As soon as the Constituent Assembly was installed, the Government announced the approval of Constitutional Mandate 8 to eliminate labor outsourcing and intermediation and any form of job insecurity. The Constitution ratified it in its article 327. The Magna Carta also included several articles that regulated labor relations to improve its conditions. Thus, it bound the State to guarantee the rights to work and social security (articles 33 and 34), recognized unpaid work at home and self-employment (article 34), prohibited the

---

4 Labor flexibility was institutionalized in the Law on the Maquila Regime and Part-Time Labor Contract (1990) which regulates short-term employment hiring; Law 133 Reform of the Labor Code (1991) that doubles the minimum number of workers (from 15 to 30) required for the formation of any union organization. The unemployment rate was 6% in 1990, and in 1999 it increased to 15%. Data extracted from the National Institute of Statistics of Ecuador.

work of children under 15 years of age (art. 46 ), stipulated that economic policy should promote full employment and value all forms of work, guaranteed the right and freedom of organization of workers and employers (art. 326) and the encouragement by the State to create trade union organizations (326) (Herrera, 2015). The Government also increased the minimum wage and implemented several reforms in CONADES. This corporate institution was one of the few that survived the struggle undertaken by the government against those agencies whose operation or composition was considered corporate.

### **Disputes for institutional design**

There are three issues related to the institutional design of the National Wages Council (CONADES) during the 2007-2017 period that are essential to present because they had effects on the state's capacity to intervene in the dynamics of the institution and in the configuration of political representation.

First, the formation of the Council. During 2007-2015; it was composed of a government representative, one of the National Federations of Chambers of Industry, Commerce, Agriculture, Small Industry and Construction, and another of the legally recognized trade unions (Article 3), a total of three. This composition will be modified in 2015 and will be extended to five, expanding to one more representative by the business and labor sector. For the purposes of the dimensions investigated here, the most interesting thing regarding the composition of the Council happens in 2016 when the government makes a modification related to the actors summoned to participate within the Council. Through Ministerial Agreement No. 44, the phrase "centrals, confederations, fronts and/or unions of more representative nationally recognized workers legally recognized as such" is replaced by "centrals, confederations, fronts, organizations and/or unions of working people more representative of national scope". The criterion of being legally recognized is removed, thus widening the range of organizations authorized to dispute the representation of the union sectors. In effect, the participation of new organizations (Association of Paid Household Workers), or of other old organizations that had historically been excluded because they did not have legal recognition (self-employed) is approved. These organizations began to be part of the new Unitary Central of Workers (CUT), which

emerged in 2014 and that since 2016 obtained representation quotas within the Council, causing a dispute over representation with the FUT, who until then had a monopoly. Since 2016, for the first time, the two delegates on behalf of the workers belong to two different organizations facing each other (FUT and CUT).

At this point, there have been different controversies between the social actors. Both the business leaders and the leaders of the FUT agreed that the extension of the delegates was due to a political strategy of the government to fragment the workers' sector and generate greater difficulty for them and employers to reach a consensus (testimonies of interviews 4, 5 and 6). On the other hand, for the leaders coming from the CUT, the government's decision responded to its intention to democratize access to the institution and repair decades of exclusion of workers who had so far failed to organize or had done so in legally unrecognized structures.

The comparative analysis of salary negotiations by Sector Commissions from 2011 to 2017 shows differences with respect to the period in which the FUT held the monopoly of representation and the subsequent period when it no longer has it. During the first, the labor representatives managed to negotiate the salary in almost 1 of every 3 meetings. Since 2014 and 2015 this is reduced to 1 in 10. However, in 2017 and already with the dominance of the CUT, it returns to the same numbers as the first monopoly period of representation in the hands of the FUT. In that sense, the incorporation of new subjects of representation did make it difficult for the concretion of agreements. On the other hand, it is also true that the hegemony of the CUT implied an opening to the representation of new labor categories that had no presence.

The second issue is the form of election of the representatives within the Council, which also underwent some changes. Until 2015, Ministerial Agreement No. 59 in force since 2000 ruled that the Minister would convene the national federations of the chambers of industries and trade union centrals of legally recognized so that, through an elector appointed by each of these, proceed to the election of the sole representative and his substitute before CONADES. This form of choice left ample room for negotiation within the respective trade union spaces. However, since 2015 this procedure is modified in two aspects. On the one hand, if, on a certain date, the federations of employers and trade union centrals did not designate an elector, as the Minister of Labor could designate them (Ministerial Agreement No. 240, Art. 10). Likewise, in the event that there was no agreement within the union

spaces, the State would have the power to choose the delegate, thus entering into the dispute over the representation of the parties. In fact, this happened in 2014 when the appearance of the new centrals that could participate in the Council resulted in no agreement between the labor leaders for the election of the delegate. The Minister intervened and selected a CUT leader, akin to the government. The new rules of representation, thus, favored government action and relative control of the discussion within the institution.

The third point refers to CONADES' transit to the National Labor and Wages Council (CNTS). It will be only from 2015, with Ministerial Agreement No. 240, that CONADES is now called CNTS, to cover the discussion of labor policies, not just wages. Several factors promoted it: economic deterioration since 2014<sup>5</sup>, emergence of new jobs, as well as labor modalities that required discussions about its regulation, and, in addition, the growing difficulties in the political front that the Government began to face since 2013, year in which, paradoxically, the RC had shown a resounding electoral power. The Government, having gathered more and more opposition actors, had to yield to some of the claims made by these organizations.

Both the leaders of the workers and the employers had begun to express to the authorities since 2010 the need for the institution to be empowered to discuss other issues related to employment and work, such as working conditions - workers claims - or occupational structures and types of contracts - business sector claims -. Although the Sectoral Commissions and Dialogue Tables - spaces within the Council, also of tripartite composition and similar dynamics that the Plenary of the Council - worked de facto to discuss other issues beyond wages, they were activated:

Very occasionally since if the Minister did not call for them when required by law, then the tables do not meet. Those of us who began to complain about this malfunction are the businessmen because the discussion of labor issues was being processed in the Assembly, as was the case with the "Holiday Law" in which we, as official participants of the council, had no voice nor vote. We should have discussed that issue so that it will then go to the Assembly with a text already agreed by the interested parties. (interview N°5)

---

5 Since 2014, economic growth has stopped, employment has declined and reserves have deteriorated, due, basically, to the drop in the international price of oil, Ecuador's main source of income.

The testimonies and the analysis of how the new Council (CNTS) actually worked ratified the disposition that businessmen historically had to influence and intervene in the design of policies and state institutions (Burbano de Lara, 2006). The claim of being consulted by the State and the installation of corporate arrangements as if the State had the obligation to do so was a constant among the elites since the 1980s. The words of the vice minister of labor relations confirmed it. He argued that it was “the businessmen who wanted to discuss the labor issue in the Council, for example, contract issues, they believed that the (Organic) Labor Justice Law had harmed them” (interview No. 1).

On the part of the workers, the representative delegated to the CNTS also pointed out something in that vein:

CONADES is called only when it is needed and not to do technical work (...) you have to prepare the discussion throughout the year, do a technical analysis by branches of work seeing how much is earned, what are the conditions of the country. (interview N°7)

On the other hand, the leadership of the union of paid home workers also supported said change: “it was necessary to start discussing, for example, the gender issue at work, in labor policies” (interview N°3). In that sense, it is observed how the change in the functions of the CNTS was the result of the claims of the involved actors, all motivated by their willingness to strengthen their power within the body. This, however, did not change the margin of action of the State, which continued to ultimately have the power to accept or not of what was agreed upon there.

### **The corporate representation in conflict**

Between 2010 and 2013, the FUT has had the monopoly of trade union representation within the Council. With a classist and combative tendency (and opposition to the *correísta* Government from the post-constituent period), said Front is made up of different trade organizations, among which are: the Ecuadorian Confederation of Unitary Classist Organizations of Workers (CEDOCUT), the Ecuadorian Confederation of Free Trade Unions (CEOSL), the General Union of Workers of Ecuador (UGTE) and the Confederation of Workers of Ecuador (CTE). Until 2014, these four organiza-

tions have voted collectively to designate the representative of the workers in CONADES. Between 2010 and 2013, other organizations (not affiliated with the FUT) have not always accompanied their positions. Among them are the Ecuadorian Confederation of Class Organizations (CEDOC-CLAT) (a detachment of the CEDOC in the 1970s) and the Ecuadorian Confederation of Social Security Workers and Organizations (CETOSS). The first refrained from voting the proposals of the FUT in the years 2010 and 2011. While the second, together with the CEDOC-CLAT, did not attend the 2013 vote. Only in 2012, both centrals vote together with the grouped in the FUT.

However, in 2014 with the already formalized appearance of the CUT, the breakdown of the monopoly by the FUT takes place. If one dialogues with the classical perspectives of political science around corporatism that consider the monopolistic component of representation as a requirement (Schmitter, 1998), it can be affirmed that the corporate component of the institution weakened or was mutilated. The Government also began to recognize the centrals agglutinated in the CUT, and since 2014 the call made by the Ministry to the union centrals to form the electoral colleges in charge of choosing the representatives was also addressed to all the organizations belonging to the CUT. After five years, for the first time, the worker's sector found discrepancies in choosing the delegates. When there was a tie situation, the Minister was empowered, as prescribed by the law, to elect the representatives. This is how the Minister chose Jaime Arciniega (of the CSE, nucleated in the PLE) as the holder, and Edgar Sarango (of the CTE, part of the FUT) as alternate, who would last in office for two years.

By 2016, with the inauguration of the CNTS, the FUT trade union centrals stopped participating altogether in the electoral college session. According to a CEOSL leader, doing so would have meant legitimizing an agency and interlocutors that were operating according to private interests, without popular support and with the sole purpose of harming workers. Participating with representatives would have been a way of legitimizing a "governing council" (interview N°6). According to the FUT, the emergence of the CUT was enhanced by the government's intention to fragment and weaken the working class and promote the construction of an "official" union leadership that was subject to government decisions. In fact, the two representatives of the workers within the CNTS subsequently ended up being assembly members of the ruling party (Alianza País). For his part, the delegate by the workers belonging to the CUT, said that participating in the Council (as opposed to the decision

of his FUT colleagues) was a demonstration towards the government and business sector that “we are an open Central and of dialogue (...) a message that workers are at the same level of discussion as employers” (interview No. 7).

At the 2016 meeting, the CUT representative, the CUTTAE representative and the representative of the Association of Paid Household Workers participated. That same year, with the two delegates by the workers coming from the CUT, a consensus with the business sector was achieved for the first time in an unprecedented event after fifteen years. According to the delegate by the workers:

It was something significant, although the socio-political situation in the country does not allow us to reach a salary increase as we all would expect. One has to be responsible and not throw figures as the FUT did. The small producer, the small merchant, who has one, two, three people, will have to throw them away because he will not be able to pay that increase. There are parameters that the ILO gives us to be able to calculate the salary increase. With that base, we reached a consensus. I felt satisfied that we could show that I could sit down to talk with the workers. (interview N°7)

This unprecedented agreement in 2016 was explained by the business delegate as a “politically correct agreement, full employment in Ecuador was still being lost and there was no point in raising wages” (interview N°4).

If we shift our gaze towards the field of business representation, there are wide differences with respect to the representation of the workers. Not only fissures are not evidenced, but also a solid cohesion and unity within the collective in order to negotiate with the workers and the State can be observed. The continued presence of Luis Poveda Velasco (of the Chamber of Industries of Guayaquil) as a representative for 8 consecutive years (2010-2017) is symptomatic of that. This produces benefits for the business sector as it provides a single person with sufficient technical expertise and practical knowledge to place themselves in a better negotiating position, which at the same time contributes to increasing their symbolic capital. This corporate power increases when the strength of the other participants (workers and government) is weakened and is reinforced by two factors: economic resources and fragmentation of the labor unions. As one of the business leaders who has served as a delegate for the industrial and construction sector for 8 years, related (interview N°5), the business chambers have greater financial resources to be able to hire consultancies, technical studies and strategic

reports with which to position themselves in better conditions in collective bargaining. In the words of the businessman:

We arrived at the meetings of the Sectorial Commissions and presented a whole series of data to argue our position on the salary amount that should be approved (...) the unions did not have information, or at least, they showed data that seemed not to have been agreed with all the centrals or federations of workers.

The advice to businessmen by large economic consortia and think tanks places them in a better situation to face any negotiation. Even measures that hurt business chambers since the beginning of Rafael Correa's government, such as the unconstitutionality of making the affiliation of companies with chambers compulsive, did not affect the accumulation of capitals (economic and social) of business federations to position themselves during negotiations. This was ratified in an interview with a FUT leader, delegate during 2011-2014, who said it was rare for workers' federation representatives to arrive prepared for sectoral commissions. In that sense, on the workers' side, it was proposed on some occasions that the Ministry offers training for the delegates of the workers who participated in the sector commissions. As of today, such demand has not yet been considered.

The second factor of business power is linked to the fragmentation of the trade unions. Since the monopoly of representation in charge of the FUT was broken, the election of delegates to the Council has been the subject of conflict between the various trade union centrals. In 2013, a new discrepancy emerged within the Council regarding the division between the private sector and public sector workers. Leaders of the FUT trade union centrals expressed their disagreement: "the representatives of the trade union centrals that *truly* represent the private sector must be there" (record of the meetings of the electoral councils). The issue of incorporating public sector workers became a complaint since then. Both the leaders of the FUT and the business leaders refused to grant them representation and a space for participation in the Council. For the delegate on the part of the business sector, "during 2015-2017, the representatives of the workers become, fundamentally, leaders of the public workers, that was a problem, we were defining salaries with people who represented public workers and not private". Thus, the dispute over representation, about the legitimacy of which actors should or should not enjoy political representation, was a dispute in which not only the unionized organiza-

tions participated, but the government itself - with the approval that workers of the public sector can participate in the council - and private sector leaders.

## **Conclusions**

This text explored how the institutional design and dynamics of an organization such as the National Wage Council in Ecuador during the 2007-2017 period placed corporate representation under dispute. At the theoretical level, the analysis questions the liberal approaches that grant formal equality to the interests and actors that participate within corporate institutions (Lanzaro, 1998). Any institutional dynamic of negotiation that involves different actors cannot be fair and equal when the interests that participate there do not have the same weight or the same conditions to participate. Formal equality, thus, vanishes when the game of political negotiation begins. This highlights the inequalities of those in terms of their origin, strength, and permeability to the interference of other actors or structures, such as the State. Likewise, Marxist approaches also suffer from certain limitations in understanding corporate representation. The analysis showed how the interests of the different sectors (workers and businessmen) cannot be deduced a priori from the general economic conditions or their positions in the social-economic structures, nor can a “state interest” be decisively defined (pro-capital). Nor can it be stipulated that the fundamental struggle occurs between these two types of interests. Within the labor power field, it is also the different categories of workers that antagonize each other.

At the empirical level, four major conclusions can be identified. First, that the process of construction of socio-political representation within CONADES/CNTS by the business sector is more fluid, linear and devoid of conflicts in relation to that generated by the union sector, which incurs constant confrontations to occupy positions within the Council. This allows the business sector to exercise greater power in relation to workers. The economic and symbolic capital they have, the internal cohesion that the sector maintains and, on the contrary, the fragmentation of the union field that represents the workers of Ecuador, contribute to its strengthening. Secondly, trade union fragmentation not only strengthens the position of the business sector within the Council but also makes it difficult to represent workers and at the same time contributes to the State having greater control over corpora-

te negotiation. Third, the Government has influenced the definition of representation of both workers and employers through changes in the regulations governing CONADES and the promotion of the creation of new trade union organizations such as the CUT.

Finally, the changes in the representation of the workers' sector (the displacement of the FUT in favor of the CUT) showed that the interests of the workers and the union leadership were configured according to the correlation of forces, economic situations of the country and political negotiations with the government in turn. In 2016, for example, an unprecedented situation occurred in the period under study that the workers' leaders agreed with the employers the unified basic salary, even knowing that it would harm them. This change in the representation of workers, beyond meaning the empowerment of the business sector because it fragments the union sector, can also be considered a democratic expansion of participation, to the extent that the State enables the intervention of trade union centrals and confederations that are no longer shelter under the structure of the FUT for "having lost representation" and includes workers historically not recognized as such. This can then be interpreted as historical remediation of sectors that have long been damaged by class structures and states that have not been concerned about the incorporation of majorities.

## **Research support and financial support**

The research whose results are presented in this article was funded by Grupo FARO, (Ecuador). I thank Rodrigo Adriel Iturriza for his invaluable research support, who is not responsible for the ideas expressed in this text.

## **References**

- Achig, L., & Neira, T. (1989). Movimiento obrero ecuatoriano y proceso sindical (los orígenes 1880-1938). *Revista IDIS*, 21, 69-166.
- Aguar, V. (2007). *El Mercado Laboral Ecuatoriano: Propuesta de una reforma*. Edición electrónica. Recuperado de: <https://bit.ly/2P78GVz>
- Burbano de Lara, F. (2006). Estrategias para sobrevivir a la crisis del Estado. Empresarios, política y partidos en Ecuador. En Eduardo Basualdo y Enrique Arceo, *Neoliberalismo y sectores dominantes. Tendencias globales y*

- experiencias nacionales*. Buenos Aires: CLACSO, Consejo Latinoamericano de Ciencias Sociales.
- Coronel, V. (2013) Justicia laboral y formación del Estado como contraparte ante el capital transnacional en Ecuador (1927-1938). *Illes i imperis*, 15, 171-193.
- Herrera, G. (2015). *Situación, estrategia y contexto de los sindicatos en el Ecuador*. Documentos de Trabajo CLACSO-UMET “Nuevos modelos sindicales en América Latina y el Caribe”. Buenos Aires: CLACSO. Recuperado de: <https://bit.ly/38F5J6E>
- Lanzaro, J. (Comp.) (1998). *El fin del siglo del corporativismo*. Venezuela: Nueva Sociedad.
- Marega, M. (2015). *Trabajadores, sindicatos y Estado en Ecuador. Reconfiguraciones de la relación Estado-sindicalismo petrolero público*. Tesis de Maestría. Quito: FLACSO.
- Oleas, J. (2013). *Ecuador 1972-1999. Del desarrollismo petrolero al ajuste neoliberal*. Tesis de Doctorado en Historia. Quito: Universidad Andina Simón Bolívar.
- Ospina Peralta, P. (2009). Corporativismo, estado y revolución ciudadana. El Ecuador de Rafael Correa. En *Estado, movimientos sociales y gobiernos progresistas*. Quito: Instituto de Estudios Ecuatorianos.
- Posso, C. (2013). *El retorno de Ulises. Estado y participación política. Conflicto UNE-Gobierno*. Tesis de Maestría en Ciencias Políticas. Quito: FLACSO.
- Ramírez Gallegos, F. (2012) Despliegues de la autonomía estatal en el Ecuador de la Revolución Ciudadana. *Debates y combates*, 4, 115-150.
- Schmitter, P. (1998). ¿Continúa el siglo del corporativismo? En J. Lanzaro (Comp.), *El fin del siglo del corporativismo*. Venezuela: Nueva Sociedad.
- Senplades (2014). *Construcción de un Estado democrático para el Buen Vivir*. Quito: SENPLADES. Recuperado de: <https://bit.ly/2HC0t7J>
- Stoessel, S. (2017). État et représentation politique dans l'Équateur contemporain: le cas des transporteurs syndiqués. *Cahiers D'Amérique Latine*, 83, 33-52. <https://doi.org/10.4000/cal.4450>
- Velasco, M (1987). El movimiento obrero en Ecuador: propuestas para el análisis de sus dimensiones objetivas y sus determinaciones. *Ecuador Debate*, 13, 25-45.
- Ycaza, P. (1991) *Historia del movimiento obrero ecuatoriano*. Quito: CEDIME, CIUDAD.

Submission date: 2020/10/31; Acceptance date: 2020/02/18;

Publication date: 2020/03/01