

BUILDING POWER
FROM BELOW

Chilean Workers Take On Walmart

CAROLINA BANK MUÑOZ

ILR PRESS
AN IMPRINT OF
CORNELL UNIVERSITY PRESS
ITHACA AND LONDON

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First published 2017 by Cornell University Press

Printed in the United States of America

Library of Congress Cataloging-in-Publication Data

Names: Bank Muñoz, Carolina, 1975– author.

Title: Building power from below : Chilean workers take on Walmart / Carolina Bank Muñoz.

Description: Ithaca : ILR Press, an imprint of Cornell University Press, 2017. | Includes bibliographical references and index.

Identifiers: LCCN 2017011395 (print) | LCCN 2017013993 (ebook) | ISBN 9781501714689 (epub/mobi) | ISBN 9781501714771 (pdf) | ISBN 9781501712883 | ISBN 9781501712883 (cloth : alk. paper) | ISBN 9781501712890 (pbk. : alk. paper)

Subjects: LCSH: Wal-Mart (Firm)—Employees—Labor unions—Organizing—Chile. | Discount houses (Retail trade)—Employees—Labor unions—Organizing—Chile. | Labor unions—Organizing—Chile. | Labor movement—Chile.

Classification: LCC HF5429.215.C5 (ebook) | LCC HF5429.215.C5 .B36 2017 (print) | DDC 331.88/113811490983—dc23

LC record available at <https://lccn.loc.gov/2017011395>

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BEATING THE BULLY

On a cold and cloudy autumn morning in Santiago, Chile I set out for the lower middle class neighborhood of Matucana to attend my first Walmart protest. I took the subway and walked past auto body repair shops, small factories, and hardware stores. The Walmart Supercenter is located on the corner of two high traffic streets, several blocks away from the nearest residential neighborhood. It is by far the largest supermarket in the area, measuring over 75,000 square feet, an imposing building in a neighborhood of small shops.

That day—April 28, 2011—eighty Walmart workers, mostly young and middle-aged women came together to hold a union meeting in front of the Walmart Matucana store. This was the third *reunion en la calle* (street meeting) that workers across Santiago had organized. Workers were meeting in the street because Walmart had recently changed a long-standing policy that allowed them to hold lunchtime union meetings in the store. Walmart argued that if it allowed the union to have meetings in the store that it would then have to allow all kinds of groups to hold similar meetings.

Wait, a union at Walmart? Yes. The majority of Walmart's 38,000 workers in Chile are unionized. In fact, many workers across Walmart's global operations are unionized. In the case of Chile, Walmart had to agree to accept the unions as a condition of entry into the country when it bought majority share of the Chilean retail giant D&S in 2009. Even so, many more Chilean Walmart workers have been able to organize under Walmart proper over the last six years. Not having the right to have union meetings in the store during lunch might not strike a U.S. audience as significant, especially given Walmart's antiunionism in the United States, but in Chile this struck a nerve with workers and even members of the community. Having the ability to meet and discuss union business is considered a fundamental right in Chile.

In response to this new policy, Walmart workers and their unions decided to take matters into their own hands. Workers organized street meetings outside different Walmart stores all across Santiago. They made big banners that said "Así Nos Trata Walmart. Tenemos que Hacer Reuniones en la Calle" (This is how Walmart treats us. We have to have meetings in the street) and "Walmart Anti-Sindical" (Walmart is anti-union) and stood in the chilly weather for two hours right outside the entrance. They plugged in sound equipment inside the store and spoke on microphones about miserable working conditions at Walmart stores. As workers spoke up, both customers and other workers stopped and listened. Additional workers joined the meeting as they rotated shifts.

While the meeting was going on, Walmart managers (all middle-aged men) took note of the workers participating and wrote down names. They videotaped the entire meeting and forced security guards to stand next to workers to intimidate them. But these workers and union leaders were not intimidated. They showed their faces without any sign of hesitation or fear. At one point during the meeting, Walmart managers asked security to unplug the sound system. Eventually Walmart gave up, because workers just kept plugging it back in.

These street meetings and demonstrations are bold actions in the face of an antiunion employer. In order to participate in these kinds of mobilizing efforts, workers must first feel a sense of confidence and collective identity. In the case of Walmart Chile, a significant part of their confidence comes from participating in a democratic-militant union where they have a voice in shaping strategy and decision making. Their local level organizing and



Figure 1.1. Reunion en la Calle (street meeting). Photo by author.

small wins at their particular Walmart store have engaged them more in the daily life of the union and have made it easier to stand up to their boss. The local union president at Walmart Matucana, Sandra Neida, is a charismatic and energetic person committed to social movement unionism

and democratic principles. At the meeting I attended, workers voted in favor of a 10 percent increase in dues in order to improve their capacity to fight against Walmart. They also pledged to find a location for a union office so that they could hold meetings without relying on their bosses for space inside the store, while at the same time maintaining the right to have meetings in the store whenever they deem it necessary. This meeting is one of many examples of how Chilean Walmart workers have taken control over their work lives and are successfully organizing against the transnational retail giant.

Worker Activism in the Face of Neoliberalism

There are two striking reasons that Walmart in Chile makes an interesting case study. First, it is notable that there is a union at all at Walmart Chile, and there are in fact many unions. By contrast, no union has been able to penetrate Walmart in the United States in over fifty years. Second, workers have organized the most powerful transnational corporation in the world in a country that has been described as the “cradle of neoliberalism” since the mid-1970s. And Chile, like the United States, has been suffering from a declining labor movement. So this advance within Walmart cannot simply be chalked up to a better national climate, or a more successful, or strong, labor movement.

The Rise of Walmart in the United States

Walmart, founded by Sam Walton in Bentonville, Arkansas in 1962, has over 4,000 stores in the United States alone, and another 6,283 across its global operations (Walmart 2014). What explains Walmart’s rapid growth? Lichtenstein (2006) argues that the combination of the agricultural revolution in the American South, and a shift in the U.S. economy toward a neoliberal model guaranteed Walmart’s unprecedented growth.

As geographer David Harvey argues, neoliberalism is fundamentally about the restoration of class power (Harvey 2005). His argument is based on the idea that global elites lost economic and financial power between the 1930s and the late 1960s. During this time period unions were strong and had effectively fought employers. The Great Depression propelled

workers and their organizations to fight for the establishment of social security, unemployment benefits, welfare, and labor protections through the National Labor Relations Act (NLRA). By the early 1970s, the welfare state had taken its toll on profits, and elites needed to act to maintain and increase their class power. In short, then, neoliberalism is about a system of redistribution back to the one percent. In both the United States and Chile, neoliberalism is best characterized as an economic and social project driven by the support of free markets, free trade, deregulation, privatization, and austerity measures (Harvey 2005). In chapter 2 I discuss how the neoliberal project was implemented in Chile after the U.S.-sponsored military coup against Salvador Allende in 1973. In the United States itself, the shift to neoliberal economic policy is most associated with Ronald Reagan. His transformation of the business environment through privatization and deregulation changed the labor movement for decades to come. Of particular importance was Reagan's dismantling of strong antimonopoly legislation (Lynn 2006).

Prior to Reagan, legislation prevented the kind of growth Walmart has been able to achieve. At its peak, A&P, the closest competitor to Walmart, was only two times larger than its largest competitor. Many big firms of the twentieth century were repeatedly taken to court on monopoly charges, guaranteeing their limited control. However, Walmart has been allowed to expand exponentially with little constraint (Lynn 2006). This expansion has had a deleterious impact on its suppliers, who wield very little power over this giant, and workers who earn rock bottom wages.

In addition to neoliberal policies that have allowed Walmart's growth to reach epic proportions, the company has received unprecedented subsidies. According to the nonprofit organization Good Jobs First, "Walmart has received over \$1.2 billion in tax breaks, free land, infrastructure assistance, low-cost financing, and outright grants from state and local governments across the country" (Mattera and Purinton 2004). These subsidies do not include the additional millions of dollars taxpayers are paying to provide health care and income support to Walmart workers due to Walmart's low wages. Because Walmart's wages are so low, many of its workers cannot afford Walmart-sponsored health insurance. In fact, Walmart wages are so low that many of its workers qualify for Medicaid and other social welfare programs, such as food stamps. Walmart workers have reported simultaneously filling out their employment applications

along with public assistance applications. A 2004 study found Walmart workers' reliance on public assistance programs cost California taxpayers \$86 million a year. Furthermore, "the families of Walmart employees in California utilize an estimated 40 percent more in tax-payer funded health care than the average for families of all large retail employees" (Dube and Jacobs 2004, 1). Walmart's growth and "everyday low prices" are a direct consequence of billions of dollars in direct and indirect subsidies.

Walmart has enjoyed exponential growth, while receiving unprecedented tax subsidies, without being required by the state to create good, stable, union jobs. On the contrary, Walmart has the reputation for being the most antiunion company in the world. U.S. unions have spent millions of dollars over the past two decades trying to unionize Walmart, yet each campaign has failed to yield a union at Walmart. The nonexistence of a union at Walmart cannot be attributed to lack of worker interest. Many workers would very much like to be represented by a union, as we have seen with various attempts at organizing a union, including OUR Walmart (Organization United for Respect at Walmart; Kroll 2013), but Walmart spends millions of dollars a year to ensure that U.S. stores will never be unionized. With their open-door policy and profit-sharing schemes, anti-union store manuals, expensive antiunion consultants, and captive audience meetings, Walmart utilizes an entire industry intended to keep stores union free (Lichtenstein 2007).

In addition to classic antiunion strategies, such as captive audience meetings, where workers are forced to listen to speeches and watch videos on the dangers of unions, and trainings for store managers on how to keep unions out of their stores, in 2012 Walmart took an unprecedented step in the surveillance of workers who are considered activists with OUR Walmart (Brown 2011; Eidelson 2012; Human Rights Watch 2007). OUR Walmart was founded in 2011, and initial funding came from the United Food & Commercial Workers International Union (UFCW), which aimed to unionize Walmart. Workers who joined OUR Walmart organizations primarily pushed for higher wages and better schedules. The organization used creative tactics by calling for a Black Friday strike at Walmart in 2012. Since then it has been responsible for leading Black Friday strikes every year. Although OUR Walmart has not had success in unionizing Walmart, their creative tactics and pressure were, in large part, responsible for forcing Walmart to increase their wages to \$10 per hour in 2014.

The organization has also forced Walmart to grant a few other concessions. For example, in 2014 OUR Walmart members launched a campaign called “respect the bump” demanding Walmart to accommodate pregnant women with medical conditions, rather than forcing them into a leave of absence (OUR Walmart 2014). In 2015, journalists discovered that leading up to the first Black Friday strike, Walmart contracted Lockheed Martin, the world’s largest defense contractor, to help with surveillance of OUR Walmart activists and to monitor who participated in the Black Friday strikes (Berfield 2015).

Walmart has been able to grow because of deregulation, tax benefits, trade policy, health policy, its locations in right to work states,¹ weak labor law, the general decline of the U.S. labor movement, and a collection of old and new union busting tactics. Today Walmart has all but saturated the rural, suburban, and exurban retail markets in the United States. However, it has been experiencing a growth crisis since 2004, especially since it has not been able to penetrate important urban markets such as New York City. In order for it to continue to grow it needs to move to urban markets and new markets globally. Its survival as a profitable company that trades well on the New York Stock Exchange hinges on an urban and global strategy. With those considerations in mind, Walmart went global.

Walmart Goes Global

Walmart began its international operations in 1991 with the opening of a Sam’s Club near Mexico City (Walmart 2015). Within a few years, Walmart had opened hundreds of Walmart and Sam’s Club stores throughout Mexico. As of 2015 it had retail operations in twenty-eight countries and employed over a million retail workers internationally (Walmart 2015). There are many more workers across Walmart’s supply chain, but we do not have accurate information about these workers, because Walmart does not directly employ them. Walmart’s international operations comprised about 30 percent of its net sales in 2015 (Walmart 2015). In Latin America, Walmart operates in Mexico (2,296 stores), Costa Rica

1. Right to work laws prohibit agreements between unions and employers. As of 2016, twenty-six states have right to work statutes in the United States.

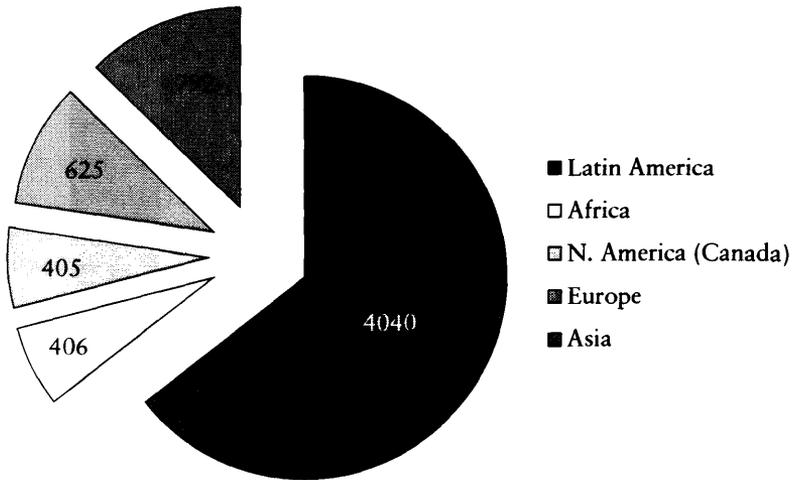


Figure 1.2. Walmart’s international retail stores by region
Source: Author’s calculation from www.walmartstores.com.

(219 stores), El Salvador (89 stores), Guatemala (217 stores), Honduras (81 stores), Nicaragua (86 stores), Brazil (559 stores), Argentina (107 stores), and as of 2016 its most recent acquisition in the region, Chile (386 stores). Clearly, Latin America presents a significant share of Walmart’s global operations.

As a global company Walmart has had varying success in different countries. It has failed in Germany and Japan but has had huge success in Latin America. Since it first expanded overseas, Walmart has had to fine-tune its approach. It has had to learn the hard lesson that it cannot simply replicate the same model in every country. Institutional context and culture play a significant role in the success and failure of Walmart as a global player (Tilly 2006). What has become evident is that the Walmart model must be flexible and respond to country specific circumstances. As such, in most countries in the world, many of which have stronger labor laws than the United States, Walmart has had to accept unions. Nonetheless, accepting unions doesn’t mean that Walmart has not tried to push the boundaries of labor law and exert antiunion practices. It has taken particular kinds of unions to be successful in fighting the worst of Walmart’s policies.

Neoliberal reforms in Chile in the 1980s and 1990s restructured an entire society and created a new consumer culture that significantly facilitated the expansion first of D&S (Walmart's big box predecessor) and then of Walmart (see chapter 2). Given these dramatic changes in Chilean policy and culture, such significant worker mobilization against Walmart in Chile is striking. How do we explain workers' success in Chile, the cradle of neoliberalism, in challenging the world's largest and most anti-union corporation? What does an in-depth case study show us about how union democracy, autonomy, militancy, and strategic capacity are developed? And what are the implications for the United States and other countries organizing against Walmart? The answers to these questions lie in a deeper understanding of worker power.

Understanding Worker Power

At first glance Chile is an unlikely location for a strong worker movement. The dictatorship's legacy, coupled with a declining labor movement, does not make a good foundation. Paradoxically, it is precisely these conditions that have given rise to the unique opportunities that have facilitated worker activism in Walmart Chile.

Chilean workers are successfully organizing and bargaining at Walmart because they have learned to leverage power in resourceful ways. Walmart in Chile offers an interesting case study because it contains two different industries: retail, and warehouse. Retail and warehouse workers leverage their power in different ways, leading to different kinds of social power.

Types of Social Power

Since Chilean Walmart workers are already unionized, in this book I primarily focus on organized workers and their movements. As such, one of the main contributions of this book is to look at how different types of social power can be mobilized by different actors within one vertically integrated transnational corporation. The power that workers can leverage therefore affects strategy and outcomes. In previous work (Bank 2008), I've looked at the process of production and how different types of labor control (hegemonic and despotic) are used to produce and reproduce race

and gender at the point of production. This project, by contrast, looks at how workers turn that labor control on its head by leveraging their social power to force Walmart to meet many of their demands.

What is social power? What does it mean to have social power? Like Jenkins (2002) and Frances Fox Piven and Richard Cloward (1978), I argue that social power means having the capacity for disruption. Effective strike threats can sometimes be just as powerful as actually going on strike. Jenkins (2002) argues that “oppressed people can only transcend the limitations imposed by elite decision-makers when they have the power to force the institutions they are confronting to accept their demands” (62). Furthermore, Piven and Cloward (1978) state that this disruptive power should not necessarily have to be rooted in institutions (such as unions) in order to be effective. In fact, they provocatively argue that it is when these movements organize into formal institutions/organizations that they begin to lose their power. They argue that it was disruptive action that made such movements as the Civil Rights, unemployed workers, and welfare rights movements—all without structural power—the most successful.

Yet another kind of power is power rooted in the cultural and public spheres, what Jennifer Chun (2009) calls “symbolic leverage.” Chun argues that, “symbolic leverage aims to undermine official sources of authority, such as the law, and demand alternative applications of social justice” (2009, xiii). A prominent example of this kind of leverage is the Justice for Janitors Campaign that the International Service Workers Union waged in the late 1980s and 1990s, where the strength of the strike, came from elevating the poor working conditions of janitors to a moral level. Chun (2009) makes a particularly important intervention in the labor literature, which has historically privileged workers with structural power. In the United States this has largely taken the form of scholarship on the white, male working class. Yet the 1990s saw a revitalization of the U.S. labor movement by immigrants and women (Fantasia and Voss 2004; Milkman 2000; Milkman and Voss 2004,). Furthermore, the immigrants and women organizing were predominantly in the service sector. As a result, Chun (2009) articulates the need to think of power differently, especially among insecure, low-wage, and service sector workers. For these workers, symbolic leverage allows them to shift the balance of power and apply upward pressure in their demands for better working conditions.

Building on Jenkins (2002), Piven and Cloward (1978), and Chun (2009), I argue that there are two main types of social power: having the capacity for symbolic disruption and having the capacity for disrupting production. These are not necessarily mutually exclusive, though sometimes they are. Another way to think about it is power that disrupts the supply side (services) and power that disrupts the demand side (production). As Jenkins (2002, 62) argues, “social power must be based in some capacity of the group itself to *coerce* the decision-maker to make the changes they seek.” Actions that we traditionally think of in relationship to labor movements, such as strikes, threats of strikes, direct action, and other strategies that stop production, slow down production or otherwise impact the employer’s bottom line represent the capacity to disrupt production. Symbolic disruption also has the power to coerce employers to acquiesce to workers’ demands, but uses different methods, such as shaming, public drama, and moral authority (Chun 2009). Even though the capacity for disrupting production and the capacity for symbolic disruption are not mutually exclusive, not all workers have the same access to these different kinds of disruption.

Determinants of Social Power

How do workers get social power? How do they attain the capacity for disruption? Erik Olin Wright (2000, 962) argues that power is “the capacity of individuals and organizations to realize class interests.” He defines two kinds of worker power. The first, “associational” power, is the power that “results from the formation of collective organizations of workers” including political parties and unions. The second, “structural” power, “results simply from the location of workers in an economic system” (Wright 2000, 962). I agree with Wright (2000) about the importance of associational and structural power, but I deviate from his analysis that these are forms of power on their own. Rather, I argue that associational and structural power are determinants of social power. In other words, having a union, worker center, or political party on its own does not produce social power. It is what people do with those organizations that can create power. Similarly, structural location alone does not create power; it is how workers leverage their structural location that offers the opportunity to gain power. Under this

conception, associational power allows for the production of both symbolic disruption and disruption of production, while structural power most commonly facilitates disruption of production. Since leveraging power implies some level of organization (associational power), I would additionally argue that workers must have associational power in order to leverage structural power. For example, Silver (2003), Bonacich and Wilson (2008) and others have pointed out that logistics workers occupy a key structural position in the supply chain and can bring global supply chains to a halt. However, if these workers are not organized, they are not going to leverage their structural power effectively.² Therefore, strong associational power, whether in unions or other working-class organizations, is instrumental to building the capacity for effective disruption and garnering increased social power.

Characteristics of Strong Associational Power

How do workers and their organizations build strong associational power? There are three central components: strategic capacity, union democracy, and militancy. Additionally, autonomy from political parties and state control, while not a condition for building strategic capacity, union democracy, and militancy, gives organizations the freedom to think independently.

Strategic Capacity In his 2010 book, *Why David Sometimes Wins*, Marshall Ganz argues that the United Farm Workers of America (UFW) was able to more successfully organize farm workers and win against growers than the Teamsters Union or the Agricultural Workers Organizing Committee (AWOC) of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) because they had the ability to “devise good strategy” or have strategic capacity. For Ganz,

2. The case studies in this book focus on workers who are already in unions, but I am not arguing that workers who are not in unions cannot leverage their structural location. When I talk about “organization” I mean that workers have a relatively strong sense of class-consciousness and the potential for collective action whether or not they belong to an organization.

An organization is more likely to achieve positive outcomes if it develops more effective strategy, and it is more likely to develop more effective strategy if its leaders can access diverse sources of salient information, employ heuristic processes, and demonstrate deep motivation—their strategic capacity. Variation in strategic capacity, again, derives from differences in leaders' life experience, networks and repertoires, and organizations' deliberative processes, resource flows, and accountability structures. (2000, 1019)

Much like Ganz, I argue that leadership and organization drive the Chilean Walmart warehouse and independent retail unions' ability to "devise good strategy" or have strategic capacity. Like the UFW in Ganz's discussion, the Chilean unionists I worked with, in both the retail and warehouse unions, were deeply motivated in their desire to build a powerful democratic grassroots union, particularly in Walmart, which was widely seen as an imperialist transnational corporation. They also benefited from salient information and employed heuristic processes. For example, leveraging information about the sale of D&S to Walmart, and experimenting with different tactics. Differences in these organizations' strategies (see chapter 3) stem from their structural location in addition to leadership and organization. In his model, Ganz (2000, 2010) points to the centrality of deliberative processes, resource flows, and accountability structures but only vaguely references the concept of union democracy. Here I differ from Ganz, because Walmart workers in Chile had union democracy as a central concern in the creation of their unions. For the Chilean unionists, in large part union democracy drives their organizations' deep motivation, deliberative processes, and accountability structures. But what exactly is meant by union democracy?

Union Democracy The concept of union democracy has been hotly debated in the literature on union revitalization. There are many camps within the literature, with little consistency in how the concept is defined or considered. One set of scholars largely focuses on formal democratic processes such as representation, constitution, politics, and elections (Cook 1963; Dimick 2010; Edelstein and Warner 1976; Lipset et al. 1956; Stepan-Norris 1997; Stepan-Norris and Zeitlin 1989 and 1996). Within this group, scholars have vastly different takes on the role of formal democracy inside unions. The argument dates back at least sixty years, when

Lipset and colleagues (1956) derided the potential for unions to be democratic and representative organizations. Instead, they found that unions tended toward oligarchy. More than three decades later, Stepan-Norris (1997) and Stepan-Norris and Zeitlin (1989, 1996) presented a far more nuanced analysis, arguing that there are a multitude of paths for unions, and which path they take, whether tending toward democracy or oligarchy, is largely determined by internal political processes and factions.

By contrast, a more recent set of scholars focuses primarily on participatory democracy or active worker participation in campaigns and organizing (Bronfenbrenner and Friedman 1998; Hickey et al. 2010; Markowitz 1998, 1999; Milkman 2006; Sharpe 2004; Voss 2010; Voss and Gaston 2014; Voss and Sherman 2000). In this body of literature the central question of concern has been how do unions activate the rank and file? Most studies look at specific union campaigns, highlighting whether they use top-down or bottom-up strategies, or both. Their concern has been less on formal democracy and more on successful strategies for activating membership and winning.

Markowitz (1998) identifies the “blitz model” and the “comprehensive campaign model” as responses to employer antiunion hostility in the 1980s.³ The UFCW developed the comprehensive campaign, which she describes as a campaign driven by the union, which relies on research to find unfavorable things about the employer and then uses the research as leverage to force the employer into a card check neutrality agreement, rather than a National Labor Relations Board election (which in the 1980s and 1990s was particularly unfavorable to workers). The comprehensive campaign required substantial secrecy and little worker participation.

By contrast, the blitz model developed by the Amalgamated Clothing and Textile Workers Union (now UNITE) focused heavily on worker participation, by getting workers to organize intensively for a short period of

3. The Blitz model is an organizing model where union staff are sent to a particular location that has a heated union battle to work on it for a short, intense period of time and then moves to the next location. The critique of the model is that workers do not develop a strong connection to the union because the staff member leaves once the campaign is won or lost. The comprehensive campaign is a different organizing model. Here the union organizing campaign is developed through the heavy integration of research, coalition building, political pressure, and legal pressure.

time and limiting the campaign period so as to catch employers off guard and unprepared. The blitz model also required some level of secrecy, especially in the beginning, but later it required much more rank-and-file involvement. Markowitz goes on to argue that both models excluded workers from actively participating in the collective bargaining agreement, but workers who participated in the blitz model pushed their union to let them participate in the process, whereas workers who were part of the comprehensive campaign simply assumed it was not their role to participate in bargaining. In the end the workers who participated in the blitz model, though somewhat discouraged after the campaign, ended up actively participating in the union a lot longer than workers who participated in the comprehensive campaign. In her study, Markowitz makes some interesting observations about the tensions between worker participation and union strategy.

Sharpe also sheds some light on the difficult balance between creating a space for worker participation and leadership and the union staff's need to "carefully manage and control the course of the campaign" (2004, 64). For Sharpe, the balance between building worker leadership and staff management is delicate, especially in the context of fighting antiunion employers with huge resources. Sharpe's piece captures the internal struggles that union staff face in having a strong desire to foster a democratic process among militant and engaged members, all the while trying to ensure winning the campaign.

In the blitz model, unions were extraordinarily effective at cultivating leadership and activism among the rank and file. Ultimately, strategic decisions were not made by rank-and-file workers, but rather by experts. The Sharpe (2004) and Markowitz (1998, 1999) studies especially point out the contradictions and tensions between union staff and the rank and file. On the one hand, most unions and union organizers want to cultivate a union culture that builds worker power and puts members in control of decision making. On the other hand, U.S. employers often wage incredibly hostile antiunion campaigns, and even once workers are organized, negotiating a collective bargaining agreement is extraordinarily difficult. As a result, U.S. labor campaigns, whether to form a union or negotiate a contract, become high-stakes endeavors. Because of the employer offensive against unions, many unions, particularly large unions with many resources, employ a small army of union

professionals, including lawyers, organizers, researchers, lobbyists, and even finance specialists. As the daily work of the union becomes professionalized it often takes strategy and decision-making out of the hands of actual union members. Therefore there is a constant balancing act between building members' own power and ensuring success through a multi-pronged approach.

The final group of scholars writing about union democracy brings together formal democracy and member participation. These scholars argue that union democracy requires formal democratic processes, a high level of worker participation and engagement on a day-to-day basis, and significant power in the union's strategic decision-making and political process (Lévesque et al. 2005; Levi et al. 2009; Moody 1997, 2007; Parker and Gruelle 1999; Walchuk 2011; Weinbaum 2004). In her three case studies of factory closures in Appalachia (Greenbrier, Acme, and General Electric), Eve Weinbaum makes a case for "successful failures." While all three grassroots movements in response to factory closures failed to bring back jobs, they were successful in that they deeply empowered workers. As a result of the campaigns workers gained hands-on skills in the areas of strategy, democratic processes, the global economy, and employer tactics. In many cases workers' direct control over their movements facilitated long-term participation in the labor movement. Weinbaum's study shows us how grassroots movements can be transformative, even if they are not successful. Similarly, Moody argues that democracy and militancy are the only ways to turn the U.S. labor movement around. Using Canadian data, Lévesque et al. (2005) find that union democracy is a key tool in addressing membership dissatisfaction and bringing together collective identities.

My discussion of union democracy relies on the approach of this third camp. What sets the independent Walmart unions apart from the other Chilean Walmart unions, Chile's mainstream labor movement, and many unions in the United States is their commitment to base-building, bottom-up strategy, democratic structures, and membership participation. What is particularly unique is that these unions are fighting the world's largest transnational corporation with nearly no resources. Unlike most unions in the United States, neither the warehouse or retail unions I worked with had paid staff or political, organizing, or education departments. The best resourced unions I worked with only had the luxury of a part-time attorney and release time for the president of the union,

allowing her or him to attend to the daily aspects of running a union. Most of these unions do not even have offices. These unions are run by and for the rank and file. Union democracy has both influenced the strategic capacity of these organizations and also has helped build stronger associational power, since these organizations have the tools to coerce employers into meeting many of their demands.

Militancy A third component that contributes to building strong associational power is militancy. By militancy, I mean confrontational, disruptive, direct action tactics that workers and their organizations use to coerce employers to meet their demands (Isaac and Christiansen 2002). These actions involve significant economic, legal, or political risk for actors and can include actions such as strikes, blockades, and sabotage. Measuring militancy is difficult, since not all actions are recorded and categorized. Scholars often use strikes as a variable to measure militancy. Of course there are severe limitations to the data, because often countries count only legal strikes in the official data. Despite its limitations, looking at strike data is helpful in gaining an understanding of waves of militancy.

Militant action has long been an important tool for unions to force their employers' hand. Historically, U.S. strikes have been effective at crippling employers. In the 1930s, autoworkers, port workers, and steel workers all waged important strikes (Lichtenstein 1995; Selvin 1996; Turrini 1997). U.S. labor law always included a provision that allowed employers to replace workers, but it was not until 1938 with the Supreme Court decision in *NLRB v. Mackay Radio & Telegraph Co.* that employers were essentially given the right to permanently replace striking workers. This Supreme Court decision had a significant impact on the strength of the strike. Nonetheless, U.S. strike activity was strong through the late 1940s, in fact labor unrest peaked in 1945–46, with over 5,000 strikes each year (Dubofsky 1995). However, U.S. strike action has dramatically declined since the mid-1970s. In 2009, the United States experienced an all-time low with only five strikes, and in 2015 there were twelve strikes, leaving about 47,000 workers idle (Bureau of Labor Statistics 2016).

At the same time as we see low levels of militant action in the United States, we see increasing labor militancy in the Global South. As Silver

(2003, 5) astutely points out, “while labor has been weakened in the locations from which productive capital emigrated, new working classes have been created and strengthened in the favored new sites of investment.” Since 2010, for example, we have seen extraordinary mobilizations in Asia, particularly China.

Labor militancy contributes to a sense of collective identity, increased class-consciousness, and a sense of empowerment even when workers’ actions and movements fail to produce benefits (Weinbaum 2004). As such, militancy helps to forge stronger relationships, high levels of motivation, lessons, and capacity, all of which contribute to stronger associational power.

Worker Power in Chile

As in the United States, workers in Chile have been consistently losing power since the mid-1970s (see chapter 2). It is especially counterintuitive that in a small country known for its probusiness climate that retail and warehouse workers have challenged Walmart, the world’s most anti-union corporation. Yet Walmart workers in Chile have been leveraging power in creative ways and achieving gains at the same time that there has arguably been a decline in worker power overall. In this context, how did workers build power in the first place? How did they learn to leverage the power that they built?

Suffice it to say that workers’ movements do not occur in a vacuum. In the mid-2000s, Chile witnessed an explosion of social movements, starting with protests led by high school students. In 2007 many commentators considered a wave of worker strikes to be the reemergence of the Chilean labor movement (Aravena and Núñez 2009). The Logística, Transporte, Servicios (LTS) union, representing warehouse workers, organized in 2006, and the independent retail workers’ unions organized between 2006 and 2011. These unions shared a number of important characteristics. First, they all had a commitment to autonomy. None of the unions I worked with were interested in participating in the national labor federation (Central Unitaria de Trabajadores), nor were the leaders of the unions interested in furthering their careers through the socialist or communist political parties. They had a strong belief that the labor movement was weak, at least in part, because workers had been used as tools

of the political elite and had received little in exchange for their political loyalties.⁴

Second, they all shared a commitment to building grassroots unions with a focus on union democracy and militancy. Many had negative experiences with corrupt or ineffectual unions. Some of them had union experiences prior to Walmart, while others had been members of Walmart's own corrupt union (see chapter 2) before breaking away and creating their own organizations. All of them were committed to building a different kind of labor organization, what they referred to as a *sindicato de verdad* (a real union) and a *sindicato de base* (a grassroots union). What they articulated clearly was that in order to build worker power, worker organizations had to be democratically driven from their bases. For these workers, building a democratic union meant giving decision-making power to the membership and allowing members to drive their union's agenda from below. In addition to union democracy, the union leaders I interviewed emphasized that in order to build power, workers needed to take risks and engage in militant action. They especially believed this was true in challenging Walmart, because they were well aware of Walmart's reputation as an antiunion employer.

The unions I worked with have all been successful in building worker power at Walmart and at negotiating good contracts. As autonomous unions they have been able to create the conditions for building strategic capacity, union democracy, and militancy. These characteristics have all contributed to building strong associational power. Yet important variances contribute to how and why these unions have succeeded. Ultimately, retail and warehouse workers have different kinds of social power and therefore leverage their resources differently.

Warehouse workers have a tremendous amount of structural power because of their unique position in the industry. Because there are only three central Walmart warehouses in Chile, if these workers go on strike

4. Unions in Chile have historically been considered beholden to political parties (particularly the communist and socialist parties). It is one of the ways in which they were able to create a significant role for themselves in shaping the Chilean democracy. However, they were unable to extract significant change at the level of government policy outside of those political parties (Angell 1972).

they can paralyze Walmart's distribution of goods. Since these workers have a union, they also have associational power. Still, the strength of associational power is directly correlated with the strength of the union. Walmart warehouse workers are represented by two unions. LTS, the union I worked with, represents 2,000 workers at the two main warehouses. The third warehouse, initially created to undermine LTS, was organized in 2014 by the parcel company DHL's union, for reasons having to do with subcontracting and tax identification numbers (see chapter 2 for a discussion of labor law). Walmart warehouse workers' combination of structural and associational power has led them to engage in classic disruption. They staged a powerful strike in 2006 that shaped the union's organization, strategic capacity, and union democracy. As a result of the power that they have built, they have made substantial economic advancements through collective bargaining. These include significant wage increases, vacation time, a union office, health and safety provisions, and more (see chapter 4).

Walmart retail workers are distributed across over 300 different stores, ranging from small corner stores with ten employees, to Walmart Supercenters with over 400 employees. Because of the labor code, these workers are also distributed across eighty different unions. In general, these workers have associational power, in that most Walmart retail workers are members of a union, but there are stronger and weaker unions within Walmart itself. Retail workers, however, as a whole have limited structural power. Nonetheless, even in retail, some structural power can be leveraged and is leveraged in terms of different occupations within the retail stores. Cashiers, butchers, bakers, and fishmongers have significantly more structural power than stockers, in part because they are seen as skilled labor and therefore harder to replace. The two retail federations I worked with represent about 4,000 members (across thirty different enterprise unions). FENATRALID, the oldest, was organized in 2006, while Federación Autónoma was created in 2010. In addition, there are three other federations, including a corrupt union that represents about 14,000 workers. FENATRALID, the Federación Autónoma, and the unions that belong to them have had success in breaking the corrupt union's weak pattern agreement, thereby raising wages and improving bonuses and benefits, though not nearly to the level of the warehouse workers' (see chapters 2 and 5). However, it is arguable that some of their most significant victories have

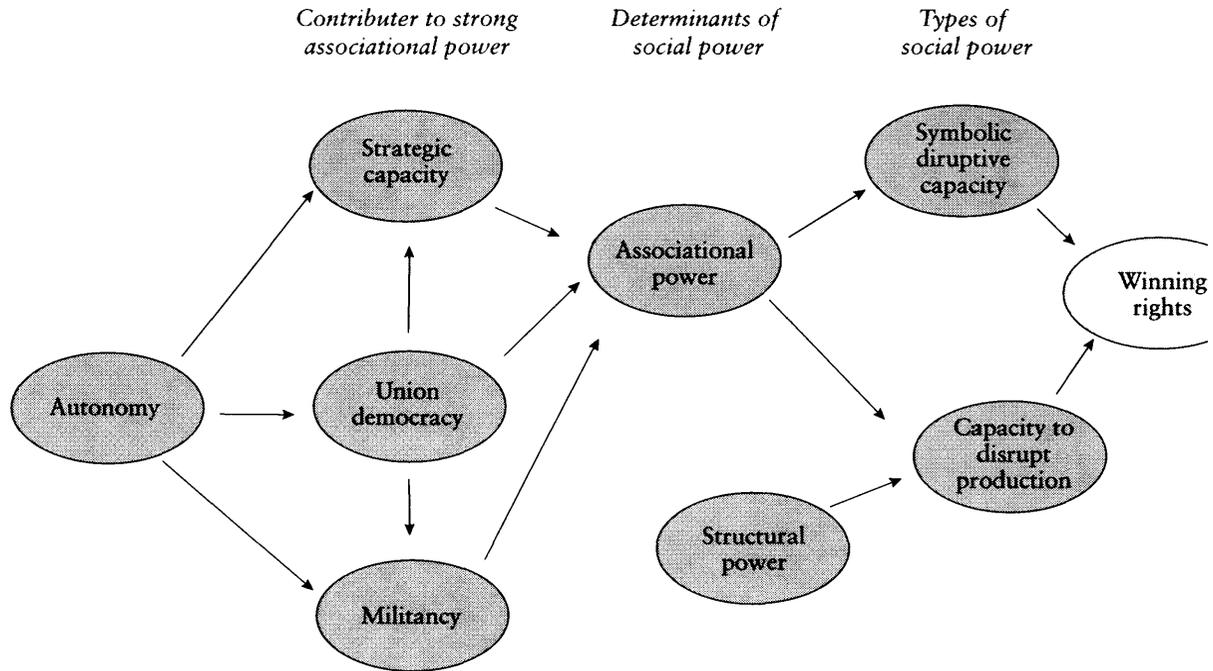


Figure 1.3. Worker power

been on noneconomic issues. In this way, the retail unions have used the strength of their associational power to wage campaigns that have used both symbolic disruption and classic disruption.

This case study illustrates how types and determinants of social power play out differently and interact in various ways in separate sites (retail and logistics) of a vertically integrated transnational corporation. The types of power available to workers influence their tactics and objectives. Making effective use of the types of power at hand, as have these autonomous unions, influences outcomes. They have been able to build democratic and militant unions with significant strategic capacity. These three factors—union democracy, militancy, and strategic capacity—have contributed to their strong associational power, which they have effectively leveraged through their symbolic disruptive capacity and their capacity for disrupting production. In addition, the warehouse workers benefit from structural power, which has allowed them to build capacity for disrupting production.

Methodology

In 2009, during a three-week visit to my family in Santiago, Chile, I discovered that Walmart had purchased a majority share of D&S, one of the largest retail chains in Chile. I became fascinated with the development of Walmart in Chile. Foreign, big-box chain stores have had limited success in Chile. JCPenney, Sears, Home Depot, and Carrefour have all failed.⁵ I was interested in seeing how Walmart would do. Chile also provides an interesting example, because, since the 1973 overthrow of Salvador Allende, a democratically elected Socialist president, Chile has pursued a neoliberal, free-market approach including vast privatization, export-led development, and opening up to foreign investment. Chile has been hailed

5. JCPenney and Carrefour survived for five years, Home Depot for four. Ultimately, national Chilean companies bought out all of these stores. Part of the problem for these global companies is that retailing in Chile is extremely competitive in a relatively small market (population 16,000,000). Another problem is the credit system. Most major retailers in Chile have their own credit cards and banks that generously add to their profitability. The situation for Walmart is different, because they bought out a national chain.

as Latin America's "free-market miracle." Under these economic conditions, it would seem that the Walmart model had the potential to flourish.

In 2011, I returned to Chile on a Fulbright for seven months to understand Walmart's impact. I was originally interested in the role of Peruvian immigrants in the retail industry, but once I arrived in Santiago and connected with the UFCW, I became increasingly interested in the relationship between Chilean unions and Walmart. Since there are no unions to represent Walmart workers in the United States, it was especially interesting to observe how workers at unionized Walmart stores and warehouses in Chile were faring.

I made various strategic choices in designing the methodology for this project. I decided that I was not interested in interviewing Walmart management. Unlike my previous work (Bank Muñoz 2008) in which I spent significant time interviewing management, in this project I really wanted to focus on workers and their unions. I made this decision because there is a well-established literature on the Walmart business model that I did not feel needed repeating.

I was first able to gain access to Walmart unions in Chile through a contact in the UFCW in the United States. After I made the initial contact and had a better sense of the lay of the land, I made contacts with two retail federations and seven unions. I also felt strongly about interviewing suppliers for Walmart in Chile. This proved to be a very difficult task, since most suppliers were nervous or scared about revealing too much information about their relationships with Walmart. I was able to make contact with two suppliers, and from there I was able to use snowball sampling to gain access to eight more suppliers.

In short, I conducted seven months of ethnographic fieldwork in Chile from December 2010 to July 2011. During the course of the seven months I conducted in-depth interviews with a total of forty-five participants: ten Walmart suppliers, five union presidents, seven union leaders, the head of the small business association, two union lawyers, and twenty Walmart workers. Follow up interviews occurred from 2012–2015 during shorter visits to Chile. Pseudonyms are used for many of the participants, however some of them wanted me to use their real names. Therefore there is a mix of pseudonyms and real names throughout the book. In addition, I was a participant observer at weekly union meetings, union rallies, and quarterly union membership meetings. I also spent a significant amount of

time going to different Walmart stores and warehouses and observing the workplace environment. I was able to obtain secondary data from unions, the Chilean Ministry of Labor, and Walmart's website. In addition, I have a collection of Chilean and U.S. newspaper articles on Walmart in Chile.

As with all social science research, the methodological choices I made in this process led to limitations in the data. I didn't interview a random sample of Walmart workers. I interviewed union activists and union leaders. I didn't interview representatives of all eighty-two Walmart unions, because I was most interested in unions that were engaged in actual organizing. I have attempted to correct for some of the limitations through participant observation. Participating on a daily and weekly basis with various unions gave me insights that I would not have been privy to by only conducting in-depth interviews. In all, I attended about twenty union meetings and two union assemblies.

This project is both an academic study and an organizing project; it is not a value-neutral project. I was not only interested in learning about how Chilean unions are dealing with Walmart, I was also interested in participating in their efforts. And workers, union leaders, and community organizations were all interested in developing and deepening their practices. They wanted to learn about the U.S. labor movement, just as much as I wanted to learn about their struggles. The result was to slowly build transnational ties between the U.S. labor movement and the Chilean labor movement.

As a U.S. academic, opportunities to build transnational labor solidarity do not come knocking at my door frequently. I am grateful to have the opportunity to be working with incredible people in both the Chilean and U.S. labor movements. However, building these bridges is not always easy or straightforward. During my time in Chile, there were concerns on the Chilean side about how much to trust U.S. unions. On the U.S. side, the organizations I was working with wanted to know how representative of all Walmart workers the independent unions were, and how serious they were about fighting Walmart. Those dynamics put me right in the middle. As a Chilean I felt loyal to the unions I had relationships with. I wanted to make sure that I wasn't overstepping my role in trying to make these connections. I wanted to make sure they would be able to remain autonomous. There are far too many examples in transnational organizing of U.S. unions assuming they had all the right answers. This kind of arrogance has hurt more than one campaign. Conversely, I have deeper relationships with the U.S. labor movement. I did not want them to put their scarce

resources into Chilean unions that liked giving a good speech but weren't going to do more than that. In short, I wanted and needed to be seen as legitimate to both sides. The people one works with in each organization make a huge difference in terms of relationship building. Fortunately, the Americans I was working with from the UFCW and Change-to-Win were respectful and interested in learning from the Chilean unions. They did not arrogantly assume they had all the right answers. They were interested in building a long-term relationship. The Chilean unions were equally interested in learning from their U.S. counterparts. They set aside some of their preconceived notions about "Americans" and opened up to me as a researcher and to the unions. Of course, no relationships are free of tensions or disagreements—this is also true for these actors.

Overview of the Book

In chapter 2, I lay out the importance of institutional context in Walmart's global expansion. Walmart has not effectively been able to replicate its model wholesale across countries and continents. It has had to adapt to culture, politics, and regulatory climate. In this chapter, I explore the Chilean labor movement and labor code and explain their role in Walmart's particular model in Chile. I draw comparisons to Walmart in the United States and Walmart's other global operations.

In Chapter 3, I present the analytical framework for the book. I argue that the warehouse union can be characterized by what I call *strategic democracy*, whereas the retail unions are characterized by *flexible militancy*. The warehouse workers have significant structural power, a tradition of political education, leaders with trade union experience, and a deeper culture of union democracy. As a result they have been particularly successful in achieving economic gains. The retail workers are newer unions with weaker social power but a strong culture of autonomy and militancy, and democratic structures. They have achieved some economic gains and have significantly and effectively challenged Walmart culture. These two models of unionism set up the case studies in chapters 4 and 5.

Chapter 4 looks at the warehouse union in detail. Here I explore workplace abuses, organizing strategy, and outcomes. Here I give life to the conceptual framework in chapter 3 by illustrating how the warehouse