Explaining Strike Outcomes in Chile:
Associational Power, Structural Power, and Spatial Strategies
(published in *Latin American Politics and Society* 59,1 Winter 2017: 96-118)

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Abstract: Research traditionally focused on how economic, institutional and political variables shape strike patterns. Recent work examines how workers’ structural, associational, and symbolic power facilitate strikes. Building on this research, I ask: What factors determine strike outcomes? I answer this question through an analysis of four strikes at MADECO, Chile’s largest copper manufacturer, across democratic, authoritarian, and post-authoritarian regimes. Using qualitative and documentary evidence, I argue that strike outcomes reflect workers’ capacity to halt or disrupt production and to access government allies who can pressure management to settle strikes in workers’ favor. Outcomes vary based on the political composition of government, workers’ capacity to halt production, and industry’s and government’s dependence on foreign investment. MADECO workers’ location in Santiago near national officials allowed them to mobilize at the local, national, and international scales to pressure management. Comparisons with strikes in Chile, Argentina and Perú identify similar mobilization patterns.
Scholars have traditionally attempted to understand the size, frequency, and duration of strikes in terms of economic (Ashenfelter and Johnson 1969), institutional (Franzosi 1995), and political (Shorter and Tilly 1974) variables. Recently, scholars have turned to workers’ structural (Silver 2003), associational (Wright 2000), and/or symbolic (Chun 2009) power to understand their capacity to strike and secure benefits. This paper addresses an unanswered question in this discussion: What factors determine strike outcomes? To answer this question, I examine four strikes at MADECO, Chile’s largest copper manufacturing company, across democratic, authoritarian, and post-authoritarian regimes. The study draws on 100 interviews with workers, managers, and government officials; eighteen months of ethnographic observation; and extensive archival data. I argue that strike outcomes reflect workers’ capacity to halt or disrupt production and to access government allies who can pressure management to settle strikes in workers’ favor. Outcomes vary based on the political composition of government, workers’ capacity to halt production, and industry’s and government’s degree of dependence on foreign investment. At MADECO, workers’ location in Santiago, Chile’s capitol, favored them during the democratic period when they could mobilize outside the factory and easily reach congressional allies, did not benefit them under the dictatorship when the military blocked their public mobilization during a financial crisis, and again favored them under post-authoritarian rule when they mobilized at the local, national, and international scales at a moment when government and business were highly dependent on foreign investment. My findings bear striking similarities to other strikes in Chile, Peru and Argentina, suggesting their broader importance to labor mobilization.
Chile is an interesting case for exploring workers’ mobilization strategies given the profound political and economic changes there in recent decades. However, most studies of Chilean unions either focus at the national scale or examine individual unions under a single political regime (e.g. Armstrong and Águila 2006; Winn 1994; Klubock 2004; Frank 2004). These studies have analyzed unions’ political ascent before 1973 and overall decline since the military coup. However, the persistence of the MADECO union’s mobilization across these regimes warrants a closely focused, longitudinal analysis examining micro-level spatial strategies and their change over time.

This analysis explores all of MADECO’s strikes that followed officially sanctioned collective bargaining procedures. In addition to these strikes, workers engaged in sporadic walkouts of a few hours to protest management abuses or one day strikes as part of national protests. With the exception of a one day walkout in 1957 which sparked a turnover in union leadership, I do not address these brief conflicts because they had little noticeable effect on workers’ wages and benefits or the union’s organizational growth or decline. MADECO workers’ relatively high wages and benefits and strong bargaining power compared to other unions may explain strikes’ rarity there.

MADECO’s four strikes pose an interesting question: What factors determine strike outcomes? In 1960, workers conducted an illegal strike under an anti-labor President to gain an adequate severance payment upon dismissal or retirement. They used violent, disruptive tactics outside the factory to deter strikebreakers, and jumped to the national scale to gain nearby congressional allies’ support. A gun battle wounding over thirty strikers and replacement workers led the President to intercede with
management, permitting workers to return to their jobs and gain a modest salary increase, though they did not win their severance payment.

In 1965, blue and white collar unions united in a legal strike under a reformist administration. Their use of research to demonstrate the firm’s capacity to concede their severance payment persuaded Congress to pressure the Labor Minister and management to settle in the union’s favor. Workers’ capacity to shut down production and willingness to compromise with management over phased retirements facilitated the strike’s success.

In 1983, workers struck to demand a wage increase during a financial crisis under the anti-labor Pinochet regime. Although they organized clandestinely to prepare for the strike, police blocked their public protests and they returned to work in defeat.

In 1993, under the democratically elected Aylwin administration, workers struck to maintain a contractual clause that permitted a class action suit against management for underpayment of a portion of profits. Management tried to bust the union to block the lawsuit, yet the strike went forward. Like 1960, workers engaged in violent, disruptive tactics outside the factory to intimidate management and strikebreakers. Without labor or congressional support, they marched in front of the Presidential Palace across the street from a hotel where international investors set to meet MADECO managers stayed. Management settled that day and the union won the lawsuit years later.

The outcomes of the first three strikes are easily understood. In 1960, workers’ inability to shut down production under a repressive president in spite of their use of disruptive tactics and congressional support led to a partial defeat. In 1965, workers’ capacity to shut down production and congressional support under a reformist president led to victory. The 1983 strike conducted during a financial crisis under military rule was
doomed to failure. However, the 1993 strike is more difficult to explain. Management repressed strikers, workers used disruptive tactics, and strikers lacked congressional and labor allies. Why did they succeed? Their ability to simultaneously jump to the national and international scales effectively pressured management and business, both of which were dependent on international investment. Additionally, since the first democratically-elected President after the dictatorship won in part due to labor support, he was likely reluctant to repress strikers. Hence, strike outcomes depend on the degree of workers’ unity, the availability of nearby government allies and the degree of government and business dependence on foreign capital.

I begin by evaluating strike theories and then discuss how workers’ spatial strategies influence strike outcomes. I continue with an overview of the Chilean labor movement. I then outline the study’s design and methods. Next, I analyze the four strikes at the MADECO union. The conclusion extends the study’s findings to other Chilean and Latin American cases.

**Explaining Strike Outcomes**

Cross-national statistical analyses provide a useful starting point for understanding strikes in Chile. Some scholars argue that strikes increase when unemployment declines (Ashenfelter and Johnson 1969). Others suggest that collective bargaining laws shape the timing and character of conflict (Franzosi 1995). In contrast, Shorter and Tilly (1974) argue that workers strike to seek entry into the political arena. They suggest that labor’s position in the polity affects its strategy, while others add that government involvement in setting wages politicizes strikes (Korpi and Shalev 1979; Sandoval 1993; Hibbs 1978).
While these studies identify the sources of broad strike patterns, they tell us little about the factors shaping workers’ bargaining power and strike outcomes. Recent work addresses these issues. Wright (2000) argues that workers’ growing associational power (expressed through unions, works councils, and political parties) can lead to a positive class compromise with management. He argues that growing union power can negatively affect capital’s interests in the short-term; but as union power rises over time, worker associations can channel worker action in a manner that benefits both labor and capital.

Silver (2003) focuses on workers’ “structural power,” as evident in tight labor markets or workplace bargaining power. She suggests that strikes wax and wane based on capital’s “spatial fix”: capital invests in a given area, but as labor conflict increases and workers extract management concessions, it flees to more capital-friendly locations, creating new working classes who begin new protest waves. Workers that lack structural power may use associational power, though this in itself is less likely to win concessions from management. She contrasts “Marx-style” strikes where industries are growing, with “Polanyi-style” protests where market expansion has weakened protections of workers.

While Silver’s (2003) account has been highly influential, some authors criticize her emphasis on structural power as driving both strikes and management concessions. Chun (2009) argues that the rise of collective action among marginalized workers with weak structural power challenges Silver’s analysis. These workers may use “symbolic power” whereby they contest their ambiguous contractual status and stage “public dramas” to shame employers into making concessions. Further, Rhomberg and Lopez (2016) argue that most workers lack decisive structural power, and hence labor conflicts rely on a combination of structural, associational, and symbolic power.
While these criticisms are persuasive, this article focuses on a different dimension of Silver’s argument. Like Bezuidenhout and Webster (2010), I argue that Silver tends to view capital as unconstrained in its ability to relocate to avoid labor protest, but does not consider the state’s role in channeling investment in specific locations, setting incomes policies, or setting the terms of workers’ legal action (Sandoval 1993). Her analysis also does not address workers’ capacity to use spatial strategies to influence strike outcomes.

I draw upon scholarship arguing that spatial patterns constrain and enable social protest (Tilly 2000; Sewell 2001; Nicholls 2009). Protesters use specific elements of the built environment to launch effective protests. Dense urban populations encourage large-scale collective action, winding streets in older cities facilitated barricade construction, and plazas that were accessible to working class neighborhoods encouraged marches (Tilly 2000; Sewell 2001). In Latin America, large capital cities concentrating government officials and factories developed under import substitution industrialization (ISI) policies facilitate activists’ access to allies and government officials, but may help government authorities coopt or repress them. In contrast, the state’s weak reach into remote provinces may promote radical mobilization (Davis 1999; Sewell 2001).

Activists also must estimate time-distance costs: how long it takes them to access supporters, enact protests, or reach government officials based on available transit and communications technologies (Tilly 2000). Residents in large capital cities enjoy low-time distance costs to allies and targets that favor them over provincial residents, but they may be subject to greater surveillance or repression than their provincial counterparts.

Tilly (2000: 144) also develops the concept of safe spaces: “places whose occupants enjoy some protection from intervention of authorities and enemies.” Safe
spaces allow protestors to plan action and evade repression. Further, the location and viability of safe spaces change with evolving political contexts.

Finally, Neil Smith (1992) develops the concept of the social production of *scale* (the scope of human action, ranging from the body to the household, neighborhood, region, nation and planet). Smith argued that activists attempt to move beyond their local environment by “jumping scale” to build broader alliances and address the systemic character of problems affecting their daily lives. Herod (2001) further develops this idea by arguing that workers may attempt to narrow or broaden the scale of collective bargaining (or investment) to benefit their members.

Building on this research, I argue that when they are unable to halt production, workers attempt to use safe spaces and elements of the built environment to stage attacks on strikebreakers designed to dramatize their conflict and influence business. During democratic periods, workers in capital cities jump to the national scale to persuade government officials to pressure management to concede to workers. In authoritarian periods, workers lack both allies and the capacity to disrupt production. Strikes succeed when workers halt production or when government and business are dependent on foreign capital (Seidman 1994; Robertson and Teitelbaum 2011). Workers’ success reflects their structural and associational power. However, they assert that power through disruptive tactics near the workplace and by jumping to the national and international scales to persuade government officials to pressure business to accede to their demands.

**Labor in Chile**

Before 1973, Chile’s unions were central to the country’s political and social development. After its initial phase of illegal action and unions’ legalization through the
1924 labor laws and 1931 Labor Code, the movement was consolidated via the Chilean Workers’ Confederation (CTCh, Confederación de Trabajadores de Chile) under the Popular Front administration of Pedro Aguirre Cerda (1938-1941). Despite partisan conflicts and a harsh anti-communist law from 1948-1957 that the government used to attack communist and non-communist union leaders, the movement grew after 1953 under the National Labor Confederation (CUT). From the late 1950s until 1973, unions became more powerful, institutionalized, and closely linked to parties. During the 1960s, the CUT consolidated its power as strike increases sparked political polarization.

Beginning in 1957, a majority of unions supported the communist-socialist electoral alliance that led to Allende’s 1970 presidential victory (Angell 1972; Valenzuela 1976; Armstrong and Águila 2006).

The 1931 Labor Code permitted the creation of industrial, professional, and (in 1967) agricultural unions. A legal public sector associations gained considerable de facto power though they could not legally form unions. Industrial unions organizing manual workers (obreros) represented the bulk of union members. The law restricted these unions to the plant level (with a few important exceptions), required a minimum of 25 workers to form a union, submitted unions to significant supervision and financial control, and restricted their ability to strike through compulsory conciliation and prohibiting unions from raising strike funds. However, it offered them the closed shop, profit sharing and other benefits. A Popular Front law required larger firms to build worker housing. Because industrial unions operated at the plant level, were financially weak, and had lasting traditions of political radicalism, they developed links to leftist parties that provided political and legal support (Valenzuela 1976; Angell 1972).
Chile’s import substitution industrialization (ISI) policies beginning in the 1930s affected the geography of production and union action. Like many other Latin American states (De Oliveira and Roberts 1996; Davis 1999), after the Great Depression, Chile’s leaders located many state-supported firms in Santiago, Valparaíso and Concepción-Talcahuano. In addition to the government’s administrative centralization and unitary political structure, this policy intensified urban primacy (the largest city is at least three times the size of its closest competitor). ISI reduced the time distance costs between Santiago’s industrial workers and national political officials as well as other unions.

After the 1973 military coup, the junta undermined unions by suspending political parties and Congress; attacking party militants; and suspending collective bargaining, union elections, and strikes. The regime replaced leftist union leaders with the oldest workers in firms, and military officials supervised union meetings (Campero and Valenzuela 1984; Barrera and Valenzuela 1986).

Free market policies beginning in 1975 included currency devaluations, privatization, tariff reductions, and the elimination of firm and commodity subsidies. Many industries failed, and those that survived reduced costs via downsizing and speedups. These policies and the privatization of agricultural and forest lands led to a boom in non-traditional exports of fruit, wine, lumber, and fisheries as well as private sector services. While reforms fueled a speculative bubble in the late 1970s, the economy suffered a severe recession from 1981-1983, when unemployment reached 30%. The economy grew at an impressive rate from 1984 to present except for 1998-1999 and 2009 [due to global financial crises] (Martínez and Díaz 1996; Campero and Valenzuela 1984; USDA 2013; Ffrench-Davis 2002).
Beginning in 1978, the labor law led to the reorganization of work and unions. Under threat of an AFL-CIO boycott of Chilean exports, the junta permitted union elections and enacted new labor laws known as the Plan Laboral. The 1978-1982 laws reduced wages, benefits, and job security. They also undermined union power by eliminating the closed shop, ending profit sharing, restricting the scope of contract negotiations, limiting strikes to 59 days, and allowing firms to hire strikebreakers. The provisions permitted employers to reduce wages and benefits, fire workers at little cost, and change individual contracts. They made unions financially and organizationally weak, and restrictions on strikes limited their efficacy (Campero and Valenzuela 1984; Barrera and Valenzuela 1986).

However, the resumption of union elections and collective bargaining reanimated unions. Opponents of the junta won office in many workplaces and several unions struck (Barrera and Valenzuela 1986; Campero and Valenzuela 1984; Klubock 2004). In May, 1983, the Copper Workers' Confederation (CTC) called national protests against the regime. Women, students and the unemployed predominated among protesters. After the first protest, most national labor groups unified within the National Workers’ Command [CNT]. In 1988, the CNT helped form the Central Unitária de Trabajadores (CUT) (Drake 1996; Klubock 2004).

After the Concertation of Parties for Democracy (the coalition of pro-democratic parties or Concertación) prevailed in the 1988 plebiscite and Christian Democrat Patricio Aylwin won the 1989 presidential election, CUT leaders hoped for substantial labor reforms. However, the 1991 and 2001 labor reforms made only minor changes to the Plan Laboral and the CUT had little influence on the process; a 2006 reform still left
subcontracted workers in a precarious position. Unionization rates increased from 1986-1991, and then began to decline; strike levels peaked in 1991-1993, and then subsided; and a growing share of workers sign “collective agreements” (*convenios colectivos*) that forfeit their right to strike rather than “collective contracts” (*contratos colectivos*) that permit strikes. From 1979 to 2013, strikes were significantly smaller, shorter, and less frequent than from 1938-1973. Employers’ right to hire strikebreakers, provisions allowing strikers to cross the picket line after 15 days off the job, and weak government enforcement of job protections for strikers make strikes largely ineffective as tools to defend workers’ rights (Durán and Kremerman 2015; Frank 2004; Aravena and Núñez 2009; Armstrong and Águila 2006).

**Research Design and Methods**

This article builds on a larger study of labor protest at MADECO across democratic, authoritarian, and post-authoritarian regimes. I utilized the “extended case method” (Burawoy 1998) whereby authors use insights from qualitative case studies to refine existing theories. This article moves beyond the author’s earlier publications that examine the 1960, 1983, and 1993 strikes (Stillerman 1998, 2003, 2004) to develop a comparative interpretation of the company’s four strikes.

MADECO was an ideal case for holding the firm and union constant to observe changes in strikes across regimes. It operated continuously from 1944-2008 unlike other firms that folded. Data was collected in Santiago, Chile from 1993-1995 (with brief follow-up trips in 1996, 1997, and 1999, and ongoing personal communications with union leaders until the present). I conducted semi-structured interviews with union members and leaders, national labor leaders, government officials, company executives,
and industry experts (N=100); eighteen months of participant observation with current and former union members; and reviewed archival documents (union, company, government, and news). I sampled across different political and occupational groups within the union as well as political and managerial officials linked to the firm. I triangulated data across interviews and between interviews and documents to verify the accuracy of informants’ statements.

**Spatial Strategies and Strike Outcomes among Chilean Metalworkers**

In 1944, two Italo-Chilean businessmen with artisan roots, Américo and Aurelio Simonetti, founded MADECO. They already owned a home appliance firm, MADEMSA, which they used to incubate MADECO. The firm, which makes copper and copper alloy industrial inputs for the construction, energy, telecommunications, and mining sectors, began with support from the government’s Corporation for Industrial Promotion (CORFO), which in 1958 sold its stake in the firm (MADECO 1994a).

In 1966, the Simonettis hired two professional managers to replace them, and a year later, MADECO began a joint venture with General Cable (U.S.A.) and CEAT (Italy) to build a wire mill in Antofagasta, near the Chuquicamata copper mine. From 1971-1973, the Allende Administration took over the industry and workers participated in its management. A former manager was appointed after the coup flanked by a retired military official, and in 1979, the Luksic business group purchased the firm. From the 1980s until 2008, it grew into a successful multinational holding company. In 2008, the firm sold its cable operations to Nexans (France) in which MADECO held a controlling interest; and in 2013, shut down its brass mill, and changed the firm’s name to Invexans. The firm began with 350 employees, grew to over 2050 under Allende, was cut back to
1185 from 1973-1978, and the workforce declined to 1085 in 1993. During the 1960 and 1965 strikes, the blue collar union had 1050 members; union membership declined to 350 by 1983 and rose to 425 in 1993 (MADECO 1994a; Sindicato # 1 MADECO 1983; Qué Pasa 1993; MADECO y subsidiarias 2012; La Tercera 2013; Fernando Pérez 1994; MADECO 1994b; Invexans 2014; Sindicato # 1 MADECO 1993; El Siglo 1965).

During the 1950s, union leadership was divided between Communists and allies of President Ibañez; while two Communists, two Socialists, and one Christian Democrat or independent led the union from the early 1960s until the 1973 coup. After the junta resumed union elections in 1979, the union leadership included Communists, MAPU militants, and independent leftists. While the union succeeded at carrying out four strikes and was effective at negotiating favorable contracts, union leaders and members of strike committees at times disagreed over strategies for collective bargaining and strikes. Disputes focused on partisan positions and goals, bread-and-butter demands versus solidary support of other unions, and the efficacy of intransigence versus compromise with management. The union operates a large hall offering multiple services and a summer resort in San Sebastián, a coastal town (Marcos Medina 1993a; Elías Mallea 1994; René Sánchez 1992; Héctor Velásquez 1995a, 1995b, 1995c).

The following analysis shows how workers’ evolving spatial strategies shaped strike outcomes. In 1960, workers combined disruptive local strategies with congressional alliances under a conservative President, only achieving a partial success. In 1965, workers used moderate tactics under a reformist president. Their ability to stop production and ally with Congress earned them a success. In 1983, police blocked workers’ public protests during a financial crisis under military rule, leading to a defeat.
Finally, in 1993, workers fought management repression with disruptive local tactics and jumped to the national and global scales. Government’s and business’s dependence on foreign investment precluded police repression and permitted workers’ success. Table 1 summarizes the study’s findings.

*The 1960 Strike*

The 1960 strike emerged from escalating conflicts in the firm, labor movement, and state. In 1956, MADECO laid off at least 180 workers after anti-inflation measures sparked a recession, shaking workers’ loyalty to management and expectation of lifetime employment. In 1957, management used repressive laws to remove several communist union leaders after the union’s participation in an illegal walkout and march, leading to the election of several socialists at MADECO and MADEMSA. The CUT led three general strikes during the 1950s, but in 1960 called for general strikes by economic sector. This strategy implicated the MADECO union as one of the most powerful metalworkers’ unions, and gave them the chance to win a severance payment or *indemnización* upon dismissal or retirement (Patricio Gabriel 1995; René Sánchez 1994; Elías Mallea 1994).

Shifts in national politics were decisive. In 1957, congress revoked anti-communist laws. Changes in the labor movement and the left signaled growing opportunities. In 1958, the conservative Jorge Alessandri narrowly defeated Salvador Allende in the presidential elections, while the left held a substantial minority of congressional seats. In 1959, the economy grew and unemployment declined; but in 1960, Alessandri pledged to reduce inflation to spur private investment. He limited private and public sector raises to below the inflation rate, and delayed convening labor
conciliation boards by several months, thereby prohibiting strikes. His policy provoked labor and congressional opposition (Stallings 1978; Ffrench-Davis 2002; Clarín 1960).

Though illegal strikes carried the penalty of workers’ dismissal and their union’s dissolution, they occurred frequently prior to 1973 and again beginning in the late 1980s. Workers struck illegally to avoid a time consuming collective bargaining process, to get employers to fulfill legal obligations, or because they could not legally strike (e.g. public sector workers). Prior to 1973, we can infer that workers struck illegally with the assumption that either employers would settle the dispute or public authorities would intervene to prevent their dismissal. In contrast, there was only one illegal strike from 1979-1986, indicating that workers expected dismissal and union closure if they struck illegally (Valenzuela 1976; Angell 1972; Armstrong and Águila 2006).

Because the 1960 strike was illegal, the company could hire strikebreakers; additionally, MADECO’s white collar union did not join the strike. Hence, MADECO workers could not halt production. Consequently, strikers attempted to disrupt production with tactics that used features of the built environment. They also activated alliances with local and national officials, taking advantage of low time-distance costs between strikers and congressmen. The location of the MADECO and MADEMSA housing complexes just blocks from the factory facilitated these strategies. Strikers initially used the housing blocs and union halls as safe spaces to launch small groups to beat and thereby deter strikebreakers from entering the factory. After police blocked this tactic, strikers’ spouses began to throw flour on strikebreakers’ jackets when they left work. Strikers waiting at the bus stop followed them onto buses and beat them when they got off the buses (Marcos Medina 1993a). In the conflict’s climax, strikers stoned police
vehicles from inside the safe spaces of the union hall and a creek located in front of the housing bloc after police shot at them (Mario Ariarrán 1993).

Tito and Mario Palestro, the socialist mayor and congressman representing San Miguel, permitted strikers to meet at city hall, organized a food drive, coordinated protest marches, and argued to the press that police were attacking San Miguel citizens (El Siglo 1960). Mario Palestro organized two congressional inquiries on strikers’ behalf and acted as witnesses to police brutality. Senators also held a special session.

Strikers jumped to the national scale to reach other congresspersons, senators, and national labor leaders. Some congresspersons attended union meetings and marched with strikers. Legislators were easily accessible due to their proximity to strikers and the conflict’s high visibility. Legislators gained strikers’ release from jail through use of their congressional immunity and denounced police brutality (Chile, Cámara de Diputados 1960; Arturo Osorio 1994).

During sessions in the Chamber of Deputies and Senate, leftist and Christian Democratic legislators criticized police violence against strikers and cabinet officials’ refusal to mediate the conflict. In contrast, conservative legislators criticized strikers’ use of violence and unwillingness to return to work after an earthquake hit Southern Chile; they also praised police for protecting “the right to work.” Opposition legislators lacked sufficient votes to carry their motion asking the Labor Minister to intervene on the union’s behalf (Chile, Cámara de Diputados 1960; Chile, Diario de Sesiones del Senado 1960).

Strikers’ use of safe spaces and features of the local built environment to attack strikebreakers disrupted the firm’s smooth functioning and dramatized the conflict.
Congressional intervention and the shooting at the union hall convinced President Alessandri called for a cease fire and quick resolution to the conflict. He instructed cabinet officials to meet the CUT president, Senator Allende, and MADECO managers. Until that moment, Alessandri and his cabinet officials had resisted intervening in the conflict. Senator Angel Faivovich and Deputy Pablo Aldunate, both allies of the President and MADECO board members, gained the firm’s agreement to fire strikebreakers. Finally, after meeting the President, the Labor Minister formed a tripartite arbitration panel that gained strikers’ reinstatement in their jobs and a small salary increase. While strikers did not win their severance payment, their spatial strategies allowed them to beat back government repression and retain their jobs as well as win a wage hike above inflation (Arturo Osorio 1994; Chile, Cámara de Diputados 1960; MADECO 1960; El Mercurio 1960a, 1960b, 1960c).

The 1965 Strike

In 1965, strikers faced a distinct scenario. The left had gained ground in 1961 parliamentary elections, and the reformist Christian Democratic Party (PDC) had just elected President Eduardo Frei and won a majority of seats in the Chamber of Deputies. Leftist deputies could more effectively press PDC congressmen to support strikers than conservative legislators in 1960. Additionally, a boom in international copper prices and a government tax reform provided revenue that initially allowed the government to control inflation without reducing salaries (Stallings 1978; Loveman 1988). Laws passed at the end of the Alessandri administration reclassified skilled workers as empleados. Consequently, numerous blue collar workers at MADECO joined the empleados’ union facilitating a joint strike with blue collar workers (Cobre 1964).
In contrast to the previous strike’s disruptive tactics, strikers focused on making a persuasive argument to management, marching, and lobbying legislators. Congressional officials attended union meetings, marched with strikers, and held a special session to discuss the conflict. Strikers framed the walkout as reasonable because of a consultants’ report showing the firm could afford strikers’ demand for an indemnización (Patricio Gabriel 1995; Arturo Osorio 1994; Clarín 1965).

The union cultivated ties with PDC congressmen to gain a majority vote supporting the strike:

The head of the committee of PDC deputies was Alberto Jerez, a man with a more progressive position within the party. We depended on him to insure that the other PDC deputies supported us. With the PC and PS, we had support without reservation, but it was important to get support from the PDC because they had 70 or 80 deputies [82 out of 147 (Stallings 1978: 99)] (Marcos Medina 1993b).

The special congressional session initially focused on the union’s economic analysis of MADECO. However, the debate quickly shifted to the PDC government’s pending joint venture with U.S. copper mining companies. Since the early 1950s, Chilean officials had sought to gain more revenue from copper exports (Moran 1974).

Government officials focused on U.S. companies’ policies of selling copper at moderate prices registered on the New York Stock Exchange to maintain market share and hedge against the substitution of copper with cheaper aluminum. In contrast, Chilean officials sought to maximize copper sales prices. MADECO purchased copper at the lower price, but exported goods at the higher London Metals Exchange price, benefitting
from the dual pricing scheme. Leftist and centrist legislators challenged the idea that MADECO earned exorbitant profits with public support, but refused to satisfy workers’ modest demand. MADECO’s export profits were challenged given government efforts to partially nationalize copper mines. Conservative legislators praised workers for analyzing the firm’s profits and argued that other large companies provided the indemnización (Moran 1974; Chile, Cámara de Diputados 1965).

While all parties agreed to support strikers, Sergio Fernandez, a PDC congressman criticized socialist congressmen for denouncing the Labor Minister’s refusal to attend congressional sessions on the MADECO and copper miners’ strikes. Strikers sitting in the gallery disrupted the session by throwing coins at Fernandez, provoking arguments and a fistfight between a socialist and a PDC congressman. Strikers used congress as a safe space while subverting its sacred meanings (Tilly 2000; Sewell 2001). After the fight, Congress approved a resolution to create a committee to study the firm’s operations, the government benefits it received, and the feasibility of its nationalization. They also asked the Labor Minister to intervene on the strikers’ behalf to resolve the conflict (Chile, Cámara de Diputados 1965).

The resolution pressured the firm to settle with strikers. Additionally, the strike and a copper miners’ walkout reduced MADECO’s profits by curtailing production. Moreover, strikers made two important concessions: they agreed to stagger retirements over time to avoid expensive payouts, and to deny the indemnización to workers who stole from the firm (MADECO 1965; Marcos Medina 1993b).

These concessions preceded management’s decision to accede to the union’s demand after the 56-day walkout. The strike’s resolution is an example of a positive
class compromise (Wright 2000) in which growing union power helps management resolve conflict and control costs. Its dynamics reflected legal changes allowing a blue- and white collar alliance that halted production, shifting congressional alliances, the pending *chilenización* of copper mines, a reformist administration, and a favorable global economic environment. Still, strikers’ capacity to jump to the national scale led Congress to pressure the Labor Minister and management to concede to the union’s demands. Strikers’ location in the capitol provided them with crucial benefits.

*The 1983 Strike*

The 1983 strike occurred after the end of the military regime’s most repressive phase when the junta permitted union elections. From 1973-1978, workers exploited a variety of safe spaces to engage in clandestine organizing. The strike broke out during the 1982-83 financial crisis, making success unlikely. The Plan Laboral allowed companies to hire strikebreakers from the first day of a legal walkout and permitted strikers to return to work after a month, thus preventing strikers from halting production (Winn 2004). Police prevented strikers from attacking strikebreakers, thereby short-circuiting one of the union’s chief weapons.

From 1970-1973, the MADECO union had actively supported the Allende administration, and the state purchased a controlling interest in the firm. A few days after the September 11, 1973 coup, Jaime Deischler, the firm’s personnel manager who was also a retired military official, arrested 300 alleged “terrorists.” Undercover intelligence personnel spied on workers at the factory, union hall, and housing bloc. They periodically frightened and humiliated workers through threats or by forcing individuals to search for weapons in the firm. The use of terror against workers made frank
communication difficult if not impossible at work and in the union hall (Apsi 1995; La Tercera 1973; Luís Carrera 1994).

However, workers used factory section delegate meetings and the union’s summer resort as safe spaces where potential leaders could gain visibility and clandestine organizing could reemerge (Juan Fuentes 1995). While the dictatorship outlawed union elections, collective bargaining, and strikes until the 1978-81 labor reforms, the junta allowed unions to function as vehicles of “communication” and retain their assets.

In 1976, the firm hired new recruits, two of whom were former university activists that joined existing union members to revive the union. Héctor Velásquez played a crucial role in this process, identifying safe spaces for clandestine organizing. Although he began work inside the factory, he later gained a position as custodian of the firm’s day care center, and organized meetings there that later allowed him to launch an insurgent union candidacy (Héctor Velásquez, 1995a). Additionally, he had pursued a degree in physical education in college. As such, he was an avid and talented athlete who participated in several sports clubs. He discussed party politics and union issues with veteran workers at meals and gatherings following games.

Because of workers’ appropriation of these space spaces, they were prepared when the junta abruptly called union elections in late 1978. Though the law forbade electoral campaigns, workers who had organized clandestinely quickly identified a presidential candidate who had been a section delegate. They utilized the firm’s spatial organization by passing out little pieces of paper (palomitas) with the candidate’s name as workers left the shift the day before the election, and he won. After two years, a subsequent election brought in two new insurgents, Héctor Velásquez and Carlos Vargas.
The latter had been president of the summer resort administrative committee and was a leftist militant. Union members’ use of safe spaces proved crucial in the election of an oppositional slate (Héctor Velásquez 1995a, 1995b).

This limited regime liberalization coincided with harsh new labor laws. Just a few months after the new leaders took office, the government decreed labor reforms permitting mass layoffs and allowing firms to suspend quarterly bonus payments (gratificaciones). The leaders responded by criticizing the firm to the press and founding a newsletter. In 1982, management successfully pressured union members to accept suspension of payment of the gratificaciones that year, and a law reducing the wage floor for upcoming contract negotiations led the union to strike (Manuel Garibaldi 1994).

During 1982, MADECO union leaders and activist supporters jumped to the urban scale to build horizontal networks with other Santiago union leaders. The leaders believed national labor organizations weakly represented plant level unions and sought to create a forum for rank and file workers to air their concerns. They held a May Day meeting in the MADECO union hall with 300 attendees and began to plan a Metropolitan Interunion Conference for the following May. The 1983 MADECO strike and subsequent repression prevented the conference from taking place. However, activists in this organization supported the MADECO strike as well as fired strikers from the Colbun Machicura construction firm who had carried out Chile’s only illegal strike from 1979-1986 (Armstrong and Águila 2006; Conferencia Intersindical Metropolitana 1983).

In early 1983, MADECO workers struck to demand a wage hike, but the conflict was also a response to the recent mass layoffs and benefit giveback. Chile was experiencing a financial crisis and consequently, the firm operated at a loss in 1982.
(MADECO 1982). Strikers knew they would likely lose, but wanted to test the limits of the Plan Laboral and stand up to the firm and junta. When the firm began to hire strikebreakers, union members were unable to deter them at the factory gates because police repressed the strikers. After eighty strikers tried to discourage applicants at a remote site from applying for jobs, police beat and arrested them as they marched back to the union hall. Labor activists from around Santiago and a Canadian journalist visited the union hall, reflecting the conflict’s confinement to that location. Strikers returned to work in defeat (Las Últimas Noticias 1983a, 1983b). Their parliamentary allies had been arrested, murdered, or exiled (El Mercurio, 1983).

The 1983 strike underscores the crucial role of safe spaces in mobilization under dictatorship. It also shows that by denying workers access to public space, repressive governments can drastically reduce protests’ effectiveness. The union’s location in the capitol city allowed members to jump to the urban scale to build labor networks, but the networks could not forestall regime repression.

*The 1993 Strike*

The 1993 strike occurred in a distinct economic and political context. President Patricio Aylwin took power after his 1989 election. By the mid-1980s, the economy had recovered after the military’s adoption of pragmatic neoliberal policies. High copper prices also encouraged economic growth toward the end of the military regime, though prices declined during Aylwin’s 1990-1994 term (Ffrench-Davis 2002).

Unions faced a paradoxical situation. They had led the first pro-democracy protests that catapulted the democratic opposition’s 1988 plebiscite victory over Pinochet and Aylwin’s 1989 election to the presidency. However, Concertación leaders wanted to
prove that they could manage the economy and maintain social peace given their view that excessive political polarization and poor economic management had doomed the Allende administration: they sought to attract private investment and discouraged wide-scale labor mobilization. Indeed, Chile received a massive inflow of foreign investment during the Aylwin administration. The newly formed CUT accepted the administration’s call for consensus with business, though later expressed disappointment that their cooperation had achieved little for unions (Frank 2004; Winn 2004; Ffrench-Davis 2002).

Additionally, after the junta’s candidate lost the 1989 election, the Pinochet regime accelerated privatization of public firms to strengthen the private sector. The 1980 Constitution provided for nine Senators designated by the junta, and left Pinochet as Commander of the Armed Forces. A binomial electoral system favored the right-wing minority in Congress. The Concertación had to negotiate with the military, business, and the junta’s congressional allies to pass legislation. Concertación officials continued the junta’s pragmatic neoliberal policies, felt they had little room for maneuver to support labor, but relied on workers’ electoral support (Winn 2004; Frank 2004; Silva 1995).

MADECO workers also faced a changing scenario. The firm hired new recruits in the mid-1980s and upgraded machinery, leading to work speedups and intensification. In 1991, the Aylwin administration passed a modest labor reform permitting class action suits against firms for underpayment of gratificaciones. Union members alleged in their lawsuit that MADECO had underpaid these bonuses from 1989-1991. Additionally, they successfully sued management for underpayment of overtime wages (Chile, Segundo Juzgado de Letra de Trabajo 1994; El Crisol 1995; Frank 2004).
In response to the union’s class action suit, management tried to bust the blue and white collar unions by creating non-union negotiating groups, pressuring union members to sign away their rights to sue the firm, and hiring strikebreakers. White collar office workers joined the non-union group, and the remaining white collar workers withdrew their suit. In contrast, the blue collar union remained intact and struck for ten days to maintain the contractual clause that was the basis of the lawsuit (El Crisol 1992).

Strikers faced a unique scenario. They could not halt production and faced management repression. However, they anticipated government tolerance, though the Aylwin administration vowed not to intervene in labor disputes (Frank 2004). During the strike, workers used the union federation building they owned (located across the street from the firm’s administrative offices) as a safe space. They sought to avoid the confinement they experienced in 1983 and to launch protests immediately outside the firm. Their location across the street from the firm heightened their capacity to intimidate management (Tonio Nevarez, 1995).

Strikers adapted repertoires from the 1983-86 pro-democracy protests by banging on garbage cans and tooting on cornets, thereby creating an unbearable din for office staff and strikebreakers. They also attempted to halt production by stoning buses carrying strikebreakers into the firm: “There was a powerful mobilization outside the firm that reached such a level of violence that all of the factory’s windows were broken, there was graffiti on the firm’s walls, and fights broke out with police and strikebreakers” (Héctor Velásquez 1995c). Additionally, they clandestinely sabotaged company trucks, using the factory as a safe space due to lax overnight supervision (Arturo Gómez, 1996). However, strikers lacked labor movement or congressional allies except two unions at Luksic-
owned firms and MADECO retirees (Sindicato # 1 MADECO 1993). After returning
from exile, Mario Palestro was reelected to Congress, but had no involvement in the
strike. The absence of congressional or labor support reflects the Concertación’s efforts
to contain social protest to prevent a military backlash, the strike’s brief duration, and
labor leaders’ reluctance to challenge the government (Drake 1996; Frank 2004).

The union took advantage of low time-distance costs to deliver strike demands to
the Presidential Palace, located a short subway ride away from the firm. This gesture
placed the President in a vulnerable position because likely media coverage might tarnish
his image if he repressed strikers (Tonio Nevarez 1995).

The Presidential Palace was located across the street from the Hotel Carrera,
which belonged to the Luksic family (the firm’s owners). Strikers learned that foreign
investors were visiting the owners that day, and inferred that they might be negotiating
MADECO’s initial offering on the New York Stock Exchange (Angel Ramírez 1993).
The Luksics would be concerned that foreign investors might learn of industrial conflict
at the firm. By delivering their demands to the Interior Ministry across the street from
foreign investors, strikers simultaneously jumped to the national and global scales. The
company accepted strikers’ demands that day, allowing the union’s lawsuit to go forward.
MADECO appealed the suit to the Supreme Court, and the latter ruled in the union’s
favor. In 2002, management settled with the union to avoid a court ordered asset seizure
(Héctor Velásquez, 2002; Angel Ramírez 1993).

Like the 1960 strike, workers attempted to disrupt production as well as avoid
repeating their 1983 confinement to the union hall. Additionally, they jumped to the
national and international scales, enjoying tacit government acceptance. The Aylwin
government’s dependence on foreign investment and international visibility as a new democracy likely discouraged it from repressing strikers. Indeed, in 1991, though the administration criticized strikers in government-owned copper mines, they did not repress them and the state copper company ended the strike by offering strikers a salary increase (Klubock 2004). Further, international businesses might be reticent to invest in MADECO if management or the government repressed the union as it could stain their reputation and encourage protests in the U.S. (compare Robertson and Teitelbaum 2011).

Hence, even though the union faced management repression and had no congressional allies, the strikers’ mobilization at the factory gates as well as the dependence of the government and company on international capital allowed the union to successfully mobilize at the local, national, and international scales and claim victory.

Conclusion

I have argued that MADECO workers’ location in Santiago allowed strikers to deploy spatial strategies that affected the outcome of their four strikes. Additionally, the political composition of government, workers’ capacity to halt production, and government’s degree of dependence on foreign investment contributed to strike outcomes. In 1960, strikers combined disruptive tactics and alliances with labor and congresspersons to persuade a Conservative president to pressure management to settle with the union. While their illegal strike was unlikely to succeed, their strategies won them government intervention and a small salary increase. In 1965, a legal strike under a reformist administration halted production. Workers persuaded Congress to pressure MADECO to settle, and both the firm’s production losses and workers’ willingness to compromise helped resolve the conflict in strikers’ favor. In 1983, workers struck during
a financial crisis under an anti-labor dictatorship. Police blocked their efforts to jump scale and the strike was defeated. Finally, in 1993, workers struck under a reformist administration to defend their class action suit and resist management’s union-busting tactics. Though they lacked congressional or labor allies, their jump to the national and international scales produced a victory due to the company’s and government’s dependence on foreign investment and government’s reliance on working-class support.

As indicated in Table 1, one possible interpretation of these results follows from Silver’s argument that workers possessing structural power are most likely to win concessions (1965 and 1993) and workers who mainly rely on associational power are less likely to succeed (1960 and 1983). However, limiting the analysis to these two variables ignores crucial factors needed to explain these four strikes. In 1960, a growing economy also gave workers structural power, but the Alessandri administration negated that power by prohibiting strikes. If the Alessandri administration had not reclassified skilled workers, MADECO workers would not have had the structural power needed to halt production. If the Frei administration had not negotiated the joint venture with copper companies in 1965, Congress might not have pressured MADECO to settle with the union. Finally, in 1993, workers might have desisted from striking if management had not used legal provisions permitting union-busting. In short, Silver’s (2003) focus on capital’s unencumbered global mobility and capital-labor interactions underestimates the state’s role in shaping investment and labor policy, especially in developing countries that underwent ISI, and the centrality of labor-state relations to strikes (Sandoval 1993).

Additionally, I have argued that workers enacted their associational power (Wright 2000) through their use of the built environment and scale jumping. Had
MADECO workers been located in a remote provincial location, their strategies and strike outcomes would likely have been different. For example, a 1960 coal miners’ strike did not gain the same attention from national authorities as did the MADECO walkout. Indeed, union leaders made several trips to Santiago to meet with Congressional officials and the strikers’ principal protest was a march from Lota to Concepción, the provincial capital. High time-distance costs prevented strikers from engaging in massive collective action in Santiago. President Alessandri and Congress did not intervene to end the strike; the movement fell apart after an earthquake hit the region (Stillerman 2003).

The concepts of safe space, time-distance costs, and scale jumping used in this article are evident in several other strikes in Chile, Argentina and Perú. Winn (1994) and Klubock (2004) describe how textile workers and copper miners used sports games and taxis as safe spaces to organize strikes under repressive conditions, much like MADECO workers’ clandestine organizing prior to the 1983 strike.

Analyses of copper mining, forestry worker, and fishery workers’ strikes in Chile’s provinces from 2006 to 2008 under President Bachelet’s reformist administration demonstrate subcontracted workers’ use of factory takeovers and road blockades to dramatize these conflicts. High time-distance costs meant strikers could not reach all congressmen, but when the copper mining conflict threatened government revenues and foreign exchange, the Labor Minister travelled to Rancagua to mediate the conflict. Because subcontracted workers only represented a portion of the workforce, they sought to disrupt production, much like MADECO workers’ 1960 and 1993 conflicts. Subcontracted workers also attempted to jump scale by engaging in illegal inter-industry
negotiations, anticipating a reformist government might tolerate their disruptive tactics, and that efforts to block factory entrances and transit routes might financially weaken employers (Aravena and Núñez 2009). Like MADECO workers, when management moved Peruvian miners from camps near the mines to dispersed residences, their unions jumped to the regional and national scales to reach allies and connect workers across space (Manky 2016). Finally, Argentina’s recuperated factory movement developed disruptive tactics outside factories to gain government intervention, much like MADECO’s 1960 and 1993 conflicts (Itzigsohn and Rebón 2015). These cases underscore the centrality of workers’ spatial strategies to strike outcomes.

Acknowledgements

I would like thank the LAPS editors and four anonymous reviewers for their helpful comments that allowed me to significantly improve this article. I would also like to thank Miguel Urrutia, Lucas Cifuentes, Peter Winn, Jeffrey Rothstein, Hermann Kurthen, Laurel Westbrook, Rachel Campbell, Chris Rhomberg, and Manjusha Nair, all of whom provided valuable comments and suggestions on earlier versions of this article.
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Table 1. MADECO Workers’ Spatial Strategies across Time

<table>
<thead>
<tr>
<th>Strike Year</th>
<th>Regime Type</th>
<th>Political setting</th>
<th>Spatial strategies</th>
<th>Form(s) of Worker power</th>
<th>Duration (days)</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>Democratic</td>
<td>Conservative president represses illegal strikes. Congressional/labor opposition to president.</td>
<td>Attack strikebreakers, marches, scale jumping to Congress</td>
<td>Associational</td>
<td>68</td>
<td>Mixed</td>
</tr>
<tr>
<td>1965</td>
<td>Democratic</td>
<td>Reformist president tolerates legal strike. Law permits blue/white collar alliance. Congress supports strike in context of copper policy.</td>
<td>marches, scale jumping to Congress</td>
<td>Structural, associational</td>
<td>56</td>
<td>Success</td>
</tr>
<tr>
<td>1993</td>
<td>Post-authoritarian</td>
<td>Government tolerance, dependence on foreign investment, management union- busting.</td>
<td>Attack strikebreakers, scale jumping to Presidential Palace and foreign investors</td>
<td>Structural</td>
<td>10</td>
<td>Success</td>
</tr>
</tbody>
</table>