

**Transnational Corporations and
the Development of Labour
Movements:
The case of the salmon industry
workers in Puerto Montt and
Chiloé**

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SUMMARY

The purpose of my thesis is to understand in what ways economic and productive transnationalisation affects political and social participation in the local level. Particularly, what I wish to explore are the effects of integration into the global economy over labour movements in peripheral regions. I study the ways in which workers of salmon firms in the areas of Puerto Montt and Chiloé organise and act.

This research starts from the assumption that transformations in the productive sphere will have consequences in terms of labour organisation and action. Framed by the transnationalisation of production and the shifts of social power in national and global contexts, this research seeks to answer the following question: in a context of flexible and precarious employment -what includes fear of losing jobs-, and facing extremely harsh working condition, do workers in the salmon industry organise and protest? And then, is there a difference depending on the locality?

In order to do so, a set of methods will be employed. First, the economic, political, social and cultural histories of these two areas will be described and analysed in order to obtain a sound contextualisation. Then, forms and degrees of labour organisation and action will be assessed. Finally, semi-structured interviews and a focus group session with workers are organised in order to flesh out the effective strategies and tactics, and the limitations and challenges they face in the process.

Key Words: Chile, Salmon Industry, Transnationalisation, Labour Movement, Labour Flexibility

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INTRODUCTION

Transnational Corporations, Integration to Globalisation, and Labour Movements

There is a sort of consensus regarding the fact that the establishment of transnational forms of production in a given locality will have effects over the latter. The consequences of these effects are, however, contested ground. While some authors defend economic growth, increased levels of purchasing power, and social and cultural modernisation produced by TNCs in peripheral regions (Dollar and Kraay, 2003; Ohmae, 2003), other scholars (Stiglitz, 2003; Santos, 2006) understand these effects as negative ones, particularly in what regards the provision of social security and welfare, the proper design and development of urban areas, and the protection of the environment.¹

The effects of massive reorganisation of relations of production over social and political organisation and action are also in discussion. The consequences over the organisation of civil society are documented and analysed, although the results are generally contradictory. This is not a trivial matter: understanding these effects allows us to better grasp the forms in which globalisation shapes politics and participation in the local, regional, country, interregional, and transnational levels.

Starting from this basis, I seek to assess the relationship between the reorganisation of relations of production and civil society. To do so, I have chosen to focus on the establishment of the salmon industry cluster and its effects over the organisation of labour and workers in two neighbouring areas in the south of Chile: the city of Puerto Montt and the Greater Isle of Chiloé.

During the last 25 years, these two geographical areas have experienced strong transformations. First, population and economic growth has occurred due to the establishment of Chilean and transnational salmon farms and processing plants. The development and concentration of industrial activities and economic services related to the salmon farms and processing plants in this time period allowed to speak of an industrial agglomeration in the Puerto Montt-Chiloé zone (Perlman and Juárez-Rubio, 2010).

Nevertheless, the quality of environment, social welfare and livelihood have been significantly affected in these areas. Slums have sprawled around urban areas; community values and links have been loosened; labour conditions are far from satisfactory, and traditional fishery and agriculture have been seriously disrupted and damaged.

1. However, it is not simple to establish a clear-cut division between these two positions. For instance, Ximena Valdés (forthcoming 2010) and Leslie Sklair (2003), although critical towards the expansion of transnational corporations, applaud the weakening of *machismo* that comes with the entrance of women into the labour market.

Since 2007, consequence of an Infectious Salmon Anaemia (ISA) virus epidemic in the zone, there has been a sharp decline in production and several plants have shut their operations. Some firms have also shifted their locations. All this led to higher unemployment and poverty levels in the region. This situation was compounded by the 2008 global financial crisis, as well as by seasonal apparitions of red tide and other micro-biotic phenomena.

Any possible consequences over social and political organisation and action should be different according to the particular place that has been affected. In this sense, despite their geographical proximity, both Puerto Montt and Chiloé have different starting points in terms of economic and social practices. The former developed as a state planned city, populated by German and Chilean people during the mid-19th century, developing small scale food industry besides small and medium-scale agricultural, forest and fish industries. On the other hand, Chiloé has a more homogeneous population, composed by a 300-year old blend of Spaniard and Huilliche cultures. Until recently, this island has been isolated and has kept its traditional, self-subsistence forms of production. Thus, these differences could also extend to the local forms of relations and the social links and bonds.

Finally, during the last 30 years, the Chilean labour legislation has pioneered major changes in transnational forms of production.² In this sense, there exist several regimes of production, and possibilities of association, according to the form of contract. These extend from indefinite contracts to self-employed workers, including temporary, outsourced and subcontracted workers. Ultimately, these forms of employment have weakened trade unions, the major form of labour organisations in Chile. However, McKay (2006: 42) states, labour control cannot be absolute, as the spaces for resistance and dissent are always reproducing and changing. Thus, the effects of new forms of production could be different according to specific working regimes.

In conclusion, the economic, social and environmental changes could have some sort of impact or consequence over the forms that local society organises and act. And as I indicate above, common sense would say that political and social organisation and participation should be transformed by transnational activities in the local sphere.

Guiding Questions and Research Propositions

Thus, the main guiding question of this thesis is the following:

What have been the effects of the introduction of transnational relations of production over the modes of organisation and action of labour in Puerto Montt and Chiloé?

2. Much has been written about the Chilean case as a experimental lab for neo-monetarism and neo-liberalism. I refer the reader to Fernández, 1993, Colás, 2005 and Mojica, 2010 for good discussions and contextualisations on the matter.

This question is related to the tradition of historical materialism and is underpinned by the assumption that *to specific forms of production, specific forms of social and political organisation will follow or will be correlated*. The concepts in the question require some definition. First of all, the term relations of production will be described and explained, framed within a wider context or process, that of globalisation.

The second term of the question regards strategies and tactics, organisation and action of the labour movement. Labour organises itself (or is organised) to defend their rights and interests. Here, it becomes important to determine the ways labour movement uses to convey its interests and achieve preferred policy outcomes. These forms of action, I suspect, are nor necessarily generalised nor common to all labour organisations.

In particular, to determine adequately the possible effects and consequences of new relations of production over labour organisation and action, it is required to identify initial and present states. In this case, the initial state of local labour organisation and action – if something like labour did exist – must be clarified. Then, the changes over forms of action and organisation throughout the period must be tracked down and presented.

Justification and Relevance

At least in the Chilean context, when the issue of labour movements is discussed, the term *movimiento sindical* (trade union movement) is the one preferred: see, for instance, the works of Aravena (2006; 2007), Ganga and Contreras (2007), or Salinero (2006). *Sindicatos* (trade unions) might be considered an essential social and economic right, and probably are taken for granted.

However, as I will show in the following chapters, an important number of workers in Chile are excluded from the possibility of acting through trade unions due to both formal/legal and actual restrictions and impediments. In this way, labour organisations that go sideways or beyond the form of the trade union might exist, and it is my intention to verify their presence or absence in the area. As McKay (2006: 42) states, 'labor control, even by multinationals, must be continuously reproduced locally within a shifting context.' Thus, he asserts, 'the key question shifts from whether resistance and labor organizing are possible to what kinds of resistance and organizing are the most effective.'

This point is related to a second, more theoretical, interest of mine. The works of Marx and Engels -particularly *A Contribution to the Critique of Political Economy*, *Socialism: Utopian and Scientific* and *The German Ideology*- propose a method for the study of social processes that has been studied, discussed, rejected, discarded and revamped. My goal with this thesis, I think, is far less ambitious. Instead of writing an apology of Marx and Engels, or the method, I simply want to

probe how appropriate is historical materialism as a tool to analyse the transformations in labour organisations. To do so, I proceed by revising Antonio Gramsci's contribution to historical materialism and formulating some guidelines for its use as a heuristic device.

Finally, the idea of comparing Puerto Montt and Chiloé responds to the informed intuition that, facing a common process, local specificities should affect responses. In this sense, and despite the close proximity between both areas, Chiloé has always been seen as a different territory in terms of its culture, relations and environment. And both territories -Puerto Montt and Chiloé- face a common process, that of the establishment of the salmon industry. However, the perception of “uniqueness” of Chiloé may also be a characteristic of those -like myself- that are not and do not live in the island.

Research Design

This research is organised in the following way. In chapter 1, I provide a discussion on historical materialism and how it could still be useful as a heuristic device to understand transformations in the forms of organisation in the labour movement. As it is a vast -and polemical- theoretical tradition, I focus mainly on Karl Marx's and Friedrich Engels' original formulations and the variations introduced by Antonio Gramsci. In this chapter, I provide a first description of the relationships between social forces in Chile and the theoretical effects over labour movements.

In chapter 2, I describe the processes of economic and political transformations understood as globalisation, focusing on the impacts over the national and local organisation of production and politics. Then, I portray how these transformations have impacted over production and labour organisation in Chile. To do so, I rely mostly in Chilean and international scientific literature. I focus on labour legislation and policies, which determine the legal-legitimate forms of action and organisation available for the workers in order to understand what are the accepted conditions and barriers for unionisation.

I dedicate chapter 3 to discuss the impacts of productive transformations over labour organisation in the city of Puerto Montt and the urban areas of Chiloé. To do so, I reconstruct the latest history of these areas' productive development and political and social organisation and action. I combine scientific literature and findings from previous research with data extracted from interviews and a focus group session realised in fieldwork. For the interviews, I selected key informants in the salmon industry labour movement, and local and national civil society organisations in order to gain a privileged vision regarding the transformations of economic, social and political organisation in the region.

In chapter 4, I discuss the main findings of my research according to the categories developed in

chapter 3. I use these findings to evaluate the theoretical propositions discussed in chapter 1 and to propose possible answers and new working hypotheses for future work. Finally, I summarise the research, highlighting some of the problems I faced during its elaboration and proposing some ways to improve it in future research.

CHAPTER 1: THEORETICAL FRAMEWORK

Introduction

The existence of labour movement responds to the existence of waged labour. I start from the fact that waged labour has been established in Puerto Montt and Chiloé, and from the assumption that it did not exist before (or at least in its present form). Yet, it is not necessarily obvious that the existence of labour will automatically lead to the appearance of a labour movement, nor that every form of labour will produce the same form of *movement*. In this sense, labour *movements* sounds better fit.

I consider, then, that it is plausible to think that different forms of organisation of labour and production will allow different forms of labour organisations and movements. In a way, this is the central argument of historical materialism. Yet, historical materialism as developed by Marx and Engels appears to include a deterministic component that, ultimately, renders historical materialism useless as a analytic tool. Against this determinism and automatism, Gramsci took Marx's and Engels' main categories and synthesised them with the experiences and failures of the materialist thought and praxis. Eventually, his take on historical materialism would come to be a way out of economicism and a retrieval of the political and the contingency. This is what I will try to show in the following pages.

Historical Materialism and Economic Determinism: Marx and Engels

The idea that there is a correlation between specific forms of production and specific forms of social and political organisation, i.e. labour movement, is not very new. In the West, we tend to credit Karl Marx and Friedrich Engels and their historical materialism as their first thinkers. However, this perspective on historical processes can be traced to older times, as Roberto Michels (1969) shows. According to his account of the origins of economic determinism and the theories on social classes, it was during the 14th century when Ibn Khaldun first theorised history as the result of social conditions of a given human collectivity. However, Michels (1969: 25) acknowledges Karl Marx's and Friedrich Engels' account of historical materialism as the first systematic theorisation of the relationship between productive forces and historical processes.

In the Preface to the *Contribution to the Critique of Political Economy*, first published in 1859, Marx lays the basis of historical materialism as a theoretical model and a political project. The first issue here is that of the external existence of social relations of production: 'In the social production of their existence, men inevitably enter into definite relations, which are independent of their will,

namely relations of production appropriate to a given stage in the development of their material forces of production.' These relations give form to the 'economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness.' (Marx, 1977) According to this reading, economic-productive structures determine the forms of social, cultural, intellectual and political organisation and action. The latter become crystallised as institutions and regulations.

Obviously, this is not smooth. Institutions and regulations are installed and transformed by processes of struggle and resistance -'covenants, without the sword, are but words', Hobbes would say-. As economic structures develop and change, argues Marx, these social and political institutions that once fostered and nurtured the development of economic structures start hindering its further development. It is then that 'social revolution' begins: 'changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure.'

Marx distinguishes between the material transformation of forms of production and the superstructural aspects -legal, political, religious, artistic or philosophic-, that is, the 'ideological forms in which men become conscious of this conflict [between new forms of relations of production and the social-political] and fight it out.' The contextual and particular characteristics of a given society matter, as Marx shows: 'this consciousness must be explained from the contradictions of material life, from the conflict existing between the social forces of production and the relations of production.' (Marx, 1977)

For historical materialism, the interrelations that occur in the realm of economy and production, specifically within civil society, determine the forms of political and social organisation and the several forms of consciousness. In other words,

[t]his conception of history depends on our ability to expound the real process of production, starting out from the material production of life itself, and to comprehend the form of intercourse connected with this and created by this mode of production (i.e. civil society in its various stages), as the basis of all history; and to show it in its action as State, to explain all the different theoretical products and forms of consciousness, religion, philosophy, ethics, etc. etc. and trace their origins and growth from that basis (...) (Marx and Engels, 1968)

Although it sounds tautological, forms of relations of production change in the moment they must change. In this sense, following Marx (1977), 'Mankind thus inevitably sets itself only such tasks as it is able to solve, since closer examination will always show that the problem itself arises only when the material conditions for its solution are already present or at least in the course of formation.' (Marx, 1977)

Here, social antagonism in historical processes makes its entrance. According to Marx and Engels, 'at each stage [of history] there is found a material result: a sum of productive forces, an historically created relation of individuals to nature and to one another, which is handed down to each generation from its predecessor; a mass of productive forces, capital funds and conditions, which, on the one hand, is indeed modified by the new generation, but also on the other prescribes for it its conditions of life and gives it a definite development, a special character.' (Marx and Engels, 1968) This result is brought about by the development of "revolutionary masses", who symbolise the forms of production that have developed within the previous forms of social relations, and which revolt against the totality of the social configuration of their time. This implies that future stages of struggle and transformation are possible; new forms of production, organisation and resistance should always appear.

However, Marx forecloses future possibilities of revolution, stabilisation and social change when indicating that the capitalist ('bourgeois') form of relations of production 'is the last antagonistic form of the social process of production'. Marx foresees that 'the productive forces developing within bourgeois society create also the material conditions for a solution of this antagonism.' Finally, '[t]he prehistory of human society accordingly closes with this social formation.' (Marx, 1977, my own emphasis)

In these two texts, namely the Preface to the *Contribution* and *The German Ideology*, a notion of history is built. In it, the contradictions and problems imposed by new material conditions and forms of relation are represented by some sort of ontological antagonism between the directors *qua* owners of the forms of production and the productive forces developing within it. Although the door appears to be open for future new forms of social relations of production, this possibility is cancelled by the resolution of the antagonism within the capitalist form of production.

In *Socialism: Utopian and Scientific*, first published in 1880, Friedrich Engels exposes the history of socialist ideas until the development of historical materialism. Here, Engels elaborates on the concept of historical materialism, and states that

The materialist conception of history starts from the proposition that the production of the means to support human life and, next to production, the exchange of things produced, is the basis of all social structure (...) From this point of view *the final causes of all social changes and political revolutions are to be sought*, not in men's brains, not in man's better insight into eternal truth and justice, but *in changes in the modes of production and exchange.*' (Engels, 1901: 65, my own emphasis)

With Engels, the issue of antagonism takes new dimensions. Engels indicates that '*all past*

history, with the exception of its primitive stages, was the history of class struggles; that these warring classes of society are always the products of the modes of production and of exchange – in a word, of the economic conditions of their time (...) (Engels, 1901: 62, my own emphasis). In this way, historical materialism is equated to the theory of class struggle.

To briefly (and imperfectly) summarise, the development and transformations of forms of production inevitably lead to the establishment of new forms of social relations. New forms of production do not appear until all the capacities of the previous forms of production have been developed. Finally, social forces fall into the antagonistic camps of those who direct and own, and those who are directed and do not own, or better put, favoured or not by the legal, political and cultural configurations within specific relations of production. Thus, transformations of forms of production and social relations will be the result of a struggle between current owners, who wish to preserve the forms of social relations of production, and the challenging camp, the directed, who incarnate the new forms of social relations of production.

Class struggle becomes the mechanism that moves history towards new forms of production. If we understand that in the moment Marx and Engels wrote, industrial capitalism was developing and the bourgeoisie was providing political and moral direction of the process, the result is that capitalism as a specific period is the rise and fall of the bourgeoisie by the emergence and development of the proletariat, and sets the ground for a superior form of organisation of production (socialism) and the end of antagonism.

Ways Out of Determinism: Gramsci

History has proven to be different to the image (supposedly) portrayed by Marx and Engels and their mechanics.¹ There has been no end of pre-history, nor antagonisms based on material grounds have been eliminated. The crises and revolutions of late 1800s and the 1900s did not end capitalist forms of production. Moreover, these forms have thrived through the development and continuous change of forms of technology and social relations of production. The bourgeoisie and the proletariat have not always been coherent in their actions.

With few exceptions, major working class movements did not overthrow their bourgeois regimes and created socialist republics when the opportunity came. Actually, I should add, these exceptions -USSR, China- proved wrong a form of “automatism” or cause-effect relationship contained by the theory. Finally, these same “popular”, “democratic” and “socialist” republics

1. This simplistic, mechanical and economicist view is not precisely what Karl Marx and Friedrich Engels had in mind, and their analysis was far more complex. See, for instance, Marx and Engels, 2005, Engels, 1968 and 1972, and Marx, 2006 for references in this sense.

proceeded to replicate the capitalist relations of production with their own specificities. In short, the tool has not worked as expected.

However, this does not mean that the approach and its insights are useless. On the least, they act as reminders, as 'a warning to keep its [historical materialist] observations in mind as a new aid to the understanding of history.' (Croce, 1914: 11) I would rather side with Georges Sorel on this question. Sorel considers that the accusations of fatalism and determinism against historical materialism are the result of poor interpretations made by Marx's and Engels' followers: Marx and Engels wrote in a "language" that led many of their followers into a deterministic path. That language, which attempted to 'embrace the totality of the historical movement all at once, and *to consider it in all its complexity*', shrouded the fact that Marx and Engels were both men of politics and action (Sorel, 1976: 112).

This re-evaluation of action is one of Antonio Gramsci's contribution to historical materialism, and I will dedicate this section to discuss some of his propositions. Gramsci synthesises the emphasis in the material structures and the popular-democratic aspirations proposed by Marx and Engels, with powerful anti-economicist and elitist criticisms developed by Vilfredo Pareto and Roberto Michels. To do so, he resorts to Niccoló Machiavelli. Gramsci's interpretation of Machiavelli's Prince as the political (communist) party -'the new Prince could not in the modern epoch be an individual hero, but only the political party' (Gramsci, 1971)- together with the acceptance of elitism as a necessary attribute of democracy are examples of this synthesis (Finocchiaro, 1998).

Gramsci's reworking of historical materialism seeks to explain and learn from a series of theoretical and practical defeats suffered by the workers during the 20th century. Amongst these, the First World War and the division of the socialist/communist camps; the failure of worker revolutions after 1917; the failure of the Orthodox/Soviet interpretations of Marx and Engels; the institutionalisation and "pacification" of social-democratic parties in Western Europe; the experience of the worker movements in northern Italy; the corruption of the Italian Socialist Party and the emergence of fascism within it.

Two concepts have to be mentioned as they help clarifying the general processes that frame this thesis. First, that of *hegemony*, the combination between consent and coercion that allows the leadership of a particular class section over others. Gramsci (1978) indicates that a class section accomplishes hegemony when it becomes 'the leading (...) and the dominant class to the extent that it succeeds in creating a system of class alliances which allows it to mobilize the majority (...).' According to Gramsci, the relationship between structure and superstructures is 'the crucial problem of historical materialism' and has to be 'accurately posed and resolved if the forces which are active

in the history of a particular period are to be correctly analysed (...).' (in Boothman, 2008: 202)

The second concept is that of *historical bloc*, that is the establishment and consolidation of class alliances under a relatively clear leadership within a particular economic-productive structure. Gramsci defines this concept as structure and superstructure together, where 'the complex, contradictory and discordant ensemble of the superstructures is the reflection of the ensemble of the social relations of production. (...) This reasoning is based on the necessary reciprocity between structure and superstructure (...).' (Gramsci, 1971)

Here, possible deterministic tendencies are burst open and clear-cut distinctions between economy, politics, culture, ethics, arts -but also the structural and action- become blurred. Where Marx and Engels put a prime on the transformations of forms of production to explain transformations in forms of social relations, Gramsci puts forward the leadership exercised over class alliances, the ideological-cultural characteristics which guide the constructions of these alliances and sustain or question existing forms of production.

To Marx's proposition on the acquisition of consciousness of structural conflicts on the level of ideology (superstructural level), Gramsci (1971) replies that it 'should be considered as an affirmation of epistemological and not simply psychological and moral value'. He explains that the composition of an hegemonic apparatus, 'in so far as it creates a new ideological terrain, determines a reform of consciousness and of methods of knowledge (...).' Yes, the economic-productive terrain is crucial, Gramsci says, but so is the re-composition of morality and knowledge that comes with the introduction of new forms of production.

Gramsci contextualises and renders problematic the "automatic" transformation of forms of social relations of production after all the capacities of the previous forms have been developed. Here, Gramsci would indicate that this process is not automatic nor is it equal in every society as it is a matter of consciousness, and a work of "seduction". The relevance of the "concrete analysis of concrete situations", together with the analysis of the political and cultural leadership, and its capacity to transform epistemologies and perspectives, in order to build up massive social alliances, puts the political back in the centre of the discussion.

Finally, social forces fall into several camps in Gramsci's thought. Yes, there are those who are favoured or not by the legal, political and cultural configurations within specific relations of production. But the relationship is far from simple. First, and in order to keep hegemony and sustain forms of production, leading classes have to be able to incorporate (or suppress) different subaltern classes to the ruling historical bloc, thus requiring the establishment of alliances.

Second, after Gramsci, class analysis in historical materialism becomes complex. Contrary to

what Marx and Engels expressed, the position in the class structure does not determine the relationship of the class as a whole (or a section of it) towards the forms of social relations of production. The ultimate example of the latter is that of the workers' movement. The revolutionary class *per se* for Marx and Engels, workers can be more conservative than progressive, and tend towards a “workers aristocracy”, as Michels identified. Actually, according to some authors (Sklair, 2003; Santos, 2006), labour unions today tend to block more than foster transformations in social relations of production.

The issue of leadership in civil society and the demystification of the working class leads us to discuss hegemony and the historical blocs, the social movements that exist within forms of relations of production in a wider form in order to understand social change. This requires a closer look into the concrete situation, into the existing social relations of production and reproduction. That is the direction this thesis takes, performing a grounded empirical research on the actual labour organisations and their position within social, political and economic relationships in the territories of Puerto Montt and Chiloé.

In Conclusion: Relations of Production and Social Forces in Chile

A good starting point to put in practice the discussed concepts and situate the research is to discuss the shifts in social relations of production in Chile during the last decades.² After the 1929 financial crisis, the traditional rural and financial elites lost their position of hegemony in Chilean society, position taken by upper-middle class liberal professionals and industrialists. Thus, between 1932 and 1973, the Chilean political-cultural system changed in that it systematically included, albeit with occasional regressive movements, increasing sections of the middle and lower classes to the historical bloc. During this process, in the context of import substitution industrialisation (ISI) processes applied throughout South America after the 1929 crash, the industrialist classes -industry owners and workers, including the state as major producer and employer- strengthened their leadership and their alliance with sections of the growing middle class and the peasantry. This was framed in a global context of the Cold War, with Chile lying within the US camp, and being receptor of US assistance programmes.

Some examples of this process are: the progressive extension of suffrage rights -concluding with universal suffrage in 1969-; the creation and institutionalisation of *juntas vecinales* (neighbour boards), *centros de madres* and other social organisations, framed within the notion of *promoción popular* (popular promotion) during the 1960s; the development of educational systems and programmes that promoted social mobility and multi-class interaction; the slow but consistent

2. A clear and comprehensive description and explanation of these processes of accumulation and the social forces structured behind them can be found in Salazar, 2003.

implementation of agrarian reform policies, which developed a major social, cultural, political and productive transformation in the rural areas; and the consolidation of center-left and left parties in connection to the expansion and strengthening of trade unions in the urban and rural areas.

Then, after 1973, the political right, representative of the traditional ruling classes -rural landowners *hacendados*- and the financial class, together with the military, and some sections of the middle class and the political centre took political, economic and social power. From this position, they were able to suppress most of the classes represented in the previous historical bloc, including the developing national industrial class. In this sense, the new government proceeded by liberalising the economy, dropping trade barriers and transforming the ISI scheme for a commodity export based process of industrialisation. The agrarian reform was somehow maintained, although policies were implemented in order to concentrate land ownership and production in national or foreign capitals. Less competitive national industries could not resist, so cost-reduction processes followed. Workers' rights were suppressed and their access to the political decision making system was cut with the prohibition and persecution of center-left and left political parties. In this way, previous allies had no incentives to keep their alliance: industrial employers had to fire or downgrade their workers or run out of business. Finally, the privatisation of previously state-owned businesses took the main power position as employer and producer away from the state, allowing the entry of new national and foreign actors to fill in the vacuum and locate themselves within the historical bloc.³

Regarding the issue of classes and class identification in Chile, a heterogeneous reality lies behind the term “workers”. For instance, to work in the copper mining industry is very different than working in the retail sector or in the salmon industry: copper miners are the best paid workers in Chile, while the retail and salmon workers are the worse. Moreover, it is different to work in the state owned CODELCO or in a private mining company, as the former count with improved working, wage, health and security conditions as public employees. It is different if the private mining company is managed by national or foreign capitals, as the “loyalty” towards one or other employer may also influence loyalties towards political-cultural models. Finally, there is a big difference depending on the sort of contract signed by the worker with its corresponding employer, as this influences the possibilities for action and organisation.

In conclusion, Gramsci's reworking of historical materialism appears to give some useful tools for the analysis of worker movements and their transformations. First of all, by connecting the conceptual “dots” -hegemony, historical bloc, social relations of production, classes- I can provide a

3. Amongst the new national capitals that came into play with the process of privatisations, many are firms and economic groups formed by members and officers of the authoritarian regime. These groups came to own these state companies through dubious procedures (Monckeberg, 2001), and ultimately became part of the financial and industrial elite in Chile, perpetuating the historical bloc developed since 1973.

first introduction to the actual configuration and correlation of social forces in contemporary Chilean society. This is important insofar this configuration of social forces determines, on the least, a) the labour legislation and institutions and, within it, b) the legitimate forms of organisation and action.

Second, it puts into question the automatism of the transformation of social relations. By insisting on the importance of ideological, cultural, educational, legal and political factors, the economic-material structures loses its undisputed primacy and becomes a very important factor amongst others behind the transformation of social organisation and action. Trade unions appeared with industrialisation, indeed. But their appearance and development in several parts of the world should differ according to the social, political and economic institutions in place in that particular society.

Finally, the focus on the context, on the concrete situation, calls for a closer look on the local levels. As McKay (2006: 44) would state '[p]recisely because employers must rely on a range of actors beyond the factory gates -from zone administrators to local officials to provincial police-changes in the local political landscape can provide the political opportunity for contesting labor control.' These conditions could also allow for differences in the forms of action and organisation of workers in the same industry.

CHAPTER 2: GLOBALISATION AND LABOUR MOVEMENT IN CHILE

Introduction

In the previous chapter, I described the theoretical assumptions of this research. In specific, the historical materialist model I use shows that the defeat of the working class and the reorganisation of the historical bloc, made manifest by the 1973 military coup, allowed the new leading classes to define and circumscribe labour into a very narrow and determinate space. The consolidation of the transformations of social relations of production required neutralising and (if possible) eliminating the threat of workers *qua* contesting forces in the realms of the social, political and cultural.

This situation can be achieved and maintained as long as workers are kept disorganised and isolated. The former can be achieved through regulations that hinder and stifle effective organisation and action; the latter by severing possible alliances between labour movements, other productive classes, and political parties.

Thus, legal changes in the constitution of work relations and labour rights would not just seek productivity and efficiency, in a context of insertion into the transnational chains of production and consumption. These changes would also be a strategic matter with clear political goals: in the new, transnational form of social relations of production, efficiency and productivity requires workers to be irrelevant as a social and political force. Workers must effectively become another element in the cost equation, and an easily replaceable one.

In this chapter I describe the processes of globalisation and transnationalisation of production, and how these processes relate to the transformations of the political and the labour movements. Then, I present the Chilean case, focusing on the economic, political and legal elements that shape labour organisation in Chile in order to see if the relationships derived from the theoretical framework hold.

Globalisation, the National-Local and Labour

Globalisation and the Local

According to Boaventura de Sousa Santos (2006: 396), globalisation 'is a set of unequal exchanges in which a certain artefact, condition, entity or local identity extends its influence beyond its local or national borders and, in so doing, develops and ability to designate as local another rival artefact, condition, entity or identity.' This definition has three major consequences. First of all, globalisation becomes the successful globalisation of a particular locality. Second, globalisation

presupposes localisation, and thus the locality, the particular that may (or not) become universal. Third, this universality is contingent, not fixed, and can be contested. This is why Santos prefers to talk about *globalisations*.

This definition comes very close to the notion of hegemonic struggle as developed by Gramsci. This hegemonic process is described by Santos as composed by two simultaneous movements. First, that of the *globalised localism*, when particular modes of social relations of production (what extends from forms of industrial organisation to artistic and cultural manifestations) are successfully globalised. This entails a struggle over the appropriation of resources and/or the recognition and consolidation of given social differences. The second movement, and the one that is of major interest in this thesis, is that of *localised globalism*, when transnational practices and imperatives arising from the globalised localisms impact over particular local conditions. To respond to these imperatives and practices, local conditions are destroyed and modified, de-structured and restructured, and new social relations of production are established (Santos, 2006: 397).

During the 1970s, the state-guaranteed bureaucratic regulations of wages, result of the struggles of labour movements and of the inter/post-war states of commitment, started to become more complex and burdened as bigger portions of the economy nationalised. This process was reversed when firms and economies started globalising, i.e. increasing and widening the scale of organisation of economies and productive factors. This process had the decentralisation of labour and wage regulations as one of its correlates. Thus, global networked scales of production on one hand, and territorial scales of reproduction regulation on the other, are decoupled.

This process of transnationalisation also questioned traditional forms of oligopolistic competition and inter-firm collaboration within states, and has been replacing these with global competition between ‘glocalising’ firms. In this way, the articulation of geographical scales becomes internalised in firm and inter-firm networks. And, as competition intensifies, permanent restructuring and reorganisation become central. (Swyngedouw, 2004: 38)

In conclusion, globalisation cannot cease to be localised. This is not to say that the local determines the global. But it can be said that the specific, contingent characteristics and processes of the locality determine its interaction with the global and create unique forms of globalisation. Yet, these localised or regionalised forms of relations (of production) are highly globalised both organisationally and in terms of trade and other networks.

Moreover, Sklair recognises that, although the global system is not synonymous with global capitalism, the forces of the latter are hegemonic within the three spheres. These dominant forces are represented by the transnational corporation in the economic sphere; a transnational capitalist

class in the political sphere; and the culture-ideology of consumerism in the cultural-ideological sphere (Sklair, 1995: 500; 2003: 82).

Transnational Corporations and The State

Transnational corporations (TNCs) are the main coordinators of transnational economic practices and relations of production. Their main function is to accumulate capital and develop strategies to ensure continued growth in a global scale (Sklair, 2003: 69). These can vary greatly in size and extension of their productive networks, and some can be richer than national states. Sklair (2003: 84) indicates that transnational economic practices need not involve cross-border relations: it is the influence and the effects of a local practice that render it transnational.

The creation of employment is one of the major consequences of transnational economic practices, and also one of the main charms that TNCs count with. Governments are interested in attracting TNCs as these not only start productive operations but also start linking with other native productive areas, generating more employment.

To attract TNCs, governments frequently provide several forms of incentives -i.e. cost reductions, tax exemptions-. Amongst these incentives are labour regulations and institutions that increase and secure work and wage flexibility, making employment precarious, and ensuring firms an advantageous position vis-à-vis other social forces in the national and transnational levels -workers, other firms, state and governmental agencies-.

This means that TNCs can or not be representatives of state power and governments. Actually, states and governments are frequently “contested” by TNCs. Susan Strange (2003: 219) considers that the forces of world market -private enterprise in finance, industry, and trade- have actually become more powerful than states and governments, supposedly the ultimate political authority over societies and economies. Authority appears increasingly diffused throughout other institutions, both local and regional authorities.

Strange indicates that declining state power coexists with increased state intervention. This intervention is effected in “marginal” areas, i.e. repairing and redressing 'damages' and negative externalities produced by market forces. However, the state's decadence, visible in the increasingly deficient delivery of goods -as security, monetary stability, legality, and infrastructure- cannot be veiled. The overall effect is that government becomes trivialised.

Strange (2003: 221) claims that the accelerating pace of technological development and change has shifted the balance of power between market and state. Technological developments have rendered the state's traditional roles obsolete. Equally important, the raising costs of technological advances lead both national corporations and states to seek alliances with powerful TNCs in order

to gain access to them. This, she argues, has brought about the consolidation of the global financial industry and of its necessary conditions: the expansion of money and credit supply, and increased capital mobility on a global scale.

These conditions, as Strange (2003: 224) and Agnew (2001: 144) argue, have been created by the states themselves, beginning by the USA during the late 1960s, having as a consequence the loosening of domestic control over those matters. Thus, Strange concludes, the sovereignty of the states has been undermined by the market. Moreover, several social agents -including the market agents- are now taking the role of the state in the delivery of relevant outcomes.

As Leslie Sklair, Dani Rodrik (2003: 225) shows that the liberalisation of investment and trade has not only multiplied the amount of agents capable of engaging in cross-border exchanges, but it has also accentuated the divide and asymmetry between groups that can or cannot cross international borders. The former group, which could be located within Sklair's definition of transnational capitalist class (2003: 93-101), is composed by the owners of capital, highly skilled workers, and professionals capable of mobility according to the demand. The second group is that of a "national" working class, and includes unskilled and semi-skilled workers, and small and middle management staff, all of which are increasingly exposed and weakened by the liberalisation of labour regulations and the incentives provided to TNCs.

This asymmetry of capacities makes the second group easier to replace at the level of the firm, undermining the post-WWII tripartite strategy of stability built up in the national level by corporations, unions and governments. Within domestic constituencies, this divide translates into conflicts regarding social institutions and domestic norms, especially in terms of achieving competitive advantages. This also magnifies the impact on labour conditions, environment and welfare beyond national borders.

Openness to trade and investment also affect the capacity of the state to deliver social welfare and compensations to those affected by the process of globalization. Increased flexibility for global mobility of capitals allows TNCs to relocate in accordance to the best conditions (i.e. less fixed and variable costs, as in taxes or pension fund contributions). The applied incentives to attract TNCs affects public budgets and diminish considerably the taxable base in moments that social needs seem to be increasing. Thus, the capacity for the state to compensate the "losers" on the labour market is also the main tool to achieve social cohesion and legitimacy for established social relations. The inability to accomplish this fosters the consolidation of a new social class division and a dangerous process of social disintegration.

In brief, the description of the relationship between TNCs and state brings about evident

problems and challenges for the common notion of the state and its workings. Overall, and following the theoretical discussion of the previous chapter, it can be said that the transnational capitalist class has accomplished hegemony within the national state, both *globalising* and *localising* particular modes of social relations of production. Thus, the ultimate goal of the state in the context of the transnationalisation of production, in which the transnational capitalist class has achieved hegemony and consolidated a historical bloc, becomes the *preservation of the stability and legitimacy of the social relations that foster and intensify transnationalisation of production*.

In this context, new class divisions emerge and consolidate according to the participation in, and the benefits reaped from global trade. Finally, the forms of social action that developed during the last 100 years in the national and local levels are becoming increasingly powerless against the hegemony of global capital and the institutionalisation of regulations that favour and consolidate it.

How have these transformations acted in Chile? Which are the impacts over the labour legislation and institutions? Has the labour movement adapted and transformed to these transformations?

Globalisation and Its Effects over Labour in Chile

Historical Aspects

The patterns of transnationalisation of production, the role of the state and the strengthening of the transnational capitalist classes at expense of the national skilled and unskilled workers has been followed by Chile during the last 30 years. In this sense, the transnational capitalist class has achieved in a considerable extent the consolidation of its hegemony in Chile.

Salinero (2006) argues that the events that occurred during the first years of the military regime (1973-1989) are crucial in order to understand the current standing of the labour movement in Chile.¹ During this period a state of exception was in force and the whole previous legal system suspended. This allowed the control and disruption of all political activities and social relations. This was the case for union activities, which were controlled and dismantled through the stark repression and persecution of leaders and organisations, the suspension of union elections, and the prohibition of collective agreements and strikes. In some form, the authoritarian regime took to its

1. It is important to remark that the levels of unionisation were high in Chile before 1973, reaching rates of 30% of the employed population (Gangas and Allende, 2007). The Central Única de Trabajadores (CUT), the main trade union organisation, was well organised and represented wide sectors of labour. Moreover, the labour movement was closely connected to the main left-wing political parties in the Congress (PSCH, PCCH).

The productive and labour structures before 1973 were different. The central state structure and institutions provided up to 75% of the total employment in Chile. Thus, most of the established unions represented state employees and public servants. This is not to say that there were no private firm unions. In this sense, some of the strongest unions and associations of those times still exist, as the Association of Journalists or the College of Professors.

material and practical extreme the “criminalisation” of the worker.²

This state of exception became the normality for the labour movement in 1979. During this year, a set of legal reforms consolidated the *ad hoc* regulations and policies implemented between 1973 and 1978. The *Plan Laboral* of 1979 (which would eventually become the 1987 Labour Code) radically modified the labour institutions by: a) de-regulating the labour market; b) re-scaling (and, ultimately, reducing) trade union negotiation power from the national level to the firm level; c) fostering individual instead of collective contracts; d) creating special sorts of contracts for eventual agricultural labourers, port workers, and redefining special cases, as in domestic workers (Zapata, 2001: 12). Thus, although union representation was formally allowed, and spaces for negotiation established, the possibilities and scope were highly restricted. Zapata (2001: 13-14) states that, in this way, authoritarian repression became codified and institutionalised into a labour regime. This move had as its correlate the disconnection and exclusion of the labour movement, and the political parties that represented it, from the Chilean political system.³

This new labour framework established during the late 1970s was the necessary correlate of the social and economic strategy of the military government, i.e. free, deregulated market economy oriented to exports, searching for increased competitiveness, with limited role of the state, which gave away its active role on investments, production and income distribution, and took a subsidiary role instead.⁴ Neo-liberal economic model reserves the roles of resource assignation mechanism and

2. With “criminalisation” of workers, I mean a particular treatment of workers that goes beyond that of a second-class individuals. Workers as such count with less rights and guarantees and are under constant suspicion, supervision and surveillance -from the employers, the state, the police-. In a context of severely restricted labour rights, workers are constantly tempted to break the law in order to protect their interests. I am indebted to my colleague, specialist in Chilean labour legislation, Leonardo Holgado (2009) for this and other important insights regarding the legal, political and social aspects of labour regulations in Chile.

3. The exclusion of labour from the major institutions of political and social life in Chile became ultimately sanctioned and inscribed in the foundations of the Republic through the 1980 Constitution, which excludes union representatives and members from being representatives in Congress.

4. The concept of subsidiarity is crucial in the understanding of the contemporary Chilean society and the notion of the state in the context of transnationalisation of production. The concept was formally introduced into the Chilean political institutions through the 1980 Constitution, inspired both by strong conservative (*Opus Dei*) Catholic traditions and neo-liberal economics (Loo Gutierrez, 2009). Both theoretical-ideological currents, in their own ways, seek to limit state power over society: the former through intermediate bodies, the latter through market operations. This theoretical-ideological combination led to the comprehension of subsidiarity as a passive role of the state -i.e. exercising regulation and oversight- on any sector susceptible of being controlled by intermediate bodies. In a context of free market, these intermediate bodies will most certainly be corporations. Only when private (economic) agents are not interested (i.e. low profitability) or are not capable of dealing with (i.e. strategic fields, as defence and justice administration) an economic sector, the state can take a more active role -i.e. exercising investment, direct conduction and leadership-.

On the contrary, the notion of subsidiarity is understood in the EU as a principle of power devolution and decentralisation, where 'the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.' (EU, 2010: 18)

The importance of this issue is, at least, twofold. First, in a practical level, understanding of this issue helps explaining the forms in which the Chilean state has dealt with social policy since 1970s (i.e. “municipalisation” and privatisation of education and health; privatisation of pensions; but also labour and work relations). Every aspect of the social is susceptible of being appropriated by market relations.

Second, in a theoretical and strategic level, this notion allows to think politics beyond state-centric approaches. The Chilean application of subsidiarity opens up political agency and policy-making, disseminating it throughout the field

economic management to the market forces, while the state shrinks in size and capacities; macroeconomic equilibriums become major concerns, and the pattern of accumulation is designed by the actions that increase assets in different markets (productive, trade, financial, labour).

According to Salinero (2006: 22-33), this new pattern of economic accumulation can be divided in two phases. First, economic groups centralise ownership of firms in various industries, while simultaneously de-concentrating their productive activities, fragmenting productive circuits and modifying working processes. This is followed by the fragmentation of regular, full-time jobs, and the creation of new, alternative forms of employment. Second, the destination of production to external markets transforms the logics of income distribution: as increased profits are now decoupled of internal demand, lower wages in the particular country facilitate product insertion in foreign markets.

In this context, governmental policies seek to guarantee and sustain necessary conditions for market operations, ensuring free competition and profitability of export-oriented economic sectors, thus fostering economic groups through the privatisation of former public corporations and services (education, health, pensions) and the liberalisation of and flexibilisation of the labour market, limiting trade union action and collective bargaining and agreement.

This is what happened during the 1980s in Chile, as can be seen in the way that the effects of the 1982 Mexican debt crisis were dealt with. The precarious labour institutions were ravaged, and led to the most acute GDP decrease since the 1931 financial crisis. In this occasion, the lack of balance between productive agents could be clearly seen: a major overhaul and rescue operation of the financial sector proceeded, while thousands of workers were sacked and lost their jobs.

After the crisis, Chilean economic growth was impressive. According to World Bank statistics,⁵ while real GDP growth rates were clearly negative in 1982 and 1983, amounting to -10.32% and -3.79 respectively, the Chilean economy grew on average rate of 3.95% between 1981 and 1991. This average rate was even higher between 1990-1998, amounting to 7.17%. Salinero (2006: 13) argues that the economic success and consistent growth rates that followed since 1983 until mid-1990s were based on the transferences made from the labour sector to the process of capital accumulation in Chile.

Changes in labour regulation came about only with the 2001 reforms on the labour code, which modified matters of labour action and collective agreements, giving more leverage to trade unions (Salinero, 2006: 14). However, in the context of the 1997-1998 financial crisis, low GDP and high

of intermediate bodies -i.e. civil society-. Economic agents now take over previous state field, indeed; but this extends (potentially) to every other civil society agent. The commonly established division between state and civil society is put into question: the consequences of this for a proper notion of the state must be discussed.

5. World Bank statistics, in <http://data.worldbank.org/>.

unemployment rates, these reforms also sought to increase employment levels. Thus, the new labour code reinforced the possibility of recurring to alternative forms of contract, increasing labour flexibility in Chile (López, 2007: 3). It opened up previously exceptional forms of contract, -definite and part-time contracts, learning contracts, temporary employment and *suministro de personal* (workforce supply)- for regular use by firms. These forms of contract -particularly subcontracting and *suministro de personal*- were further regulated and institutionalised in 2007.

Labour Flexibility and Forms of Employment

The Chilean labour regulations admit several forms of contracting and externalising services and production. Firms are allowed to use workforce for limited time and tasks (part-time; *suministro de personal*; subcontracting) and face few penalties for terminating contracts, while workers can be fired with relative discretion. Direct compensations are only due to those working in regimes of indeterminate full-time contracts and whose contracts are terminated due to reasons of the firm. Employers can set wages arbitrarily -insofar the legal minimum wage level is respected- according to time worked, piece, sales or results produced. This discretion extends to distributing the legally established 45 hours-per-week work regime. Employers are also allowed to change the nature and characteristics of the functions performed, adding alternative or complementary functions without having to pay extra wage. Finally, most of these issues cannot be questioned by workers (López, 2002: 9-13).

Regarding the forms of employment used in Chile, the most extended is that of the indefinite contract, used for 72.2% of the employed workers in Chile (Dirección del Trabajo, 2009: 41). The other forms of contract are definite, set for specific tasks, operation or amount of pieces (used by 14.9% of the workers), fixed-term contracts (10.3%), and *honorarios* (independent contract on fee basis) (2.1%).

Indefinite contracts are supposed to be the least flexible form of employment. However, as statistics from the *Dirección del Trabajo* (2009: 46) show, workers in this regime are not protected against work flexibility and precariousness. One-fifth of the indefinite contracts do not last more than 1 year, and half of them do not last more than 3 years. In 80.6% of the cases, the termination of contract is decided by the firm, mostly due to the conclusion of a particular work.

Regarding subcontracting and *suministro de personal*, the statistics from *Dirección del Trabajo* (2009: 58) show that 14% and 1% of employed workers are subcontracted and supplied, respectively. Subcontracting works in the following way: firm A hires a firm B (contractor) to perform a specific task, which can be then subcontracted to firm C (subcontractor). An individual worker provides real services to firm A (*mandante*) although it was actually hired by firms B and/or

C. Supervision can come from firms A, B and/or C. However, in case that firm B or C suffer from insolvency or become unable to pay wages, the subcontracted and provided workers cannot recur to firm A. This form of productive organisation has been very problematic, particularly in the case of *suministro de personal*, as the legal responsibility of the employers to the employees can be bypassed, and leads to precarious work, hygiene and security conditions (Pinto and Kremerman, 2005: 18).

Finally, seasonal jobs started to develop massively as a contract form since the mid-1970s, particularly in relation to export-oriented industries, i.e. forestry and fruits. In the case of the fruit industry, gender-based discrimination at the labour market level, together with increasing numbers of women in search for employment in recessive periods, amplified the labour supply and extended the use of this working regime (Salinero, 2006: 26).

Impacts over Labour Organisation and Action

Salinero (2006: 31) argues that the mechanisms of flexibility and outsourcing lead subcontracted employees to represent a potential threat of replacement to formally employed workers. Outsourcing divides employees between “internal” and “external” and, as a result, in every kind and size of firm, workers with similar competences, duties and responsibilities, but functioning in different contractual spheres and earning different wages, exist. In this way, contracting firms are able to increase their labour input without increasing wages, benefits and stability to those employed through subcontracting or *suministro*. This situation freezes or moderates wage and benefit demands. Moreover, the individualisation produced by fragmentation of work and the continuous adaptation to multiple work spaces stifles common identification.

Graph 1 summarises the statistics of *Dirección del Trabajo* (2010) regarding the effects that flexibilisation of work has had over unionisation rates, collective negotiations and strikes. First, only 13.3% of the workers in Chile are affiliated to a union. This figure does not differ much if public employees -who are not allowed to unionise- are excluded: the proportion of unionised workers rises to 14,6% of the working population susceptible of unionising.

The most extended form of union is the firm-level union, which composes 62% of the total amount of unions in Chile. It is followed by the independent worker unions, with 25%; the inter-firm unions, with almost 10% and the transitory workers unions, which amount to 3% of the unions in the national level (*Dirección del Trabajo*, 2010: 17-18). Only firm-level unions formed by workers under indefinite contract regime are allowed to initiate collective negotiations. On the other hand, internal and external (subcontracted) employees of a firm are legally allowed to form an inter-firm union. However, inter-firm unions cannot initiate collective negotiations without the employers

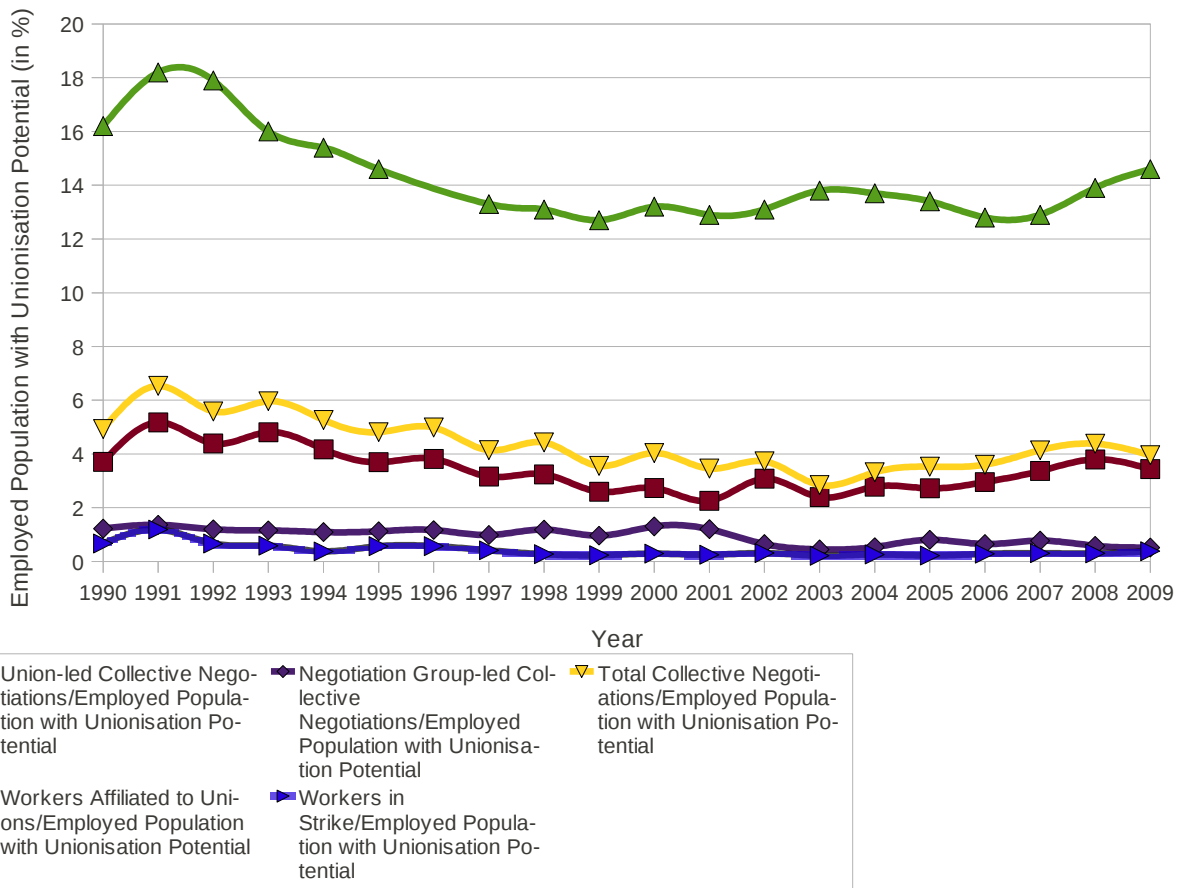
acquiescence. This segregates unions and negotiations, affecting affiliation and participation rates, inducing worker dispersion, and fragmenting the scope of collective agreements. Ultimately, the most important function of a union, i.e. the capacity to negotiate collectively, is rendered useless (Echeverría, 2006: 10).

Salinero (2006: 31 and ff.) indicates that collective negotiations are limited in several aspects. Besides the limitations posed over inter-firm unions capacity to negotiate, temporary or seasonal employees, as well as workers employed in firms with less than 8 workers, cannot initiate collective negotiations. On the firm level, the capacity of trade unions to lead collective negotiations is weakened in two additional ways. First, workers are allowed to establish *ad-hoc* negotiation groups within a firm, bypassing the firm union. Second, collective agreement benefits are extended to all the workers of the firm -affiliated or not to the union or “negotiating group”-, reducing incentives to unionise.

Finally, collective negotiations are limited to discuss wage levels, excluding issues of work organisation. This increases the polarisation between employers and workers, reducing their relationship to a win-lose situation. The set of obstructions and barriers previously mentioned can be seen in graph 1. The trend of workers covered by collective agreements has descended during the last 20 years, barely reaching 4% of the susceptible population in 2009.

Legal strikes present limited pre-emptive effects and threat workers. First, because it is only contemplated for those workers in collective negotiation processes, and only as instrument of last resort in case that arbitration by public agencies fails. In second place, because legal strikes are limited to 60 days, after which the workers must return to work, otherwise they are assumed to voluntarily quit their employment. Moreover, employers are allowed to hire replacements to maintain production active (Salinero, 2006: 38). Finally, there is a common anti-union practice of firing union affiliates after mobilisations have concluded. Thus, several unions discard strikes as pressure mechanism, what is clearly seen in the graph: the amount of workers that annually participate in legal strike barely reaches 1% of the population susceptible of unionising.

Graph 1
Levels of Unionisation, Collective Negotiations and Strikes in Chile



In Conclusion

The forms of employment in Chile are very heterogeneous, and the legislation allows for increased labour flexibility. Labour regulations and protection mechanisms have been adapted to the conditions of market competitiveness and the functional-organisational strategies required for business development. The workers rights in Chile -unionisation, collective negotiation,strike- are nowadays heavily repressed and limited. In a way, workers are criminalised. This was achieved when the state of exception became the state of normality: the emergency dispositions dictated by the authoritarian regime became the institutionalised norm and the labour code.

These labour regulations have been enacted to favour a specific mode of production, that of transnational or global capitalism, and benefits the economic agents oriented towards these modes of production. This move, of course, was not automatic. In Chile, it was pushed forwards by an alliance of different productive classes who, in order to operate, had first to take power and neutralise or eliminate rival agents who exercised hegemony before. Both moves were effected after the military coup of 1973 through repression and violence in the case of workers and leftist political parties, and through economic reforms and policies in the case of sections of the national industrial owners, including the privatisation of state companies.

This state of affairs has been more or less continued during the *Concertación* governments, though with some corrections. Nevertheless, Chilean workers are still situated in relations of considerable inequality and weakness vis-à-vis the employers, and still face considerable obstructions to connect amongst themselves and with political power and decision-making centres. The legal tools that workers have to protect their interests and rights have been rendered useless within these new social relations of production. However, could these unfavourable legal and political conditions for traditional labour organisation and action give rise to new forms of mobilisation that better adapt to the present situation?

CHAPTER 3: ANALYSIS

Introduction

The social forces currently in power in Chile are those that support and benefit the most from the process of transnationalisation of production: most workers in Chile do not belong to this benefited group. The Chilean labour regulations reflect this situation. The capacities to organise, protest and negotiate in accordance with the law have been severely cut and restricted, tempting workers to desperate measures and illegality. However, theoretically speaking, workers could still protect their interests and rights insofar alternative forms of organisation and action, better adapted to the current economic, legal and political conditions, are used in order to exercise pressure over firms and industries.

In this sense, the case of the salmon industry in Chile appears as a good instance to check the capacities of workers to organise and articulate in the context of transnationalisation of production for, at least, three reasons. First, because the salmon industry itself is a clear manifestation of the transnationalisation of production in Chile. Second, because the record of the industry is negative in social, economic and environmental terms. Third, because the industry is established in two areas -Puerto Montt and Chiloé- that count with different cultural and social patterns.

This chapter is organised as follows. First, I provide a brief historical description of the development of the salmon industry in Chile. Then, through the combination of scientific literature and fieldwork materials, I reconstruct this history, focusing on the impacts of the industry over the localities and over the forms of labour organisation.

Historical Aspects

Salmon farming occurred in the context of neo-liberal free trade policies and deregulation schemes during the 1980's. As I indicated before, the Chilean economic transformation and liberalisation began during the 1970's, with the ISI scheme being replaced by export-led industrialisation projects and investments. This is the case of the salmon industry in Chile, which began its real development during the 1980s, thanks both to state-led investments and foreign direct investments (Fløysand, Barton and Román, 2010: 125-129)

During the end of the 1970s and the early 1980s, the lack of appropriate environmental and conservation regulations allowed for an overfishing crisis in the marine harvesting industry in Chile. In this sense, 'privatisation, industrialisation and concentration of ownership led to over-expansion and over-capitalisation of the industry.' New regulatory measures were introduced by mid-1980s,

bringing stagnation in investments in the capture fishery and attracting them towards the fish farming industry (Barrett, Caniggia and Read, 2002: 1954).

Between 1974 and 1984, salmon farming developed in the zone of Puerto Montt and Chiloé with heavy state support and assistance. By 1981, thanks to joint investments made by the Japanese and Chilean governments, major salmon farming in the south of Chile began. Then, from 1985 onwards, industrial salmon processing activities developed in nearby areas. As a result, while in 1985, 36 firms were running salmon farms, by 1991 there were almost 1000 established farms. The private sector developed very fast during this period and the first producer association was created. The state, through *Fundación Chile*, helped to promote and market Chilean salmon in the international markets (UNCTAD, 2006: 6-7).

The international fall in salmon prices between the end of the 1980s and beginning of the 1990s paved the way for industrial consolidation. Moreover, there was an increase in mergers and acquisitions, while vertical integration increased, eliminating smaller firms. During this phase, the industry emerged as a mature cluster, with several firms undertaking different productive activities.

As state support for export-led growth was intensified during the 1990's, foreign direct investment flows boomed in several industries, including the fish-processing sector. The possibility of total ownership of aquaculture companies by foreign capital and low corporate taxes acted as major incentives to this process. As a consequence, today six large international firms concentrate 35% of the total exports, while the remaining 65% is produced by 26 smaller Chilean firms. This boom in foreign direct investments was followed by increasing production and profit shares, and salmon production presented a sustained growth during the 1990s.

Following the 1997-1998 international financial crisis, salmon prices in the global market fell once again. Instead of freezing activity in the industry, this situation was a major drive for the increase in production and export volumes after 1999 (Terram, 2002: 2). As a consequence, salmon exports as a percentage of total Chilean exports rose from 1.8% in 1991 to 5.4% in 2000. By 2002, the Chilean economy was the second largest exporter of farmed salmon in the world, and by 2006, Norway and Chile accounted for 70% of total world salmon production (Perlman and Juárez-Rubio, 2010: 165).

Japan and USA are the main markets for Chilean salmon exports. However, geography is not advantageous to Chilean exports: the distance between these countries and Chile is enormous, and so is the distance between the productive centres -Puerto Montt, Chiloé- and the main transport hubs -Santiago, Valparaíso, San Antonio-. Research indicates that the two main reasons for the leadership showed by Chilean salmon exports are a) the environmental regulation of the industry is

based on a “competitive” model that grants ample liberties to the market; and b) the reduced costs of production and transportation, which are mainly due to very low labour costs. (Barrett, Caniggia and Read, 2002: 1955; Pinto and Kremerman, 2005; UNCTAD, 2006; Perlman and Juárez-Rubio, 2010: 166)

The situation changed drastically since 2008 with the outbreak of the infectious salmon anaemia (ISA) virus epidemic. Due to the congestion of ocean sites in Puerto Montt and Chiloé, this virus expanded very fast. As a consequence, production levels fell, several plants closed temporarily or permanently and unemployment rose. One of the responses of the industry has been to move south, towards the Region of Magallanes. Other, to produce salmon species with stronger resistance to the ISA virus.

The Salmon Industry and Labour Movement in Chile

In this section, I will reconstruct the transformations and impacts produced by the establishment of the salmon industry in Chile. To do this, I undertook 10 semi-structured interviews and one focus group. The interviewed subjects are all key informants and experts in the issue of the salmon industry and its impacts on several aspects in the area. I combine this material with data and information provided by literature.

I considered that semi-structured and semi-standardised interviews were the best way to proceed in the recollection of material. This technique may be complex to use, as the interviewed subjects may start lecturing on their knowledge or try to involve the interviewer into ongoing conflicts in their field (Flick, 2006: 165). Moreover, its results may not be easily replicable, as there are no two interviews like. Yet, this technique allowed me to gain in-depth knowledge of actual experiences in matters of labour organisation and action. In this way, the interviewed subjects had room to speak about different aspects in detail, bringing up issues that did not previously appear in the literature revision.

The selection of interviewees is based on their expertise in the field. In this way, I interviewed the three presidents of the major federations of salmon workers unions, Mr. Ricardo Casas -*Federación de Trabajadores de la Industria Pesquera (FETRAINPES)*; and national CUT leader-, Mr. Javier Ugarte -*Confederación Nacional de Trabajadores del Salmón (CONATRASAL)*-, and Mr. Gustavo Cortés -*Federación de Trabajadores del Salmón de Quellón*-. Mrs. Alejandra Uribe, President of the Union of Transitory Workers, Quellón, was interviewed as well.

I also interviewed active civil society members, amongst them Mr. Juan Carlos Cárdenas and Mrs. Isabel Díaz -Ecoceanos, NGO focused on the Regions of Los Lagos, Aysén and Magallanes, Santiago-, Mrs. Ximena Valdés -Centro de Estudios de la Mujer (CEDEM), Santiago-, Mr. Patricio

Peñaloza -Canelo de Nós and OLACH, NGOs focused on the salmon industry zones, Ancud-, Mrs. Ana Vera -TV Quellón, local TV channel; local Communist Party (PCCH) activist, Quellón-, Mrs. Denis Alvarado -president of the Association of Artisan Fishers' Wives and the Corporation of Sustainable Development, Quellón- and Mr. Héctor Kol -environmentalist, civil society activist, and consultant for mytilid-cultors, Puerto Montt-.

Finally, during our interview, Mrs. Alejandra Uribe kindly agreed to call upon workers related to the union of transitory workers of Quellón “Visión de Futuro”, what allowed me to count with an improvised focus group session. A group of 10 transitory workers of the municipal emergency employment programme of Quellón participated in the focus group session.

All of the interviews and the focus group session were performed in Spanish. As a complete translation of this material would have taken more time than the available, I provide a summary of the sessions in English in the Annex 1, together with the complete material in *ogg* format in the Annex 2.

I developed a basic set of questions, which guided me along the first 3 interviews -Cárdenas and Díaz; Valdés; Casas-. After every interview I would add or remove some questions from the basic set, adapting the set to the particular focus of the interview. I provide this set of questions in the Annex 1. These questions, with slight modifications, assisted me during the focus group session as well.

Impacts over Economic, Social, Political, and Cultural Aspects of the Territory

In General

According to Patricio Peñaloza, the establishment of the salmon industry led to the development of unionism in Puerto Montt and Chiloé. This may sound obvious, but it is not: Chiloé did not count with waged labour relation before the establishment of the salmon industry and, in spite of bad labour and environmental conditions, not everyone in the area shows negative perspective towards the industry nor organise against it.

Peñaloza indicates that it is only after the second half of the 2000s when the industry's dark side -i.e. low productivity, environmental problems, bad labour conditions- is made public. So far, only the positive impact related to employment was perceived. However, he states, this employment is precarious and dependence-generator, and every productive development in the region is articulated around the salmon industry.

The focus group participants confirmed that most of the money goes away from the region. While most of the wealth is taken to Santiago or outside Chile, wandering workers take their wages to different cities and towns. Part of these wages is retained by legal and illegal service and

entertainment businesses -particularly bars, cabarets and prostitution-. However, there is no real growth in this: “It is a fake wealthiness. It is wealthy poverty.” On the other hand, people have abandoned their lands, farms and traditional productions and come to the cities to work in the industry.

When the ISA virus epidemic started, everyone was taken by surprise, including public authorities. According to Peñaloza, this was a missed chance to diversify production: “the salmon industry says that there shall be a recovery soon, and former workers are inactive, waiting, while comprehensive public plans and policies oriented to productive shifts and diversification are non-existent.” Actually, public investments announced in January 2011 for the region contemplate millions of US dollars in infrastructural works and research that will benefit directly the salmon industry.

The ISA virus outbreak has left more than 20000 people unemployed in the region, and according to Gustavo Cortés, massive lay-offs have occurred and permanent personnel was reduced. In these conditions, subcontracting, outsourcing and seasonal work rates now reach 60% of the total working force in the salmon industry, what has impacted strongly over union membership.

Nevertheless, Ximena Valdés (forthcoming 2010) indicates that globalisation and transnationalisation of production, although rendering employment precarious and worsening life conditions, also destroys traditional links and bonds. As a consequence, new spaces for action and participation are opened. The treatment of women is an example of this. The interviewed subjects coincide in that Puerto Montt and Chiloé have strong sexist cultures. However, they also consider that the establishment of the industry has allowed to curb this culture. According to Denis Alvarado, the ISA virus crisis has also contributed in this process: “2 or 3 years ago [2006, 2007], wives would not go to work because they did not need it, and they would stay at home. Nowadays, women are maintaining households and generating main income sources.”

Puerto Montt

Puerto Montt is located 1000 kms. south of Santiago de Chile. The city was created in the 19th century as part of state policy to colonise the area with German immigrants, and thus foster industrialisation. The city developed around extractive industries -agriculture, fishery- and, with the establishment of the national rail network, it became a hub for extractive industries in the surrounding areas.

Although favoured by decentralisation and regionalisation policies implemented by the authoritarian regime since the mid-1970s, Juan Carlos Cárdenas and Isabel Díaz explain, Puerto Montt became important in the region after the salmon industry boom. Nowadays, besides being the

administrative capital of the salmon industry -Santiago being the site for firm headquarters-, Puerto Montt and its surrounding areas are the residential zones for Chilean and foreign salmon businessmen. The main productive areas in Puerto Montt are that of construction, manufactures and services. Salmon processing plants are concentrated around the city, what has also brought about immigration and concentration of female workers. Nevertheless, Cárdenas and Díaz state, there is an impressive lack of infrastructure on what is considered to be the “capital of salmon”.

Chiloé

Chiloé is an archipelago composed by the Greater Island of Chiloé and a series of small isles. The archipelago is located in the south of Chile, almost 50 kms. south of Puerto Montt. Traditional productive activities are based on its renewable natural resources, that is agriculture, fishing, forestry, and more recently tourism (Barrett, Caniggia and Read, 2002: 1955). Common lands and sea shores are important for subsistence purposes. Families have lived in their communities for centuries, and attitudes of mutual obligation and reciprocity are the norm, allowing for strong sense of solidarity in the communal level, particularly in the rural areas of Chiloé. According to Patricio Peñaloza, “Chiloé shows a peaceful culture: it is less conflictual, and it appears to find problems in developing and vocalising their conflicts.” Moreover, he states, most of the Chilotes working in the industry come from the rural areas, where they had self-subsistence forms of production. That is not the case of the immigrants from outside the island, who did have experience with wage relations.

Mojica (2010: 3-4) indicates that, nowadays, the participation in the salmon industry throughout the island is of 30.2% of the working population. Moreover, the situation in the urban areas of Chiloé is quite different from that of the rural villages: while in the latter, the reliance on the salmon industry wages is relatively small -reaching 16.7% of the sources of income-, the salmon industry wages compose up to 31.6% of the household incomes in urban areas.

Quellón

One of the most affected cities by the establishment of the salmon industry has been Quellón. First of all, huge levels of immigration made Quellón into the highest growing city in Latin America during the 1990s and 2000s. Patricio Peñaloza speaks of massive immigration flows that led to a population growth of 500% in 20 years. Of course, Cárdenas and Díaz point out, the emergence of camp-sites and extreme poverty came together. And, Ximena Valdés points out, female work in the salmon industry became majoritarian, as is the case in Puerto Montt.

Ana Vera indicates that after 2 years of ISA virus, unemployment levels are very high and more than 3000 inhabitants are registered in unemployment rolls, while most workers in the industry are now subcontracted or employed on a seasonal basis.

The interviews indicate that Quellón is very interesting in terms of social mobilisation. Patricio Peñaloza considers that it is the least Chilote city due to the process of immigration occurred during the 1990s and 2000s. Thus, he states, it became a cradle of different forms of work and social relations. In this sense, Ana Vera agrees with Peñaloza when stating that “outsiders”, together with Chilotes who had previous experience with wage relation, led organisation in the city. On the other hand, both Peñaloza and Vera agree that artisan fishers and mytilid-cultor organisations are active, strong and well articulated. Besides, they count with deep roots within the community of Quellón. Finally, Peñaloza points out, the acute social problems in the city of Quellón have led to the development of stronger social networks in Quellón.

In 2009, Quellón was the stage for mass mobilisations led by mytilid-cultors, *Huilliche* indigenous communities, unemployed salmon workers and artisan fishers. In the context of massive unemployment produced by the aftermath of the ISA virus epidemic and the 2008 global financial crisis -which reduced the demand for seafood and other commodities-, salmon well-boats helped spread a *red tide* algal bloom. This algal bloom contaminated shellfish, the other main economic sector of the city, producing enormous damage to the economy of Quellón. This motivated massive mobilisations, which eventually achieved reforms on secondary legislation and the injection of public resources for artisan fishers and mytilid-cultors. However, Ana Vera signals, salmon workers were barely heard, and the only result for them was the creation of emergency employment programmes and a donation of a box of food per family.

The Incentives and Deterrents of Organisation

Incentives

Interviewed subjects and the literature coincide in high levels of oppression and extremely bad working conditions operating as triggers for labour organisation and mobilisation.

Work hour management is a main problem. While the ordinary legal working week applies during the normal/low seasons, working time can extend up to 10 to 12 hours-per-day during the high season. Leaves in case of sickness or family reasons must be made up with unpaid extra time (Barrett, Caniggia and Read, 2002: 1957). On the other hand, wages are frequently below the minimum wage level, and their structure is very variable. In average, 48.4% of the wage corresponds to the base wage, while the rest is composed by variable bonuses (Pinto and Kremerman, 2005: 14-16).

The lack of adequate infrastructure is another pressing issue. Absence of bathrooms, chairs, resting facilities and other amenities; poor building and equipment maintenance; and the lack of doctors, nursing staff or personnel properly trained in first aid in the plants are some examples.

There are several health problems associated with working in the industry. Amongst these, Díaz counts cystitis, different kind of fungi, and tendinitis. It is not a career job, Díaz says, as workers do not last more than 10 to 15 years in the industry, and it is difficult to obtain proper pensions from working on the industry.

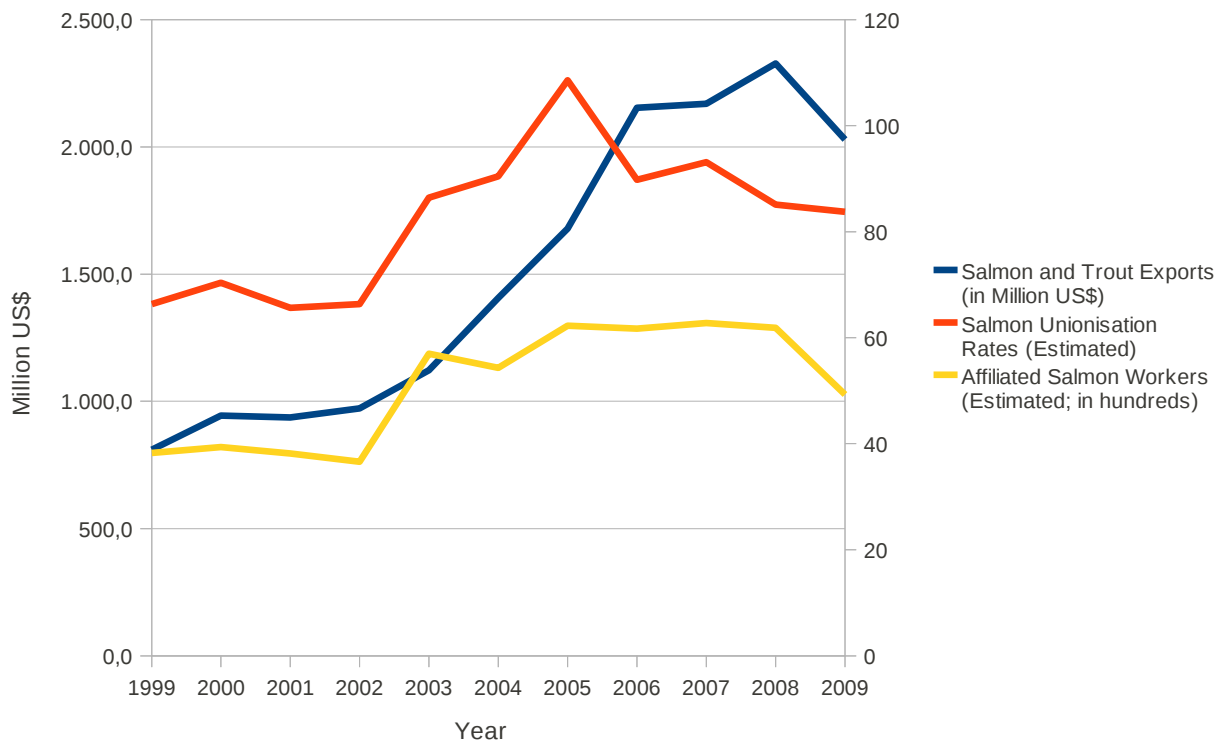
Pinto and Kremerman (2005) point out to the unequal conditions faced by women in the salmon industry. For instance, maternity leave and benefits are ignored, while crèches and nurseries are virtually non-existent. Moreover, pregnant women are avoided, and when hired, they are badly treated, persecuted and harassed, they are not given less intensive jobs and tend to become “enemies” of the employers.

The case of the *Newen* union strike in Quellón, 2004 is an example. Low wages, bad working conditions and the absence of a labour inspection office in Quellón motivated strikes and mobilisations, which met violent opposition from special anti-riot police forces. With support from subcontracted workers and sectors of the community, the workers succeeded in receiving a 1.4% wage adjustment and the establishment of a *Inspección del Trabajo* agency in Quellón. However, Ana Vera tells, the labour movement started to decline after this office was established.

Bad working conditions might be the greatest motivation to organise and may explain why labour organisations and manifestations appear. Yet, it is insufficient to explain how an industry that operated for more than 20 years with bad working conditions, low wages and high insecurity did not meet widespread resistance before. One answer to this is provided by Ganga and Allendez (2007). Their research indicates that the amount of unions increases proportionally with the increase of the salmon industry output. They indicate that 67% of the active industrial unions in the Region correspond to salmon industry workers. I show this relationship in Graph 2, constructed with statistics from the Chilean Central Bank (Banco Central, 2011) and *Dirección del Trabajo* (2010).

Ricardo Casas mentions other fact: once laid-off from firms, unemployed workers become more open to participation. This is the case of Alejandra Uribe and the members of the “Visión de Futuro” union, who decided to organise only when unemployed. Uribe says that unemployed workers are not afraid of organising; however, this changes after being re-employed.

Graph 2
Salmon and Trout Exports, Unionisation and Affiliation



Deterrents

Fear, Consumption and Need for Employment:

Isabel Díaz points out that employment is badly needed in the region. Workers who have been in the salmon industry for several years and were laid off after 2007 are still seeking for jobs in the industry. This explains that the development of labour movement froze after the 2008 global financial crisis and the outbreak of the ISA virus, as Graph 2 shows.

Interviews conducted by Barrett, Caniggia and Read (2002: 1957) indicate that salmon workers are satisfied with the industry, as the cash income provided by employment has increased their purchase power, allowing them access to the credit system. In this way, the authors assert, wage work has led to the development of consumerism in Chiloé. In this sense, Ana Vera argues that the Chilean economic system fosters individualism, stifling solidarity links throughout society.

Alejandra Uribe used to work under indefinite contract regime in the Yadrán processing plant, in Quellón. She was aware of the trade union and its leaders, but she did not participate. She had never participated in a union before because she thought she would be fired by the employers. Apparently, she says, this is the case: “now that I am a union leader, I have not been employed again.” This is the same reason that Gustavo Cortés gives for the lack of unionisation: “job stability

is more important.”

Labour Regulations and Policies:

Patricio Peñaloza considers that low national unionisation rates are caused by weak trade union culture. The lack of policies fostering unionisation during the *Concertación* governments (1989-2009), together with the enormous asymmetry in the amount of resources transferred to firms -R&D, subsidies to hire workers, cluster development, infrastructure, etc.- and unions, are the main factors behind the current situation. Rivalries between federations and confederations further complicate the situation, particularly when political parties try to exercise hegemony over unions.

Peñaloza affirms that labour legislation is designed to weaken unions. For instance, the possibility of setting *ad hoc* negotiation groups -usually articulated by the firms-. Firms have also dismantled unions through massive lay-offs of unionised workers. Fear is manipulated: the excess of labour supply makes jobs precarious and inhibits opposition from individual workers.

Gustavo Cortés points out at the short time frame of contracts as a major obstacle for organisation: only workers with indefinite contracts firm can join unions with capacity to negotiate collectively. On the other hand, Ana Vera explains, firms subdivide themselves between different *razones sociales* in order to block unionisation both within firms (having less than 8 workers) and of the conglomerate's workers (as each firm must have its union).

Ricardo Casas points out to the restrictions to form federations and confederations. He indicates that these do not have the possibility to collect fees from associated workers, rendering these organisations dependent of the individual union's will. Thus, he states, “if a union leader gets angry, we lose the money.” Moreover, Casas tells, federations and confederations are allowed to send one representative to support trade unions in collective negotiations.

Another recognised problem in this area is the lack of inspection and oversight agencies in the field. Isabel Díaz mentions that the Navy, in charge of overseeing compliance with regulations regarding work in the sea, is not very effective. The situation with the offices of *Dirección del Trabajo* and *Inspección del Trabajo* is more complicated. Here, the testimonies given by the focus group participants are stark:

“When the emergency jobs programme started, the agents from the inspection office gave us a seminar. They said that no woman should get pregnant, otherwise she would not be supported.”

“It has always been this way: the inspection officers are all sold-out”

Employment and Forms of Contract:

All interviewed subjects coincide in that there exists no independent or alternative organisation of sub-contracted and temporary workers in the salmon industry. There are several reasons behind this.

Isabel Díaz indicates that about 60% of the working force in the salmon industry is under contract regimes that hinder unionisation -i.e. subcontracting, seasonal work-. And, after the ISA virus crisis, the levels of production decreased. Nowadays, workers get hired for seasonal jobs -between September and January- or for very short time frames -for instance 15 days, as Gustavo Cortés indicates-.

Ricardo Casas says that alternative organisation is very hard for those temporarily hired, as they have little permanent contact, for many are travelling workers who go from city to city and plant to plant. Javier Ugarte agrees, saying that temporary workers could organise, but the temporary character of their work limits the existence of the union.

Alejandra Uribe has no knowledge of subcontracted workers' organisations or informal associations. For her, the issue is one of interest and fear: “the people who worked there [subcontracted firm] was just interested in doing their job, very quiet... and if the boss came and screamed at you, you would just take it. I was like that as well, so... that was it... you got like scared.” Javier Ugarte agrees with Uribe, and says that participation in organisation affects temporary workers negatively as “employers will mark [blacklist] them.” It is all the more complicated as “union leaders, not only in the salmon industry but in general, cannot take care of them.”

Anti-Union Practices:

Although illegal, firms apply several anti-union practices against their workers. According to Alvarez (2006), one of the most notorious is the blacklist, a list developed by HR departments in firms and plants, including those people who are not to be employed. This blacklist includes the names of union leaders and activist workers in the industry. When these are fired, they are seldom rehired.

Besides the other anti-union practices previously mentioned, firms also declare bankruptcy and then start a new firm, changing name and revenue role. In this way, firms are able to dissolve unions and avoid paying compensations for contract termination.

Clientelism:

Juan Carlos Cárdenas points out that clientelistic practices are applied both by the state and the salmon firms towards trade unions. From the state, there is a common practice of direct leader co-option through “purchasing” them with funds, education and legitimisation as valid actor vis-à-vis

the state. In this way, Ana Vera says that legal barriers work together with the bureaucratisation of union leaders through union education courses, separating and decoupling them from the mass of the workers.

On the other hand, firms also proceed through clientelism. One example of this is the purchase of union leaders' legally provided immunity: when the union becomes strong, the employers fire the union leadership. Several instances of complete unions being “purchased” have been recorded. Another example pointed by Ricardo Casas is that of “welfare” departments within firms. These take away roles previously assumed by unions, as organising dance groups, parties, and popular events. This practice also includes signing contracts for consumer benefits for workers. Thus, lack of own resources and capacities becomes crucial. This, for Casas, ends up becoming an anti-union practice as unions end up relegated to collective negotiations every 3 or 4 years. As negotiations more often than not favour employers, unions prove themselves useless.

Leadership and Organisational Flaws:

However, not all barriers and limits to unionisation are posed by external agents and structures. Here, the lack of capabilities and proper preparation become central. But actual necessity also stifles more independent and radical action.

Ana Vera considers that a major problem resides in the characteristics of the leaders. First, they are relatively young (less than 30 years old), and lack knowledge and experience in trade unions. In the context of Chiloé, this was compounded by the general lack of experience with wage labour relations. This situation is confirmed in the focus group session. According to the participants, few workers have previous experience with unions and organisation.

On the other hand, Vera argues, there appears to exist no motivation for organisational creativity and innovations within the labour movement. Agreeing with Alvarez (2006), she claims that there is an extended shared belief on the formal institutional procedures as the track for achieving successful results in negotiations. Workers prefer to resort to public agencies, dialogue and avoid major protest actions when dealing with their conflicts. However, Vera claims, experience shows that *unions, federations and confederations are ruled by specific regulations that do not allow achievements beyond their limited frame.*

Ricardo Casas points out that there is not an accurate fit between the leaders' designs and the workers' desires. “Workers should decide what has to be negotiated for collective agreements.” On the other hand, the vision and the definition of tactics and what to negotiate is not clear. Gustavo Cortés agrees: some leaders, he says, take personal advantage of union rights and do not go to work, losing contact with the fellow workers. Personal rivalries between leaders is another great problem.

Moreover, there is a lack of interest in union education and preparation. For instance, he argues, some organisations offer courses which are taken by the union members as day trips and holidays.

Javier Ugarte thinks that the problem of geography has to be considered: “you cannot organise mass manifestations as the territorial dispersion and isolation is a major issue. If we want to manifest in Puerto Montt, we have to wake up at 5 am to be in Puerto Montt at 10 am. The labour movement is very disperse, and we have little resources: workers do not want to give a lot of money in their fees”.

Another issue brought up by Ricardo Casas is that, now that the industry is facing a recessive cycle, unions end up as administrators of emergency employment programmes. Thus, they appear in contradiction: on the one hand, they ask for the end of precarious employments; on the other, they appear defending the extension of these emergency precarious employments.

Political Opportunism:

Ana Vera argues that class-based organisations -unions, labour- are only starting in Chiloé. However, the search for small parcels of power and influence by leftist partisans has produced great deformations. In this sense, leftist political parties have always been struggling to keep the direction of labour organisations and control its leadership, ignoring work with and for the masses, and dismissing internal consultation and democracy. Leaderships in older unions and organisations are not renewed and this is not satisfactory for the base membership. However, Vera states, “the same leaders are re-elected over and over again.”

Lack of Trust:

Finally, all these obstacles result in lack of trust in labour organisations. According to Alvarez (2006), protracted discussions and complicated negotiations make associated workers lose trust and patience. However, the opinion of two women in the “Visión de Futuro” union is starker:

“My husband, he is a diver, and he was affiliated to the union. You can see there is no support from the unions, as he paid 3000 pesos [€ 5] per month, the quota, and he is forced to work with closed port [condition decreed by the Navy when the weather is not apt for work in the sea]; where is the union there?”

“My husband was in the net cleaning firm union. He had a surgery and was on legal leave for 3 months. The last day of his leave, he was fired. And the union, where were they? They washed their hands. Because the firm owners gave the union leaders extra money... Save yourself; the rest...”

“Unions are no good.”

“They just get you into trouble!”

Working Experience and Worker Origins

As the industry started during the early 1980s, there could be a learning period that I think is interesting to gauge and define. On the other hand, the workers territorial origins could have an impact in the creation of unions. The establishment of new production sites attracted immigrants that may or not bring with them previous experiences of organisation.

According to Ana Vera, a major factor in the development of the labour movement is related to the consolidation of the industry. For instance, she tells, the mining industry in Chile has more than 100 years, and so does the labour movement within the industry. On the other hand, the salmon industry has not more than 30 years.

Javier Ugarte stated that the sheer growth of working masses is a major factor in the appearance of trade unions. In this sense, Vera considers that “outsiders” and Chilotes that had previous experiences with industrial relations are the ones who started to organise the labour movement within the industry. As “peasants are not used to unions”, Ricardo Casas explains, unions in the salmon industry appeared after a certain threshold of workers was overcome.

A good example of this is provided by Alejandra Uribe and the leaders of the “Visión de Futuro” union: while Alejandra comes from the Region of Valparaíso and had university experience, other leaders come from industrialised cities in the south of Chile. Gustavo Cortés is another example: he comes from Chillán, 400 kms. north of Quellón, where he had experience with political activism and university education. Another example of this was the 2008 strike in the *Agua Clara*s plant, located in Calbuco -located in the continental side of the canal between Chile and Chiloé- was a big example. This movement was organised by workers from Osorno, a more industrialised city 100 kms. north of Puerto Montt. Actually, Cortés states, most of the union leaders he knows come from outside Chiloé. However, he indicates, almost 70% of the workers in the salmon industry come from outside the island.

Alternative Strategies and Tactics

As discussed above, the interviewed subjects indicate that they do not know of actual unions or alternative organisations composed by subcontracted and/or precarious workers apart from very short lived experiences. In this sense, Gustavo Cortés is clear: “in the salmon industry, workers associate through unions, federations and confederations. There are no alternative forms of organisation.”

As a response to this lack of alternative organisation, inter-firm unions appear as a possible alternative. Casas indicates that these unions are the only operational form of organisation besides firm-level unions. Through this form of organisation, workers remain members of the union

although they are subcontracted, fired or the firm goes bankrupt. However, and besides the restrictions on the capacities of collective negotiation, inter-firm unions are complicated to form and operate. On the other hand, Patricio Peñaloza dismisses the inter-firm union as an appropriate tool. He claims that this instrument ultimately creates a “worker bureaucracy”, with distant leaders and disconnected affiliates. In this sense, he affirms, union affiliates and leaders must be physically working and present in the production site.

Casas mentions the creation of several commissions and organisations around FETRAINPES as a tactic to bring more workers together. However, progress has been slow, as Casas admits. The problem is that union members do not understand well the procedures and the process becomes stuck. The same tactic has been applied by CONATRASAL, states Peñaloza. However, as leaders are caught between elections and collective negotiations, and participation in unions is scant, the committees are frequently abandoned. The low or null amount of benefits offered by the unions acts as a deterrent for affiliation.

Although keeping the denomination of union, the transitory employees and former salmon workers association created by Alejandra Uribe and other women in Quellón represents another example. This union was created by former salmon industry workers who lost their jobs after 2008, and is composed exclusively by women. It counts with 200 affiliates, some of which are still working in the salmon industry. The rest of its members, though, are employed in the municipal emergency employment programmes. The lack of employment in Quellón was the main motivation to form this union. Uribe explains: “it was not about fighting the firms: it was about getting something to work on. And from then on, getting small things and victories.” That is how this union of unemployed workers got emergency jobs for its affiliates. However, Héctor Kol dismissed this form of organisation as an alternative one, as it poses no real and permanent challenge to the industry, insofar it will last until its affiliates are re-employed.

Conflicts and Resolutions between Firms and Unions

Javier Ugarte ascertains that employer-employee relations are not good and generally brake in collective negotiation processes. Strikes are frequently voted when collective negotiations fail and the last offer from the firms is not taken. However, strikes are not often undertaken. Usually, what happens then is that the parties proceed to *buenos oficios* (the participation of the *Inspección del Trabajo* as mediator), and the negotiation begins from scratch. Nevertheless, relations become strained.

Ugarte thinks that this happens because “we workers increase our demands... because we know that the firm can give us more!” Although profit levels are so high, firms resist giving more. On the

other hand, after 40 days of strike, workers can be replaced by the firm: “instead of raising wages, firms can use those moneys in order to hire new workers.”

According to Juan Carlos Cárdenas and Isabel Díaz, unions in the salmon industry are usually focused on short-term, wage-related, negotiations. The limitations on the objectives are recognised by almost all interviewed subjects. For instance, Ricardo Casas mentions that the biggest achievement for women is the benefit of time for health controls for their children, while men usually seek special compensations for holidays. Héctor Kol agrees, and mentions the last strike in Mainstream plant, Calbuco, which was motivated because the union asked for an arrangement of CLP 1 (approx. € 0,0016). As the employers would not give in, the workers went on strike for three days. Kol also comments on mobilisations in Quellón, where strikers took the streets and cut the highway, isolated Quellón for 5 days. The strike ended after the firm gave the workers 300 life-saving jackets.

Beyond the Firm and into Hegemony: Alliances with other groups -political parties, central federations and NGOs-

In General

One of the major problems faced by the salmon workers movement is the lack of knowledge about their situation in the central levels of decision-making, usually located in Santiago. For instance, Casas tells that during a meeting with the former Socialist Minister of Labour, Osvaldo Andrade to inform about the ISA virus and its effects over labour and employment, Andrade reaches Casas and asks incredulously if he (Casas) “really thinks it will be that bad.” This in spite of all the support documentation provided by Casas and the FETRAINPES. Thus, Casas jokes, “in Santiago the expert in salmon is the one who eats salmon once a week.”

The issue of geographical distance has been brought up by scholars and interviewed subjects alike. Besides the geographical configuration of the area, Pinto and Kremerman (2005: 5) indicate that the territorial distance from Santiago, and the virtual non-existence of the region (or actually every region in Chile besides Santiago) in terms of media coverage, allows the imposition of unfavourable conditions for workers to organise and mobilise. Ana Vera argues that “something very relevant or tragic must happen to make the region visible for the rest of the country.”

Unions

Ricardo Casas says that unions of different industries are not prone to working together, and rarely assist each other: “workers do not understand the need for unity.” Gustavo Cortés agrees with Casas and states that ideological differences, personalism and leadership issues hinder the development of a mass movement. This, together with the impossibility to negotiate on the industry

or regional level, takes away the possibility to gather increased support.

Federations And Confederations

There are three union federations and confederations in the salmon industry. The oldest federation is the *Federación de Trabajadores de la Industria Pesquera* (FETRAINPES), that represents unions located around Puerto Montt and Calbuco. The second is the *Federación de Trabajadores del Salmón de Quellón*, which represents unions located in the area of Quellón, Chiloé, led by Mr. Gustavo Cortés. Finally, the *Confederación Nacional de Trabajadores del Salmón*, which represents salmon workers in Chiloé, Aysén and Magallanes is the newest.

Regarding the FETRAINPES, Ricardo Casas states that it used to represent 22 unions before the ISA virus crisis, but now its representation has shrunk to 4 unions. The same situation is faced by Gustavo Cortés of Federación Quellón. On the other hand, Patricio Peñaloza indicates that CONATRASAL represents almost 80% of the unionised working force in the salmon industry.

Isabel Díaz told about the conflicts between the FETRAINPES and Federación Quellón, on one side, and CONATRASAL on the other. She uses the example of CONATRASAL supporting the law of “privatisation of the sea”,¹ while FETRAINPES and Federación Quellón opposed it.

In the context of the ISA virus outbreak and the possible crash of the industry, this reform was proposed by the salmon firms, financial institutions and government officials, and counted with support from CONATRASAL. Against this block, FETRAINPES and Federación Quellón sided with some environmental NGOs, as Ecoceanos, and achieved some support in civil society and in the Senate. Nevertheless, the law was passed almost unanimously.

Local Civil Society

Isabel Díaz indicates that there is moderate success in mobilisation when agricultural and artisan fishing associations and trade unions organise and act together. However, these cases are rarely seen, with the exception of Quellón. This success can be increased with the support of NGOs. Information, she says, is crucial in order to achieve effective mobilisation.

Ana Vera concurs with Díaz when saying that the mass mobilisations in Quellón were one of the few successful instances of association and common struggle between the different productive sectors. Other attempts to establish civil society networks have proven unsuccessful. Lack of knowledge, together with differences in class identity (salmon workers are waged labour; artisan fishermen and mytilid extractors are self employed; farmers seek self-subsistence), lead to a lack of

1. The reform of the Fishing and Aquaculture Law -a.k.a. “privatisation of the sea”- allowed the cession of aquaculture concessions -strips and columns of sea, which are constitutionally recognised as national, public property- to the private sector -i.e. banks and financial services- as mortgage or guarantee for credits. Although this cession is not perpetual *de jure*, it could be *de facto*, as it is automatically renewable every 25 years. This reform was approved in March 2010.

sensitiveness on the need of cooperation between groups. Vera considers this incomprehensible: “after all, these productive groups depend on the sea and its resources for survival.”

The difficulty in establishing links between unions and other organisations lies in the difference of objectives, argues Gustavo Cortés: “while salmon unions want to defend jobs and improve education, other organisations want other things.” He gives the example of the *Newen* union mobilisation in 2004, where there was little community support. Cortés says: “the salmon industry, together with fishing and mytilid extraction, supported the city: when the salmon industry crashed, everything else fell with it. Then, emergency jobs were provided in Quellón due to the effects of the ISA virus. However, while the salmon industry was reducing its personnel, the emergency jobs were assigned to fishermen or mytilid-cultivators.”

Denis Alvarado considers that salmon industry issues are not as appealing as artisan fishing ones due to several reasons. As most of the salmon industry labourers come from outside the city, and there are high levels of worker rotation, individual salmon workers are unknown to the rest of the community: “if I don't know about it [the salmon industry and the reality of the workers], there is no reason for me to fight for something I do not know, or for people who work in conditions that I ignore.”

Regarding other civil society organisations, Ricardo Casas indicates that despite work with other organisations -students, neighbour and mother associations- is slowly beginning, it is usually limited to public declarations. Thus, he indicates, there is no real mass movement. In this sense, he considers there is too much dispersion, too many leaders.

CUT, Political Parties, Government And Public Agencies

Regarding the role of the CUT, Ricardo Casas indicates that despite him being a national representative, the organisation has not shown major interest. Besides the issue of the geographical distance, the central levels of the CUT claim that the rivalries between federations should be solved first. Gustavo Cortés shares Casas' vision, although acknowledging the support of the provincial CUT for Federación Quellón.

Juan Carlos Cárdenas and Isabel Díaz consider there is a strong connection between the main political forces in Chile -*Concertación* (center-left) and *Alianza* (center-right)-, and between these forces and the salmon firms. Due to institutional and electoral factors on the national level, the centre-left and centre-right are relatively coupled, and no strong opposition in law- and policy-making processes exists. Due to strong lobby capacities from the industry, political commitments, and the lack of capacities for workers to convey their interests, “the salmon state” -as Héctor Kol names it- developed in the area of Puerto Montt and Chiloé with heavy state subsidising. Kol

indicates that between 80% and 100% of the base wage (approx. CLP 111000, €180) of employed workers is subsidised. Moreover, firms are supported with free use of water resources and millionaire investments in infrastructure and R&D.

For Cárdenas and Díaz, this explains the low levels of support that senators, congresspeople and other representatives provide to workers. The participants in the focus group session mention that political representatives -both from the right and left-, come to them only for political interests. “They come here once every three months and have a meeting with 2 or 3 social leaders, for example Gabriel Ascencio (PDC) or Camilo Escalona (PSCH) [regional representatives of *Concertación*, now in opposition] call us to get information on how to *piss off* the ones in government now [*Alianza* right-wing coalition], you understand? They say: 'now that we're opposition, it's our turn to *piss them* [the government] *off*'”.

In general, all the interviewed subjects consider that municipalities and city governments are uninterested or unwilling to provide support to workers. According to Díaz, municipal authorities may not want to oppose salmon firms as “ultimately, money talks louder.” The relationship of the women of the “Visión de Futuro” union with the municipality of Quellón is illustrative. Although the municipality has provided emergency employment to these women, these jobs were granted after denouncing the mayor, who allegedly distributed these employments amongst relatives and friends. “Everything here is contacts: complete families are working for the municipality!”

NGOs And Other Civil Society Organisations

Ricardo Casas pointed out that there are no meaningful connections between salmon worker unions in Chile and outside. He presents the case of the LO-Norway representatives visit to Chile. Due to political issues, mainly that Socialist Party (PSCH) members and officials organised the visit, members of other parties were mostly excluded from the agenda. Moreover, the LO-Norway representatives showed interest in full-time workers of Norwegian firms only, disregarding sub-contracted and temporary workers as well as those working in related industries.

Regarding NGOs, Juan Carlos Cárdenas and Isabel Díaz indicate that Greenpeace grouped several organisations during the beginning of the 1990s. However, by the end of the decade, many of these organisations became lobbyists, prone to negotiations and more interested in receiving funds. Now, several NGOs work with and for the industry, legitimising the industry by providing their public image and credibility.

Cárdenas and Díaz point out that there was a moment during the early 2000s in which a coalition of NGOs was able to effectively articulate with congresspersons, union federations, artisan fishers and other civil society organisations against the expansion of the salmon industry. The result

of this was the establishment of a parliamentary commission created in 2006 to investigate the industry and its effects. However, other NGOs proceeded to disrupt the salmon workers movement exactly in the moment when this alliance was achieved.

Ricardo Casas says that besides showcasing problems in the international level, NGOs have not provided major support in terms of resources. In this sense, he complains that NGOs came, fished for information and left nothing in exchange. Thus, Casas says, “NGOs live out of the conflicts.” On the other hand, before the ISA virus epidemic, the issue of the salmon industry was widely investigated and several NGOs organised conferences, courses and other actions. However, after 2008, the levels of organisation and mobilisation decreased dramatically.²

2. In an informal conversation with professor Antonio Aravena, dated March 8th, 2011, he mentioned that the same happened regarding academic and scholar interest in the salmon industry and labour movement. After 2007 and the ISA virus epidemic, he indicated, scholars lost interest and some sort of invisibility shrouded the issue.

CHAPTER 4: DISCUSSION

Introduction

Throughout this research, I have tried to take the guiding question *-what have been the effects of the introduction of transnational forms of production over the modes of organisation and action of labour in Puerto Montt and Chiloé?-* and reformulate it into smaller and more operational ones. So far, the three following questions have developed from the first one.

1. *In a context of flexible and precarious employment -what includes fear of losing jobs-, and facing extremely harsh working condition, do workers in the salmon industry organise and protest?*
2. *Is it possible that these unfavourable conditions give rise to other, new and more effective forms of organisation and action?*
3. *Is there a difference depending on where workers stand, that is between Chiloé and Puerto Montt?*
4. *Does historical materialism act as a sound heuristic device for analysis?*

In the following section, I first summarise the main findings of the analysis. Then, I discuss these questions and try to formulate some adequate answers with the elements. The answers to these questions, together with other findings, are translated into a set of hypotheses designed for future work. Finally, I present a general summary of this research, pinpointing some of its shortcomings.

General Aspects

First of all, the establishment of the salmon industry led to the development of unionism in Puerto Montt and Chiloé. As seen before, Puerto Montt had experience with industrial relations and trade unions. This is not the case with Chiloé, where industrial relations are new, and so is unionism.

Second, the labour movement in general, and union membership in particular, are highly affected by practices of subcontracting, outsourcing and seasonal work. In this sense, the adaptation of Chilean labour regulations to the transnationalisation of production, brings as a consequence the de-mobilisation of workers.

Third, transnationalisation of production, although rendering employment precarious and worsening life conditions, also opens up new spaces for action and participation by destroying traditional social relations. This, as previously discussed, could act as incentive for new forms of

labour organisation.

Different from Puerto Montt, Chiloé showed strong community links, particularly in the rural level. These community links started to burst open due to immigration processes from within and without the archipelago. The case of Quellón is the extreme example of this situation: high levels of immigration and strong community links.

Why Organise, Why Not

Regarding the question about the existence of organisation and action, in general, the workers in the salmon industry do react and mobilise. The main motivation behind organisation and action is that of harsh working conditions. However, there are several intertwined reasons, although each counts with its proper consequence, that weaken or block labour organisation and action.

In the context of the transnationalisation of relations of production in Chile, there is a widespread national political consensus and commitment towards economic growth. This can be translated as a commitment towards salmon industry as well. This is compounded by labour regulations and public policies that do not foster organisation. Finally, the lack of effective worker representation in policy-making spheres, together with opportunism from political parties, leads to conclude there is an extended lack of state support to the labour movement and interests.

This has two correlates. First, that Chilean labour regulations have been designed to avoid new labour organisations, or neutralise the political potentials of existing ones. Second, that employers and firms count with high incentives and face small opposition to applying stark anti-union practices, together with more benign forms of clientelism. A consequence of these practices is that the development of labour movement is blocked, or at least hindered.

The distance between localities hinders the development of stronger association and action between salmon unions. Then, the distance between the salmon region (or every other region in Chile) and Santiago leads to the invisibility of regional problems. As a consequence, there is a widespread lack of national and transnational knowledge about, and solidarity towards the salmon workers movement.

The characteristics of production and employment in the industry matter. In contexts of high flexibility, elevated worker rotation and seasonal work periods, relationships of solidarity do not exist. Most probably, this implies that workers show no interest in organising.

The lack of experience with wage relations most surely implicates the lack of experience with labour organisation. This is the case of Chiloé. Together with the need for income -and the fear of losing it-, these conditions greatly reduce the incentives to organise, and tend to moderate or level down expectations and demands in processes of negotiation.

Two cultural traits have impact over organisation and action. Related to the issue of need and interest, individualism tends to counter motivations for organising. On the other hand, the legalistic culture present in Chile contributes to the lack of organisational creativity, determining that only legally recognised forms of organisation and action are used.

Finally, there is the issue of lack of trust in labour organisations. This is produced because leaders are perceived distant from the base workers. The conflicts between unions and federations also generates distrust towards these organisations. Finally, the need to administrate emergency employments -and ultimately defend precarious work- sets unions in internal contradiction.

How to Organise

As discussed previously, the unfavourable economic, political and legal conditions imposed by the introduction of transnational forms of production in Chile could give rise to newer, more effective forms of labour organisation. However, regarding this issue, the findings point out to the fact that only legally acknowledged forms of organisation exist, that is unions in all their recognised forms, federations and confederations. *This implies that subcontracted and seasonal workers organise according to the traditional patterns of labour organisation in Chile, and therefore, there have been no transformations in the forms that labour organises and acts.* This is a clear indicator of low capacities of adaptation to the transformations of relations of production in the regional and national levels.

The research conducted by Rolando Alvarez (2006) confirms my findings. He points out to the fact that whenever precarious salmon workers -temporary, outsourced, *suministrados*- decide to organise and act against their working conditions and employers -usually illegal procedures, as it has been shown-, the forms used are those of the traditional Chilean labour movements. These forms range from presenting *pliegos petitorios* (letter of demands) to street riots, including unionisation and lockouts. Despite the anomie that could be expected, protests are organised: mobilised workers recur to the authorities and the employers, try to establish instances of negotiation and, only to exercise pressure, they resort to more radical measures.

The ways in which labour movements currently organise show some pros and cons. I have already discussed firm unions and their possibility for action, so I will rather focus on the other available forms. While inter-firm unions allow to keep workers associated and gather extended support from within and without the industry, it has no effective negotiation capacities. Moreover, it may tend to the detachment between leaders and base workers.

On the other hand, federations, confederations -and satellite committees around these- grant support to existing unions, while strengthening the existing federations. However, these

organisations may not be very effective, as they require high levels of interest and participation on behalf of the affiliates and leaders, and they are highly dependent on the individual characteristics of leaders and their capacities to negotiate interests.

Unemployed associations appear as another form of maintaining and strengthening links between both employed and unemployed salmon workers. Moreover, their capacity of action in the local level can be stronger, as these organisations can recruit from other locally unemployed. However, these organisations may prove limited effectiveness vis-à-vis the salmon industry, their permanence being conditional to attaining or not a job.

The establishment of alliances between labour organisations and local civil society has been highly effective in mobilising wider extensions of population and achieving higher goals, most probably because it allows to take labour issues and demands to other, less regulated and neutralised, realms. However, these instances are rarely seen. These alliances require certain levels of trust, common knowledge and information and continuous communication. Moreover, they are highly dependent on the leaderships and their capacities to translate and negotiate (class-based) interests.

Multi-scale (local, regional, national, transnational) alliances are also highly effective, and capable of mobilising people and resources in multiple and simultaneous levels. Moreover, the goals that can be achieved through these alliances can relate even to legislation and policy changes. However, the asymmetry of capacities and resources between different organisations tends to favour the largest, changing the focus of the struggle. Moreover, it is highly dependent on the leaderships involved and their capacities to translate and negotiate (class-based, local and national-based) interests.

When and Where to Organise

Organisation appears there where working conditions are so harsh that are capable of overcoming all the mentioned hindrances and obstructions. However, it is not only a matter of individual motivation, insofar there are some structural tendencies as well.

First of all, the longevity of a particular industry of economic sector has much to do with the levels of organisation. The more time an industry exists, the more relationships are established by workers on it, and the more experience dealing with problems and harsh conditions posed by firms and employers. Thus, the longer the industry has been established, there are more possibilities for appearance of labour movement.

There is a second issue, related to the age of the industry. Throughout the development of the salmon industry, there was an ongoing expansion of output and a growing demand for labour. This

process brought about increasing flows of immigration.

Three consequences of this process may have brought about organisation. In the first place, the immigration of workers with previous experience in wage relations and labour organisation to the regions of Puerto Montt, and particularly Chiloé, worked as an instance of education for inexperienced workers. In second place, the sheer growth of the population employed in the salmon industry may have become an incentive for the organisation of labour organisations in the region. Finally, this growth of the employed population may have contributed to worsening social and economic conditions and increasing levels of unrest.

Thus, and regarding the issue of location, it is important to take into account the characteristics and composition of the workers of the industry. First of all, as mentioned, this is a relatively young industry, with no more than 25 years of existence in the zone. Second, a large number of actual and former employees are relatively young, that is between 18 and 40 years old. Third, a large number of employees have no former experience with relations of waged work. This is the mostly the case in Chiloé. Before the salmon firms started to establish in the isle of Chiloé, the forms and means of production were mainly those of self-subsistence developed during more than 300 years of isolation and combination between Spaniard and Huilliche cultures. Finally, local community links and traditions have been very important in the survival of the Chilotes during these last 300 years. Thus, although the forms of organisation that existed before the establishment of the industry in Chiloé gave no preparation whatsoever to what would happen in terms of the transformations in social relations of production, networks and associations that could give a different shape to labour organisation and action were still present.

However, and in association to the lack of creativity in matters of organisation, I can conclude that *there are no major differences between the forms that labour organisations take in Puerto Montt and Chiloé*. Although it is important to acknowledge that there are activities that in one way or another escape the latter, as is the case of the artisan fishers and mytilid-cultors in Quellón, this experience has not been quite assimilated by the labour movement in the archipelago. On the contrary, the labour movement in Chiloé has limited itself to replicate the experience of traditional labour organisation and action in the rest of Chile.

Historical Materialism as Appropriate Tool

Finally, I consider that historical materialism, as proposed by Antonio Gramsci, is an adequate heuristic device for the analysis of social forces and their transformations in the transnational, national and local levels.

First, the concepts of hegemony and historical bloc allowed to understand how social forces

take over the leadership and control of a given society. In the case of analysis, the process of transnationalisation of production implied the struggle between several social forces within and outside the national state borders. The victory of the transnational capitalist class implied the transformation of relations of production and, as its correlate, the reform of the previous social relations and institutions in order to protect this achievement. In concrete, this meant isolating the working class from positions of power within firms, in the industrial level and in political institutions. The revision of the transformations of the Chilean economic, political and legal system -particularly the role of the state institutions, the labour legislations and institutions, and the legitimate forms of organisation and action- confirm the expected behaviour.

In second place, the model indicated that transformations of relations of production do not necessarily bring about transformations of social relations. The evidence confirms this: despite the incentives for new, alternative forms of organisation and action, the labour movement has stuck to the traditional, pre-transnational means. Here, several factors appear to intervene. First, the apparent lack of organisational creativity shown by workers and leaders alike. This can be related to lack of capacities, education and preparation; but also to lack of interest, excessive legalism and individualism. Here, the characteristics of labour leaders become central. Second, the lack of political and social support towards the labour movement. This can be associated to the lack of visibility of the social, political and economic problems suffered by the workers in the salmon industry, but also with a lack of interest by other actors of civil society.

Finally, the model indicates that contextual issues and concrete situation are supposed to make a difference in the matters of organisation and action. The case of Quellón proves that local characteristics may very well explain particular instances and forms of manifestation and mobilisation. However, the apparent similarity between the forms labour organisation takes in Puerto Montt and Chiloé seems to run counter what the model suggests.

Perhaps, the symbolic weight of the traditional labour movement ends up precluding the appearance of new, different forms of organisation in the context of Chiloé. This makes sense if it is considered that almost 70% of the salmon workers in the archipelago come from other regions: these workers usually count with previous experience in wage labour relations and, most probably, in trade unions.

Future Work

Based on the different findings and relationships that have appeared throughout this research, I would like to propose a set of working hypotheses that could guide future work in the field. This hypotheses should be then tested in other cases where alternative forms of organisation might occur.

In this sense, I think in, at least, four cases that show apparent similarities. First, the cases of subcontracted and precarious workers in fruit-packing and mining industries in Chile. Then, the cases of maquilas in Central America (Prieto and Quinteros, 2004) or those of the export processing zones in different parts of the world (Caspersz, 1998; McKay, 2006).

Hypothesis 1: Labour movement and new transnational forms of production

Conditions: In a context of lack of knowledge and experience with wage relations on behalf of workers; increasing social demands to enter the consumption circuits; labour regulations and policies that hinder effective labour organisation; the introduction, expansion and diversification of transnational industrial relations of production.

H1: *Insofar the industry can provide “acceptable” (i.e. stable minimum wage levels and conditions) employment, labour will not organise nor mobilise.*

H1'. *There where the firm cannot meet this acceptable minimum (i.e. in case of unpaid wages; extremely bad working conditions; extended harassment), labour movement could organise.*

H1". *There where the firm cannot meet this acceptable minimum, the worker will work for another firm.*

Hypothesis 2: Labour movement and consolidated transnational forms of production

Conditions: In a context of certain knowledge and experience with wage relations -due to migration from other industrialised zones, and several years of experience with industrial and wage relations-; relatively consolidated entrance into consumption and credit circuit; labour regulations and policies that hinder effective labour organisation; consolidated transnational forms of production -i.e. consolidation of the industry as cluster, concentration of ownership and expansion of subcontracted and outsourced work-.

H2. *The growth of the salmon industry raises the acceptable “minimum” levels. Thus, where the firm cannot meet the acceptable minimums, it is plausible to expect more mobilisation and organisation.*

H2'. *However, if it is the case that the industry crashes or faces a recessive cycle, workers will protect their employment and restrict their organisation and action. As I have shown, trade unions appear proportionally to the growth of industrial output. The need for incomes and the existence of due credits, together with the abandon of traditional productive activities (i.e. agriculture, artisan fishery, small scale manufacture) due to the transformation of relations of production, would act as deterrents of organisation and mobilisation.*

H2". *If a worker is laid off, more incentives she will have to organise.*

As visible relationship with unions and union leaders is a probable cause of being laid-off, when a worker does not have a contractual relationship with the firm, there should be less problems in organising. Yet, the goals of this form of organisation will not necessarily be opposed to those of the industry.

Hypothesis 3. Labour movement and alliances

Established trade unions, federations, confederations and national level federations (i.e. CUT), which count with increased capacities to connect conflicts in other levels than the local/firm space, can become crucial for other forms of labour organisations -particularly those of subcontracted and other precarious workers- to achieve their goals.

H3. In a context of limited labour rights, success for labour movements in satisfying their demands depends on the ability to carry their struggles outside the field of labour.

The interviews point out that success in conveying labour interests and concerns is highly related to the ability of labour organisations to remove their actions from the fields of labour regulations and position them in other social and political fields. This implies two distinct, though related tactics:

Issue rescaling. Effective and successful negotiations in the firm level have occurred when unions have managed to remove the conflict from strict firm-vs-union relations, and repositioned it in a wider territorial context.

Issue redefinition. As Ana Vera said in her interview, “all these productive groups [salmon industry workers, artisan fishers, mytillid-cultors] depend on the sea and its resources for survival.” In the case of Quellón, this is more than evident: the whole city depends on production related directly or indirectly from the sea.

In Conclusion

In the first chapter, I discussed the main assumptions that sustain this thesis. In specific, the logic of historical materialism, that societies only pose problems which contain in themselves the base of their own solutions: that forms of social relations -i.e. social, political, cultural institutions- follow transformations in relations of production. Throughout that discussion, I questioned the automatism of the relationship between relations of production and forms of social organisation. Following Gramsci, I recognised the role of the leadership, the categories of hegemony and historical bloc to guide the general analysis. In concrete, societies may pose problems which contain within themselves the base of their own solution; however, the process of solving this problems may be fostered or hindered by social, political and cultural institutions, and assertive leadership and guidance is crucial for problem-solving.

Based on this framework, I illustrated the shifts in the correlation of social forces, recognising that the process of transnationalisation of production has implied the displacement and exclusion of certain forms of labour from the Chilean historical bloc. I exemplified this process with the case of the development of the salmon industry in Puerto Montt and Chiloé. The material extracted from scientific literature and interviews sustains this rationale behind the present Chilean labour regulations and dispositions. That is, this process of transformation of social relations of production has ultimately rendered useless and obsolete the forms of organisation and action that workers had developed during the last century -i.e. trade unions, strikes, collective negotiations- in order to convey and assert their interests. Moreover, the framework succeeded in predicting the role that cultural, ideological, political and social factors play in the development of new forms of social relations. In this sense, the labour movement has proven incapable of developing new and more effective ways of organisation and action.

In this process of research, I met some problems and shortcomings. First, in what regards to the method, although most of the interviews provided very useful and interesting information, some of the interviewees managed to drift away, trying to boast on their particular actions or involve me into conflicts between the different federations and confederations of salmon worker unions. In a few cases, this attitude on behalf of the interviewees compromised a good deal of the material. In this sense, I must recognise that my limited experience in performing interviews did not help in countering these situations. However, this same research provided me with new and useful insights regarding the ways that future interviews must be dealt with.

Regarding the material, I found out throughout the research that the issue of non-unionised labour movement is barely dealt with. While most scientific works on the issue tend to deal with the subject on more theoretical and abstract ways, the empirical research was scarce and relatively outdated. Moreover, and although I do not think my personal political orientations and perspectives are hidden, several pieces of literature are strongly charged in emotional terms. I tried, hopefully in a successful way, to manage my personal feelings regarding the subject in the revision of the literature, the conduction of the interviews and the presentation of the findings.

Finally, and regarding the subject itself, I consider that the influence of previous modes of production in the effective strategies and tactics of labour organisation and action deserves more attention. New forms of production replacing older forms should produce major disruption in the ways that peoples and communities relate to each other. All of this, of course, is mediated by political, legal, ideological and cultural factors. Thus, these consequences should be far from homogeneous: different traditional, cultural and social patterns and links could interact and adapt in varying ways to the new forms of organisation. New patterns of organisation and action could be

understood not only as resistance, but also as adaptation of previous forms of organisation to new, changing social relations of production. This issue should definitely be dealt with in future research.

EXECUTIVE SUMMARY

Based on empirical material drawn from interviews and focus group sessions, I examined which are the effects of the introduction of transnational forms of production over the forms of labour organisation and action. To do so, I used the case of the establishment of the salmon industry in the territories of Puerto Montt and Chiloé, Chile. I illustrated the shifts in the correlation of social forces within Chile, recognising that the process of transnationalisation of production has implied the displacement and exclusion of certain sectors of labour from relevant positions of power in Chile. The research shows that the process of transformation of social relations of production has ultimately rendered useless and obsolete the forms of organisation and action that workers developed during the last century -i.e. trade unions, strikes, collective negotiations- in order to convey and assert their interests. Yet, I conclude, the labour movement has been incapable of innovating and developing new, more effective ways of organisation and action.

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