Changes in class structure. A proposal of measurement and some research problems. Argentina (1960-2001)
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Since the mid 70s, by means of the material power of the state, conditions for imposing the hegemony of finance capital in Argentina began to be created, destroying the previous form of social organization typical of industrial capital. These conditions could only be fully realized in the late eighties -through the crisis that manifested itself in the form of hyperinflation. Since then, beyond the circumstantial political forms of this process, we have witnessed an increasing centralization of ownership and wealth, on par with the pauperization and proletarianization of large masses of population. Though fluctuating, the persistence of these processes in the long run indicates an organic transformation in the social structure in Argentina. In this paper we present a series of measurements based on census data -since 1960 until 2001-, to analyze the evolution in class structure during that period and pose some resultant problems for further research.

Conference: class, power and social structure.

Introduction

There is some general consensus in research on Argentina about the existence of a transformation in some features of its social structure since the mid-seventies. In fact, there is a widespread interpretation (not only in the academic field, but also within an important portion of the labor and popular movement) according to which this transformation is attributed to the imposition of the so-called "neoliberal economic model" from the last military government (1976-1983). Differences begin when characterizing the further development, both during the first democratic government since (1983-1989), or at least its early years, but especially in the aftermath of the popular uprising of 2001 and the government administrations that succeed each other from 2003. Debate revolves around whether the "neoliberal economic model" persists or has been replaced by another one. Regardless the assertion of one alternative or the other, these characterizations generally appear linked to the comings and goings produced by changes in the administrations of the state government, and in that sense, analyses remain limited to conjunctural movements, leaving out of focus the organic movement of society\(^1\). What relatively permanent changes can be observed in the social structure beyond the circumstantial changes linked to turnovers in ruling staff?

Our starting point is the notion of social structure as the set of social relations linked to the production of material life and which all social relations lie on. This structure constitutes an objective disposition and a first moment of analysis of the relation of social forces\(^2\), which can be studied by considering the degree of development of material productive forces and the fundamental social groups that emerge on them.

Here we present an approach to the measuring of both dimensions for the Argentine case, based on the distribution of population according to the division of social labor and according to social groups, as part of a broader line of research whose purpose is precisely to know the transformations in the social structure of this country in the last fifty years\(^3\).

We mainly use as a source economic data (work status, type of economic activity, employment category and occupation) from national population censuses from 1960 to 2001, whose

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\(^1\) The distinction between "conjunctural” and “organic” movement is taken from Gramsci (1990: 39-46).

\(^2\) In the analysis of the relations of social forces that occur in specific situations it is possible to distinguish three moments: a first one closely linked to the economic structure, a second one concerns the relation of political forces, measured by the degree of the state of organization, self-consciousness and homogeneity achieved by each different social group, and a third one regarding the relations of immediate politic or potentially military forces (Gramsci, 1990).

\(^3\) Research which first results were published in Iñigo Carrera and Podestà (1985) and later continued in Cavalleri, Donaire and Rosati (2005) and Donaire and Rosati (2009).
information was reworked by means of a specially designed theoretical and methodological instrument. The analysis of some subsequent trends will be completed with relevant information from other sources, since unfortunately the data related to economic characteristics of population corresponding to the last census of 2010 is not yet available.

Division of social labor

It is well known the relationship between development of productive forces and division of social labor. The division between town and country, and then between trading and manufacturing, involve different stages in the form of cooperation that human beings establish among themselves and therefore different degrees of development of these forces\(^4\). Distribution of population according to the major sectors and branches of division of social labor becomes then an indicator of the degree of development of productive forces. Thus, an initial distribution allows to distinguish between the following sections.

On the one hand, people whose source of income comes directly from their participation in the production and exchange of material wealth. Within this group it is possible to distinguish between two main sections, the agricultural population and the industrial and commercial one, both of which refers to the development of the contradiction between country, as historic location of pre-capitalist relations, and hence of their possible remnants, and town, as location of full capitalist development. In turn, industrial and commercial population is broken down according to whether it is occupied in production or circulation.

On the other hand, population who is not directly involved in the production of material wealth, but receives in some way an income derived therefrom: people involved in political and ideological reproduction of the social system (public administration, defense, religion, etc.), the ones employed for personal services (e.g., domestic servants), and finally, those who earn an income without being occupied, either in the form of pensions, rents, etc. or in the form of public charity and social assistance (as unemployed). This whole grouping is classically known as non productive population\(^5\).

If the evolution of the distribution of Argentina's population is analyzed according to these main sections, the following trends are shown:

Agricultural population, scarce in relative terms, tends to fall absolutely and relatively over the period\(^6\), which constitutes an indicator of a high development of the productive forces and of the transformation of agriculture into a branch of industry. This process is reinforced by the fact that the decline of this population is accompanied by an exponential increase in the physical volume of the main crops, and thus, of productivity in agriculture: in 2001 almost one third lesser population yields an agricultural product four and a half times bigger than in 1960\(^7\).

Industrial and commercial population grows in absolute terms from 1960 to 1991 and then decreases towards 2001. In relative terms the development is similar, but the turning point occurs in 1980. If within this population we distinguish between the ones engaged in branches of production of commodities (including here those branches relative to training, development, conservation and reproduction of the labor force, such as education and health services) and

\(^4\) And in fact, this is noted in the classical analysis: “How far the productive forces of a nation are developed is shown most manifestly by the degree to which the division of labour has been carried. Each new productive force, insofar as it is not merely a quantitative extension of productive forces already known […] causes a further development of the division of labour. The division of labour inside a nation leads at first to the separation of industrial and commercial from agricultural labour, and hence to the separation of town and country and to the conflict of their interests. Its further development leads to the separation of commercial from industrial labour”. (Marx y Engels, 1992: 150-151, own translation).

\(^5\) The way in which census data are displayed imposes certain technical limitations to the approach to each of these sections. The main one is the fact that, although theoretically this distribution allows to characterize the whole population according to their incomes source, both direct receivers (whether or not participate in productive activity) and their dependent relatives, unfortunately the information is presented in a way that prevents to distribute this second group. In census terms, then the distributed population comprises only “economically active population” and “retirees”, but not the rest of the “economically inactive population” (mainly housewives and students) and “population under 14”.

\(^6\) Except for the period 1980-1991, during which it increased slightly in absolute terms, though this movement can be attributed partly to changes in the data collection instrument, and partly, to an hypothetically increase in “latent” relative overpopulation in the countryside, later expelled to the city (Rosati, 2006).

\(^7\) As calculated on physical volume of the main crops (soy, corn, wheat, sunflower and sorghum). Source: Statistical Yearbooks of Argentine Republic, INDEC.
As a whole, the described movement involves a qualitative change in the composition of the data published in CIFRA, 2012). These figures do not include agricultural manufactures. Compared to the existing twenty-five years ago (Iñigo Carrera, Cavalleri, and Murruni 2010). Subsidized so as to survive, a reason for what it was classically called "official pauperism" surplus population, phenomenon to be described later, much of which must be publicly subsidized in the form of charity or social assistance. An important part of this growth corresponds to the relative growth of branches like education and health and social services (collectively, from about 14% in 1960 to 36% in 2001) can be noticed. Given the phase that the development of capitalism is going through in Argentina, expressed - as it will be explained later - in a steady growth of the mass of surplus population relative to the needs of capital, the problem arises whether a large part of the population engaged in the education and health systems is tending itself to become non productive, as it role is progressively less the formation and maintenance of the workforce and increasingly more the social welfare and containment of that overpopulation.

In fact, the most striking development in the division of social labor in Argentina since 1960 is the preponderance acquired by non-productive population, which increases its absolute and relative weight, from 28% in 1960 to 52% in 2001. Within this population, the category that grows most rapidly is the one made up of those who earn an income without being occupied, either in the form of several types of rents, or at the expense of revenues from all classes in the form of charity or social assistance. An important part of this growth corresponds to the relative surplus population, phenomenon to be described later, much of which must be publicly subsidized so as to survive, a reason for what it was classically called "official pauperism". But the growth of non-productive population is also an expression of other forms linked to rent-seeking parasitism, which ratio can not be estimated from population census sources, but can be observed indirectly through associated phenomena such as public debt and transferred-abroad local capital.

As a whole, the described movement involves a qualitative change in the composition of the population, and it also expresses a development of productive forces, which appears confirmed by the development of capitalism in Argentina, expressed - as it will be explained later - in a steady growth of the mass of surplus population relative to the needs of capital, the problem arises whether a large part of the population engaged in the education and health systems is tending itself to become non productive, as it role is progressively less the formation and maintenance of the workforce and increasingly more the social welfare and containment of that overpopulation.

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by the growth of the mass of social wealth produced during the same period, measured by the evolution of gross domestic product: without regarding to typical short-term movements of the economic cycle, it turns out that in 2001, with only one-tenth plus of the population employed in activities related to production (agricultural and non-agricultural), there existed a product over twice and a half higher than in 1960. These transformations in the division of social labor express a change by which a relatively smaller proportion of population engaged in production has become socially required to produce a bigger output and to support a proportionally larger non-productive population.

Fundamental social groups

Social groups refer to sets of human beings who are in a similar situation in the economic structure respect to the relations of production as a whole, whose legal expression are property relations. Thus, the definition refers to: a) position regarding ownership or non-ownership of the material conditions of existence, b) function represented in production and social reproduction, distinguishing between those who fulfill or not intellectual functions of command or auxiliary to capital. From these two dimensions it is possible to distinguish between the following groups:

- The great bourgeoisie and its high officials, which constitute the top echelon of the bourgeoisie; landowners, financial magnates, major industrial businessmen, rentiers, etc., i.e., the personification of the great monopolistic capital, either because of their position they are owners of big capital or because of their function they constitute the main general staff representing such interests.
- The petty bourgeoisie, which is constituted by owners of their material conditions of existence who do not sell their own labor power. This group is in a permanent process of differentiation into two groups. On the one hand, the wealthy petty bourgeoisie constituted by those who, in addition to owning their own material conditions of existence, are owners also of others’ means of living and working, but also by those who fulfill command functions specific to capital, even in the form of salaried employees, whether they happen to form part of private business or of the state apparatus (the so-called "industrial army officials"). Also in this group we can find the bulk of those who fulfill auxiliary functions as intellectuals (professionals, teachers and the like), although some of them may be involved in processes of proletarianization and / or impoverishment. On the other hand, there is the poor petty bourgeoisie, constituted by those who merely own their own means of living and working (small traders, freelancers, etc.).
- The proletariat and semi-proletariat, consisting of those who are wholly or partially expropriated of their living and working conditions and therefore are forced to live mainly or partly on the selling of their own labor power, whether they achieve to sell it or not.

A first general reading shows that, contrary to the theories which since the eighties postulated the gradual reduction and even disappearance of the working class, in Argentina there was an absolute increase of the proletariat and semi-proletariat, who passed from nearly 4.5 to more than 10 million people between 1960 and 2001. This growth of the proletariat and semi-proletariat in quantitative terms is accompanied by qualitative changes in its composition. One of the most notorious is that related to the growth of that portion relatively surplus compared to the immediate needs of capital: just taking as an indicator its overt form, the unemployed, it comes to represent from 2% of the proletariat and semi-proletariat in 1980 to 42% in 2001. This change in composition can also be observed through the evolution of the rates of unemployment, poverty and unregistered employment.

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13 "The richer a country is, the less large its productive population is relative to its total population, just as it is more advantageous for the individual capitalist to employ fewer workers to produce the same surplus value. The richer a country is, the less large its productive population is relative to its non productive population, provided that the amount of product remains unchanged. The relative scarcity of productive population merely expresses, though in a different form, the relatively high degree of labor productivity" (Marx, 1974: 177/8, own translation).
14 We use the concept of "groups" as we are not referring to the analytical moment in which they are constituted properly as "classes" in social confrontation.
15 It should further be noted that there exists a part of surplus population to the needs of capital that does not happen to be classified as unemployed but as inactive, as in the case of certain portions of young and neither working, nor looking for working nor studying people, and poor elderly sustained by pensions; or classified even as occupied, as some casual workers who appear covert as self-employed or family workers.
16 There is no measurement referring to 1960 census.
among urban population. In the movement of these rates it can be observed a change in their levels of fluctuation, turning out that the points considered the highest until the eighties have become the lowest in the following decades. Thus, the proletariat and semi-proletariat represent the bulk of the population, but despite their absolute growth, their relative weight fluctuates around two-thirds of the population. Part of these oscillations is attributable to changes in the methodology of classification in official statistics, especially between 1980 and 1991. In fact, one aspect that blurs the estimation of the motion of the volume of the proletariat, also involves some variations in the counterweight of poor petty-bourgeoisie, part of which corresponds to a portion of population that appears statistically as "self-employed", but which encompasses many very different situations, from small producers and traders to poor casual workers ("changarines"), resulting in the masking of the latter as smallholders when in fact they form part of the proletariat. An approach based on statistical data on the country's main urban agglomeration, Greater Buenos Aires, showed that in 2001 this “covert” proletariat represented about 28% of the supposed "self-employed", and that this proportion had grown since 1980, when it represented just over 12%. Most of these "non-owners" is made up of street vendors and waste pickers ("cartoneros"), domestic staff and casual workers, mainly in construction and homework manufacturing. The bulk of the volume differences of self-employed persons between censuses is actually explained by the fluctuation of this portion, which can alternatively appear as inactive, unemployed or self-employed, depending on the form of measurement used in each census. So, what at first glance seems like oscillations (and at certain times, as growth) of the mass of smallholders, it is actually nothing but a masked growth of the proletariat, and especially of its relative surplus portion to capital. Another aspect that affects the apparent stagnation of proletariat refers to the relatively, though oscillating, stable weight of wealthy petty-bourgeoisie. However, this stability in volume does not be regarded as an absence of a concentration process but actually conceals a change in its composition. Within the wealthy petty-bourgeoisie, the portion that fulfills auxiliary functions as intellectuals -mainly professionals, teachers and the like, and especially those engaged in salaried relations- grows in relative terms, from representing 31% in 1960 to 58% in 2001. In contrast, small and medium employers fall from 61 to 27% in the same period. This change in composition is related to the increasing expansion of the educational system and the resulting increase in public access to formal education and even to its higher levels. Thus, the percentage of Argentina's population over 14 years old who graduates from higher education has increased from 1.4% in 1960 to 8.7 % in 2001 (and to 11.6% in 2010). This process has led to an impoverishment of some strata of intellectuals because their living conditions no longer express a class privilege but begin to be common to the bulk of the mass of the people. But it has also produced a portion of population potentially able to engage in intellectual occupations but which remains immediately surplus to the needs of social production determined by capital. In 2010, 29% of the urban population graduated from higher education was not engaged in tasks requiring theoretical knowledge (ie, neither professional nor technical), but in operational or unskilled occupations or, though in fewer cases, unemployed. We have characterized this group as a "reserve army for intellectual functions". This process of “salarization” of wealthy petty-bourgeoisie, accompanied by the extension of the status of "reserve" for a part of it, could be indicating a proletarianization process, which in turn is expressed in the sphere of political relations as an increasing adoption, among some of these groups, of strike as a form of struggle and of union as a form of organization. But a more precise approach of this proletarianization must be observed by other indicators. These changes tended to produce a greater data collection about categories named "informal" among self-employed and unpaid family workers (Wainerman and Giusti, 1994), an important part of which masks proletarian population whose proportion is difficult to estimate through census data. There was also a reform of the National Occupational Classification, which brought with it, among others, a change in the weight of the administrative and accounting occupations of technical qualification. Given the form of classification of the information used for the 1980 census, it is likely that many of those who were subsequently included in that category had been classified then, not as technical, but merely as plain clerks (Instituto Nacional de Estadísticas y Censos,1997). If so, the 1980 data would be overestimating the weight of the proletariat and semi - proletariat, having clerks been included in that social group. Donaire (2004). Donaire (2007). Donaire (2006). We have made progress on an analysis on the case of teachers in Donaire (2012).
apparently stable volume of proletariat would actually be increasingly thickened by some portions of salaried petty-bourgeoisie\textsuperscript{22}. Finally, this mass of salaried employees as a whole would be subject to a great bourgeoisie that has reduced from 2.8\% to 0.5\% of the population. Despite the limitations of the census to measure this process, other sources confirm not only the increasing concentration and centralization of capital\textsuperscript{23}, but at the same time, its higher degree of foreign ownership\textsuperscript{24}.

Results and new problems

From the previously presented information, it is possible to see that, beyond the circumstantial movements, in the last fifty years the social structure of Argentina has undergone a strong development of its productive forces. This development does not contradict the following asserts: a) that Argentina has deepened its character as a dependent country and, simultaneously, the domination of finance capital has developed over the whole social structure, b) that there has been a change in the composition of its productive branches as a result of the decline or disappearance of certain activities and the development of others, and that such change has occurred in the form of successive periodic crises (form necessarily taken by development of the productive forces in capitalist society), process which functions as a base of the idea of an apparently “de-industrialization” or “regressive industrialization”, c) that, as it is typical of this mode of production, development has occurred on the basis of further exploitation and expropriation of large masses of the population, producing repulsion of population from productive to non productive activities and placing much of it in a surplus condition for the immediate needs of capital. This process in turn corresponds with a strong centralization and concentration of wealth, and with an absolute growth of the proletariat, on the one hand, thickened by increasing salaried employment and possible proletarianization of the petty bourgeoisie, and on the other, within which grows the relative overpopulation and consolidated misery. These changes become irreversible (not in the sense that they can not be overcome, but in that it can not be a return to the previous situation), and thus, they refer to the organic movement of society. The growth of poverty and parasitism (surplus and non-productive population growth) in a social structure where capitalism is widespread (high weight of the proletariat) and highly concentrated (negligible weight of the great bourgeoisie) are features of a society with a very high development of capitalist relations but through its phase of decomposition, in the sense that the capitalist development itself destroys more productive relationships than the ones it builds.

But the development of this particular social structure is part of the movement of capitalism as a whole. Whereas in the turn of the century a qualitative transformation in the world’s population is taking place, most of which comes to be urban (from 46.7 to 51.7 \% between 2000 and 2010), a movement that nonetheless expresses still a process of extension of capitalism to large areas (rural population grows from 3263 to 3341 millions of people in the same period)\textsuperscript{25}, how these processes observed in argentine society are inserted in the world capitalist system? Do its features correspond to a peculiar combination of its high development of capitalist relations and its character of dependent country? To what extent are its characteristics peculiar and to what extent are they observable in other countries?

\textsuperscript{22} And therefore it would arise the question whether it is still relevant its classification as wealthy petty-bourgeoisie or if it would be necessary to modify the theoretical and methodological instrument used for research.

\textsuperscript{23} Between 1993 and 2009, sales of the two hundred companies with the highest turnover went from 16.4 to 28.4\% of the gross value of production in the country, reaching a peak of 32.9\% in 2002. Their share in total exports rose from 58.8 to 69.7\% between both years, with a peak of 78.3\% in 2005 (Aspiazu, Manzanelli, and Schorr, 2011: 22 and 27).

\textsuperscript{24} Although through oscillations between 1975 and 2000 foreign firms and conglomerates went from just over one-third to more than half of the sales of the top two hundred Argentine companies according to turnover (Basualdo, 2006: 458). Between 1993 and 2009, the number of foreign firms among the top two hundred went from 50 to 117 and their sales in relation to the gross value of production in the country went, with variations, from 3.7 to 14.4\% between both years, with peaks near to twenty percent in 2002 and 2007 (Aspiazu, Manzanelli, and Schorr, 2011: 47).

\textsuperscript{25} According to statistical data from Food and Agricultural Organization of the United Nations.
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Source: Own estimations based on National Population Census.
Active population by fundamental social groups (in absolute amounts). Argentina, 1960-2001

Source: Own estimations based on National Population Census
Active population by fundamental social groups (in percentages). Argentina, 1960-2001

Source: Own estimations based on National Population Census
Composition of the wealthy petty bourgeoisie. Argentina, 1960-2001

Source: Own estimations based on National Population Census
Unemployment, poverty and GDP.
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Source: INDEC, ATE-INDEC and estimations courtesy of Juan Iñigo Carrera.
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Source: Estimations courtesy of Juan Iñigo Carrera.