The fragmentation of the working class in Latin America over the past three decades has coincided with the decline of labor organizing among workers employed in the formal economy. Research has suggested that the economic segmentation of the working class explains this declining relevance of unions. However, recent Argentine history (2003–2010) suggests that the labor movement has become increasingly relevant again, due to protests organized by workers employed in firms of the formal economy. Drawing on 14 months of fieldwork in the city of Pacheco (Argentina), the present study analyzes how non-core workers hired by a formal economy firm successfully gained core labor contracts in the framework of this labor revitalization. The results suggest that collective action in a context of labor fragmentation is possible, but that it depends on the emergence of a grassroots democratic strategy of solidarity that brings together core and non-core workers.

The conventional wisdom in scholarly discussions of Latin American labor movements is that labor fragmentation makes it increasingly difficult for workers employed in the formal economy to engage in collective action. This fragmentation explains why social conflict in the region in the past decades has occurred mainly within the growing informal sectors, as in the movements of unemployed workers (Collier & Handlin, 2005; Roberts, 2002). Contrary to the
expectations of this literature, however, recent Argentine history points to the increasing relevance of protests by workers employed in firms of the formal economy (Palomino, 2007).

This article focuses on the organizing strategies of workers from K-Foods Argentina, a U.S.-owned food-processing plant employing 2,400 workers in Pacheco. The fieldwork was funded by a National Science Foundation Doctoral Dissertation Research Improvement Grant. Fictional names are used to refer to the companies mentioned here. Between 2005 and 2008, the Pacheco plant of K-Foods was the site of two successful organizing campaigns over the issue of nonstandard work arrangements, with the result that the company agreed to give regular permanent contracts to all of the temporary workers and some of its outsourced workers.

This case of labor militancy contradicts prevalent theories about the causal links between labor fragmentation and union struggles. Instead of assuming that unions are unable to organize in a fragmented scenario, this case calls for a more nuanced understanding of the interactions between social structure, politics, and organizational dynamics in the making of labor protests. This successful example of labor militancy across the standard/nonstandard divides suggests specific strategies that make organizing possible in the modern fragmented labor context. At the center of this experience, there are grassroots strategies that non-core workers developed in order to obtain the support of core workers for their demands.

NONSTANDARD WORK ARRANGEMENTS AND UNION STRATEGIES IN THE GLOBAL SOUTH

Core workers are those with regular and stable employment contracts, employed by medium or large size companies of the formal sector. In opposition to these workers, “non-core workers” (Chinguno, 2011; Webster & Von Holdt, 2005) or “nonstandard workers” (Carré & Joshi, 2000) are those who are employed in firms of the formal economy but who are subject to temporary work, lack of guaranteed income and benefits, or a loose and/or triangulated relationship with their employer (Cobble & Vosko, 2000).

Two groups of non-core workers are included in this study: those in temporary employment and those who provide services under subcontracting arrangements (also called “outsourced workers”). Although this type of nonstandard work arrangement was characteristic of firms operating in the “informal” sector of the economy (Portes & Hoffman, 2003), in the past decades precarious and informal work arrangements also grew within economic sectors based on high-skilled work and high productivity that had traditionally been at the core of the formal economy (Kalleberg, 2009). In Argentina, this transformation was the result of a round of labor flexibility reforms in the 1990s, which deeply affected legislation regarding individual workers, especially in hiring and dismissals (Cook, 2006).
Studies of Argentine labor markets in fact show the increasing weight of non-core workers within the formal sector workforce (Neffa, 2009). Therefore, a full understanding of contemporary labor revitalization in Argentina needs to include an analysis of the relations between core and non-core workers in formal sector enterprises during labor protests. Previous studies have shown that in the framework of labor revitalization, it is important to research the strategies that unions are developing in order to broaden their constituency (Cornfield & Fletcher, 2001) and to protect nonstandard workers (Carré & Joshi, 2000). The study of unions’ responses to nonstandard work arrangements contributes evidence about the importance of organized workers as parts of broader movements of resistance to neoliberal globalization (Moody, 1997).

CONTEXT OF THE FACTORY CASE STUDY

Henry Ford Avenue intersects the Panamericana Highway 42 kilometers north of the City of Buenos Aires, and is one of the routes into the city of Pacheco, an area of vivid commercial and industrial activity. The first factory on the intersection is F-Motor, located across the street from a gas station. The industrial plant K-Foods Argentina is four blocks down the street from the gas station, right in front of the industrial plant of the V-Cars auto factory. On both sides of the street there are bus stops, often crowded with workers traveling to and from the factories. The companies mentioned above are among the biggest factories of Pacheco, together employing around 10,000 workers.

Two kilometers away from the Panamericana Highway, Henry Ford Avenue becomes the Avenida de los Constituyentes, and the industrial landscape gives way to that of a working-class neighborhood with a small commercial center. After 3.5 km, some small to medium size industrial plants appear, including the FR Meat Packing Plant, a paper producing plant, and a small mattress manufacturer. The FR Meat Packing Plant is surrounded by two neighborhoods: Las Tunas and Enrique Delfino.

I conducted fieldwork research between March 2010 and April 2011 in the portion of Pacheco that starts at the intersection between Henry Ford and Panamericana and ends with the FR Meat Packing Plant. The larger project includes interviews with workers and union activists from three formal sector companies in the area (K-Foods Argentina, V-Cars, and FR Meat Packing Plant), as well as with community residents and activists. Regarding K-Foods, I conducted interviews with workers and union activists, I did participant observations during union meetings and labor actions, conducted interviews with managers and supervisors, and I made a guided visit to the company’s plant in Pacheco.
K-Foods entered the Argentinean food market in 1990, nine years after N-Food, which was also a multinational food manufacturer. During the 1990s, both companies acquired various Argentinean food-processing companies; then, in 2000, K-Foods acquired N-Food, giving birth to K-Foods Argentina. The industrial plant in Pacheco was owned by a national cookie manufacturer, which was acquired by N-Food in 1994. After the process of mergers and acquisitions of the 1990s, K-Foods concentrated production in the Pacheco plant, which produces chocolates, cookies, crackers, soft drinks, and pasta, most of which are directed to the domestic market.

The Organization of Production and Industrial Relations

K-Foods organizes the production of each food item into a different “product line,” which is divided into two main sections: manufacturing and packaging. Product lines start with the mixing of different raw materials on the upper level of the factory and end with the packaging and transportation of the finished products on the lower level. During the process, workers in different sections of the product line are in charge of specific duties, which include raw material transportation, raw materials mixture, raw product preparation, cooking, packaging, and transportation of products.

Around 50 people work in each product line for every shift (morning, afternoon, and night), and there are four to five “leaders” who supervise each duty across product lines. For example, there is one leader who supervises 15 workers in the raw materials mixture for all product lines. In turn, the leaders are supervised by production coordinators. In general, men are assigned to production duties and women are assigned to packaging duties, because, according to a female coordinator, “women are more apt to do manual duties. Men are usually more uncaring” (production coordinator).

Industrial relations in the plant are characterized by conflicts between workers and management. From the workers’ perspective, these conflicts are the result of management’s mistreatment and power abuse. Most of my interviewees remember at least one occasion on which they felt that line leaders or coordinators were mistreating them. A middle-aged worker told me that “we are never silent about our problems, and that is how tensions and problems with leaders emerge. This is a huge company, but for some reason there are always problems. They always want more from you, but they give you nothing” (core worker). Every worker I interviewed had at least one story about discussions that emerged when leaders refused to give them paid sick leave, or yelled at them when they made a mistake in the line.
From management’s perspective, conflicts emerge because the shop-floor union is ideologically set against the company. They think that the company needs to establish a one-to-one relationship with workers that would counterbalance the union’s influence on workers’ behavior. One of the managers said that “we try to be closer to the workers, so they can see that the shop-floor union does not represent their interest. We have to solve the workers’ problems faster than the union” (manager). These and other excerpts from my interviews with managers unveil a more or less explicit competition between the company and the union to secure workers’ loyalty. This competition is usually translated into daily conflicts about production pace, workers’ illnesses, appropriate clothing, and machinery maintenance, among other things.

**Nonstandard Work Arrangement**

When K-Foods acquired the Pacheco plant, it continued with nonstandard work arrangements based on temporary and outsourced work. On the shop floor at K-Foods, these two types of nonstandard work arrangements involve important differences for workers in relation to their work situation and their labor contract.

There are two categories of temporary workers: those directly hired by K-Foods under temporary contracts; and those hired by temporary help agencies. The majority of temporary workers are young (18–29) and their wages are established by the collective contract of the Food Industry Workers’ Federation (Federación de Trabajadores de la Industria de la Alimentación, FTIA), which means that they are also represented by this union. Because of the lack of seniority and of certain benefits, their salaries are substantially lower than those of core workers. The main disadvantage experienced by this group of workers is the lack of stability of their labor contracts, which was reflected in the high turnover of temporary workers between 2002 and 2007.

Outsourced workers are hired by contract companies in charge of specific operations within the plant. There are contract companies that are in charge of janitorial work, run the plant’s restaurant, run the in-factory store, provide surveillance services, and do the maintenance of cooling machinery. Until 2007, there was also a company in charge of the transportation of finished products within the plant, employing 55 male workers who are now core workers employed by K-Foods (a change I describe in more detail later). The majority of outsourced workers are not represented by the Foods Industry Workers’ Federation, and except for the workers in charge of the cooling machinery, their salaries are substantially lower than those of core workers.

**Union Politics**

The Food Industry Workers’ Federation is the national-level federation of workers in the food-processing industries. The federation and its powerful Buenos Aires branch (Sindicato de Trabajadores de la Industria de la Alimentación, STIA)
are led by Rodolfo Daer, who is the head of the Peronist group that has been running both organizations for the last three decades. This group was the only contender in the last union election at STIA-Buenos Aires, which allowed Daer to be elected head of the union for four years starting in 2008.

Union activism at K-Foods is divided into three main groups. Each group has a different political orientation and a different stance toward the company’s non-standard employment policies. The first group is centered on 30 representatives of STIA-Buenos Aires, who are core K-Foods workers aligned with the national union leadership. They have paid positions and are in charge of the relationship between K-Foods workers and the union, but they do not intervene in negotiations with the company. Both the union and this group of representatives have accepted the nonstandard employment policies developed by K-Foods and other food companies over the past decades.

Between 2005 and 2008, the shop-floor union was led by the second group, a group of activists that has historically been opposed to the Peronist leadership of the national and regional unions. This group, called “Agrupación 1º de Mayo,” won the shop-floor union elections in 1993 and since then has led union politics at K-Foods. Most union activists in this group (as well as the majority of rank-and-file workers who supported them over the years) are longtime core workers. The group is of leftist political orientation and has denounced the company’s nonstandard employment policies over the years. Activists showed me union flyers denouncing temporary contracts and labor outsourcing over the years, but there has been no major action or strike over these issues.

The third group of workers that influences shop-floor union politics at K-Foods has emerged in the past few years as the result of a grassroots campaign against the company’s nonstandard employment policies. Since 2005, this group has developed a strategy of grassroots politics based on regular meetings of rank-and-file workers in order to discuss their work situation and possible labor actions. Most of the workers in this group have been non-core workers with little or no previous experience of union activism. The main objectives of their activism have been the creation of solidarity links between core and non-core workers and the elimination of nonstandard employment policies. The organizing strategies of this third group have been at the center of the two labor conflicts that I analyze here.

**CORE AND NON-CORE WORKERS DURING TWO LABOR CONFLICTS**

An analysis of the relationship between core and non-core workers during two recent labor conflicts at K-Foods will help us understand the emergence of labor militancy and union-based conflict in the factory. The first conflict occurred in 2005 and 2006, when workers from the outsourced company in charge of the transportation of finished products won permanent contracts as core workers. The second conflict occurred in 2007 and 2008, and was the result of
the grassroots organization of temporary workers demanding permanent contracts. These conflicts provide a good opportunity to analyze the relationship between core workers and two groups of workers that are subject to nonstandard labor relations: temporary workers and outsourced workers.

The Campaign against Labor Outsourcing

K-Foods continued the labor outsourcing policy initiated in the Pacheco plant during the early 1990s. In addition to maintaining those services that were already outsourced, the company outsourced other internal operations, such as the transportation of finished products within the plant. The company transferred 20 workers who were in charge of this task to other kinds of jobs, and hired Pronto (2003–2004) and then Incotran (2005–2006) to take charge of these operations.

By 2005, there were 55 Incotran workers doing transportation work for K-Foods in Pacheco: they were all men, mostly young and with some previous experience in factory work. Even though by 2005 these workers were protected by the collective contract of the Foods Industry Workers’ Federation (meaning that their basic salary was established by the union contract and the union representatives could speak on their behalf and were supposed to defend their rights on the shop floor), there were still some disadvantages in their work situation when compared to that of core workers.

Their salaries were substantially lower than those of K-Foods workers, because they were not given extra pay for working overnight hours or weekends and were also excluded from the K-Foods category-based payroll system. Another difference was that Incotran workers did not get lunch tickets allowing them to eat at the factory restaurant. Last but not least, their contracts did not have the same stability as those of core workers because their continuity depended on the contracts established between K-Foods and the outsourcing company.

There are reasons to believe that a fight against outsourcing was more likely to succeed in the case of Incotran than in the case of other outsourced companies. This is because the decision to outsource the transportation of finished products was recent enough that most workers could still remember times when core workers were in charge of those duties. In addition, the tasks these workers performed involved close contact and strong collaboration with core workers, because they were in charge of transporting the finished products from the product lines to the warehouse.

In spite of these seemingly favorable conditions for a struggle against outsourcing, until 2005 there were no union attempts to fight the practice. The regional union (STIA-Buenos Aires) did not demand the incorporation of Incotran workers as core workers, but it exerted some pressure in two directions: Incotran workers should be members of the Food Industry Workers’ Federation instead of the Teamsters Federation, and they should be allowed to have lunch at the factory restaurant. Both demands were addressed in 2005.
The demand that Incotran workers should be hired as core workers appeared as a result of a process of grassroots organization that began in 2005, based on weekly meetings of activists (one of them a dissident unionist from the existing shop-floor union) and outsourced workers. They started organizing social activities that strengthened the ties both within the group of Incotran workers and between them and core workers. Among the social activities, workers remember organizing barbecues, birthday celebrations, and soccer games. In early 2006, for example, the grassroots group organized a soccer tournament involving more than 30 teams of K-Foods workers and some teams from the nearby neighborhoods. They gave the money they had collected to an Incotran worker who had recently been laid off.

Apart from organizing social activities, the group was holding regular meetings to discuss its members’ work situation. In one of these meetings, they decided to enter into a struggle to obtain better salaries and working conditions. The main problem, as they saw it, was that their salaries were much lower than those of core workers. By that time, a core worker with just a few years of seniority could earn double the salary of Incotran workers, thanks to the extra money he would get for working extra hours or weekends. Even if both received a basic salary of around AR$1,000, core workers would get 100% extra for every hour they worked on Saturdays after 5pm and 200% for Sunday hours, yielding a monthly salary of more than AR$2,000. In response to this disadvantage, the Incotran workers demanded extra pay for their weekend work.

Around February/March 2006, after some unproductive meetings with the head of STIA-Buenos Aires and with their employer, the Incotran workers decided that it was time to start actions to achieve their objective of equal pay. During the ensuing eight months of struggle, they implemented a strategy of “noncollaborative” work, meaning that they did not work the hours for which they believed they deserved extra pay. The solidarity of core workers was essential for the success of this measure, because they refused to transport finished products when Incotran workers were not in the factory. In fact, there were many instances in which line leaders had to come in on Saturdays or Sundays to replace them.

In the second half of 2006, workers organized five surprise two-hour strikes and one six-hour strike, which finally got them a meeting with K-Foods’ managers. During this meeting, they got the pay raise, and were also promised that they would keep their jobs even if K-Foods hired a different subcontractor in the near future. While at the beginning of this process they were demanding job security and a pay raise, once they achieved these, they started asking to be hired directly by K-Foods. When the contract between K-Foods and Incotran expired, in December 2006, they finally won their battle and were given full contracts as core workers.

Temporary Workers Win Permanent Contracts

By the end of 2006, K-Foods was extensively hiring temporary workers in times of high production, and firing them during lulls. Between 20% and 30% of
the K-Foods workers were hired under temporary contracts (contratados) or by temporary employment agencies (de agencia). The main difference between these workers and the core workers was the lack of stability of the temporary workers’ labor contracts. Their wages were also lower, mostly because of their lack of seniority and the absence of benefits.

This situation started to change by the beginning of 2007. After four consecutive years of production growth, temporary workers were staying at K-Foods for a longer time than before. Some workers spent more than a year or two on temporary contracts, which helped to create stronger links between them and core workers. In this context, a group of young temporary workers joined the regular meetings of the grassroots group of workers and activists that had won the 2006 struggle against labor outsourcing. The organizing activity of the group gained visibility during the first half of 2007 and achieved a positive outcome for the workers: by mid 2008, all temporary workers had been given full contracts by K-Foods. How did this happen?

The action around temporary contracts occurred mostly during the night shift, thanks to the efforts of the grassroots group. The first time temporary workers had the chance to act against the temporary contracts policy was in February 2007, when a group of eight workers who had been dismissed decided to stay in the plant until they met with the production human resources manager. Management arrived at the meeting saying that the layoffs were a mistake, and that workers would work for K-Foods until the end of their contracts, that is, until the following week. Even though the workers were finally dismissed, workers saw this action as a good precedent for subsequent events.

After this February action, which is recalled as “El Plantón” (The Seat), the grassroots group gained increasing influence among night shift workers. In one of their regular meetings, workers decided to organize a May 23, 2007, blockade of the Panamericana Highway in order to press for three main demands: (1) a salary raise for core workers; (2) “core worker” status for temporary workers; and (3) “core worker” status for outsourced workers. The majority of workers who participated in the blockade were temporary workers from the night shift, but core workers and activists from the shop-floor union were also involved.

This was the first blockade of the Panamericana Highway by K-Foods workers in seven years, and the first time in which such an action had been led by a group of young temporary workers.

On June 3, a week after the blockade, K-Foods suspended the contracts of 150 temporary workers, arguing that a lack of natural gas was slowing down production. Temporary workers from the night shift rejected this move and broke into the factory in spite of the resistance of security personnel. Once they had entered the factory, they asked for the solidarity of core workers. Their response was a factory-wide strike. After the intervention of the National Labor Office, the company rehired all of the workers.
The all-factory strike deeply affected the balance of power in the factory, transforming the issue of temporary contracts into a major point of contention. A month after the strike, when the contracts of this group of 150 workers were about to expire, the company attempted to deal with this through layoffs or new temporary contracts. For the first time in memory, the shop-floor union and the activist group came together to organize the opposition to this attempt, and gained full contracts for most of the affected workers. In the following months, as a response to increasing activism over the issue, the company gave full contracts to most temporary workers whose contracts were expiring. According to the shop-floor union’s estimation, there were between 800 and 900 workers who received full contracts in this period, almost 90% of all the workers who were formerly employed under temporary contracts.

UNION STRATEGIES THAT CONFRONT NONSTANDARD WORK ARRANGEMENTS

The study of union politics at K-Foods Argentina provides evidence of a new labor militancy of non-core workers. Non-core workers were disadvantaged in economic terms (their salaries were substantially lower than those of core workers) and their employment contracts lacked stability. Because of these objective conditions and the lack of interest of union leaders and activists in opening up the union as a space of activism, they had been excluded from labor organizing.

Once they started to get involved in union politics and shop-floor activism, they proved the strength of union activism that is based on the most oppressed groups of factory workers. First, in opposition to the established union practices, non-core workers’ campaigns were based on regular meetings of rank-and-file workers as the place for collective deliberation and decision making. A nearby restaurant was the site of countless meetings that often gathered dozens of workers and sometimes (in moments of more intense activism) hundreds of non-core workers (and some core workers) who would collectively decide labor actions and goals.

The second characteristic of this grassroots activism has been its ruthless pursuit of the creation of solidarity ties between core and non-core workers. The group, whose main priority was the transformation of temporary and outsourced jobs into core jobs, was able to combine this demand with those of existing core workers. For example, during the blockade of the Panamericana Highway of May 2007, the group demanded a pay raise for core workers and the end of temporary and outsourced employment. Likewise, most of the group’s social activities were oriented toward creating these solidarity ties, such as soccer tournaments or birthday celebrations that gathered together core and non-core workers.
This grassroots strategy of solidarity has proved to be an effective way of fighting the company’s nonstandard labor policies in the past few years. The movement went beyond this achievement, and by November 2009 it won the shop-floor union elections. Most of the elected union officers are temporary or outsourced workers who became core workers thanks to the two labor actions described above.

The grassroots shop-floor activism of non-core workers was able to generate solidarity practices in a context that had been previously adverse for labor actions aimed at uniting core and non-core workers. The emergence of these practices of solidarity reversed the tendency toward labor fragmentation imposed by capitalist employment policies. In the past, this fragmentation was reinforced by the nationally driven agenda of the FTIA.

Finally, evidence from the two organizing campaigns at K-Foods Argentina between 2005 and 2008 contributes to the argument that workers are not passive victims of labor-degrading policies but do have agency and are still fundamental in explaining strategies of resistance to the increasing inequality brought about by neoliberal globalization (Collins, 2003; Milkman & Voss, 2004). It suggests that the possibility of a new labor upsurge confronting capital’s offensive in the global south depends (once again) on the alliances that labor movements establish to broaden their constituency (Seidman, 1994). Regarding nonstandard work arrangements in formal sector firms, it highlights the importance of a grassroots organization of workers that has been democratically organized and has combined core and non-core workers in the struggle aimed at ending employment policies that have been deepening labor fragmentation.

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