Argentine Workers' Fight to Keep Jobs at Pepsi Plant Becomes a National Cause

written by Mira Craig-Morse | July 24, 2017

The story of the workers of a PepsiCo factory in Vicente Lopez, Buenos Aires, Argentina may be slightly confusing to those in America where it seems normal for a factory to close, as many did in the financial crash of 2008, without the workers organizing, despite losing valuable employment in a harsh economy. Yet the actions of the nearly 700 laid-off workers since PepsiCo, the second largest food and beverage corporation in the world, decided to move their production to another city south of Buenos Aires, could teach American workers a thing or two.

Indeed, it can be difficult to imagine a world in which workers are protected from the whims of multinational corporations, but many workers in Argentina seem to expect that bosses need to have a justification to fire employees, and a factory cannot legally close unless it files for bankruptcy. Now these factory workers fight for their jobs and their rights against corporate strength, in the labor world and in politics.

Los Despidos — The Layoffs

If the name PepsiCo is not quite familiar, surely many of its trademarks are: PepsiCo owns nearly all the brands we expect to see in any general store around the world, including Pepsi, Lay's, Quaker, Dorito, Starbuck's Ready-to-Drink, 7UP, Cheetos, Aquafina, Mountain Dew, Gatorade and Tropicana. The sheer corporate strength of the second largest food and beverage company in the world makes the struggle of over 600 workers in Buenos Aires against a PepsiCo snack factory both an uprising against great odds and an inspiring stand against corporate dominance.

On June 20, 2017 PepsiCo announced the relocation of its snack production from Vicente Lopez in Buenos Aires to a factory in Mar del Plata, a city over 250 miles south of the Argentine capital. 691 employees arrived to work to find a sign on the closed entrance announcing the relocation of the factory, in which only 155 of them would be offered jobs in the new location. In the following days, workers voted in committees to take over the plant, blocking the entrance to the factory and demanding their jobs instead of the compensation PepsiCo offered.

The company cited obstacles "inherent" to the location of the factory in northern Buenos Aires as the reasons for the closure. Complaints included complex costs and logistical requirements, and the neighborhood being primarily residential. The workers, after their union leader Rodolfo Daer refused to resist the closure, voted to take over the factory and have been protesting the closure ever since. Daer is the union leader for STIA (the Argentine food industry labor union whose

influence extends to PepsiCo, Kraft foods factories and many more). Daer is known to have strong ties to corporate interests and generally works to prevent worker dissent against corporate management instead of defending workers' rights. Workers view the true reasons for PepsiCo's decision to move to be economically and politically driven, citing recent labor organizational activities as a reason for the factory to leave Buenos Aires. Indeed, the relocation of the factory to Mar del Plata would guarantee the company easier, cheaper and less protected labor, without the strength of labor organization within and without the factory in Vicente Lopez.

Labor Organizing in the PepsiCo Factory

Labor organizing is considerably more extensive in Argentina than in the United States. Workers' rights are protected not only by strong unions but also by representatives within the factory or company itself. These rank-and-file *comisiones internas* (essentially internal committees) are elected by workers at a particular workplace in order to represent the workers in negotiations with their bosses at each factory, as well as within the union in the event of a labor dispute. Workers therefore vote in elections for the direction of their organization, which often dictates whether the union will demand improved conditions for employees or favor corporate management, positions which are represented by different groups that run for leadership positions in the union. These caucuses, or *listas*, have varying interests and agendas: some are closer to the government and/or businesses and some are closer to workers and workers' rights.

For a caucus like La Lista Bordó, which fights for better wages, shorter hours and increased benefits, winning an election in the union is an uphill battle. This left caucus includes socialist militants from the PTS (Party of Socialist Workers), as well as independent workers in the factory. Rodolfo Daer, leader of union bureaucrats' slate (which has controlled the union for the past 30 years) known as the "green list," has been accused of corruption and weakness in resisting business dominance. La Lista Bordó challenges Daer directly each election season, even winning 40% of the union vote in 2012, but the connection between STIA (the food industry labor union) and business interests through Daer's leadership survives. In the factories, however, where the smaller quantity of votes leads to a simpler democratic process, La Lista Bordó has more opportunities to lead. After winning the last several elections at this particular PepsiCo snack factory, the workers who support La Lista Bordó feel that the factory closure is a direct violation of their organization. The move to Mar del Plata would give leverage to the corporation against workers, who have much less protection and security in Mar del Plata.

The dire situation that the PepsiCo workers now find themselves in has gotten the attention and sympathy of many people in Buenos Aires and beyond. Workers from other factories as well as 200 intellectuals and educators, among others, have joined the growing movement against PepsiCo with the rallying hashtag #NoALosDespidosEnPepsico ("No to the PepsiCo Dismissals"). Representatives of the Left Front, the socialist political coalition, have joined protests outside the factory and in downtown Buenos Aires, expressing solidarity and direct support for the workers. Nathalia González Seligra, a congresswoman of the Socialist Workers' Party, gave 30,000 pesos, the equivalent of roughly $1,830, to the group of workers as they fight to retain their positions in the factory. Many feel the workers at PepsiCo are fighting for more than jobs: they are fighting for the financial security and in the interessts of workers in Argentina, who too often fall victim to negotiations between businesses and unions who fail to represent the true interests of workers.

PepsiCo, a Struggling Business?

Owning nearly every brand of snacks one can think of, PepsiCo surely has enough money to pay their employees a living wage and protect them from closures such as this. According to La Izquierda Diario, PepsiCo CEO Indra Nooyi collected $29.8 million from her work in 2016 alone. The

company's revenue is up 2 percent from last year, making $17.2 billion, including foreign currency impact. Meanwhile poverty rates in the greater Buenos Aires area have risen from 22% at the end of President Kirchner's term in 2015 to 35.5% in the end of April 2016, according to a study at the University of Buenos Aires(1). With the accompanying increased percentage of individuals at risk of falling below the poverty line (51.3 in the suburbs and 34.9 in the city) the abandonment of factory workers by a steady employer such as PepsiCo is particularly troubling.

Eviction and a Legal Victory

In the early morning of July 13th, after nearly a month spent occupying and protesting outside the closed factory and after a cold winter's night camped on the street, workers and supporters faced roughly 500 policemen in full riot gear. Thus began a three hour battle as the police evicted the protesters from the premises, first giving them five minutes to leave without police action. The protesters proceeded to build roadblocks with wooden pallets and burning tires. The brutality of the police in response took many by surprise: tear gas was used, causing one protester to vomit and require medical attention, protesters were shot with rubber bullets at close-range, and were beaten and chased by police. The workers escaped to the roof of the factory, refusing to leave even as the police broke a gas pipe to force them out.

Residents of the Vicente Lopez neighborhood showed their support for the workers by banging pots and pans in protest and taking in injured protesters, giving them first aid and shelter in the surrounding residences. Human rights lawyers and political representatives, such as Nicolás del Caño of the Left Front, negotiated with police to allow protesters to leave peacefully. By the end of the day, eight protesters were detained and later released. Workers, represented by Camilo Mones, the internal commission delegate, vowed to continue fighting. Despite losing the the factory, another victory would give many renewed hope for the struggle.

Hours after the police force violently evicted workers from the factory premises, a court ruling from the National Labor Court of Appeals stated that PepsiCo had violated the National Law of Employment by laying off the workers without initiating a Crisis Prevention Procedure before the factory closure. The court ordered the workers' reinstatement with a fine of $5,000 against the company, for each worker every day of non-compliance. Under Section 158 of the Argentine Penal Code, the factory closure and layoffs were unjustified and thus constitute an "offensive lock-out", classified as a criminal offense. The closure, which PepsiCo claims was due to various local complications and financial constraints, was clearly in response to labor organizing within the factory. Lawyers defending the workers argue that the closure was discriminatory and ultimately unjust, demanding the workers' reinstatement.

The court ruling, which came immediately after the violent dispersion of the factory occupation, is undoubtedly an major victory for the workers and their supporters. Yet the battle isn't over. Workers are calling for more support and greater resistance. Solidarity from unions, labor groups and supporters around the world increased dramatically after video footage emerged of the violence on Tuesday. July 18th was be a day of protests, roadblocks and strikes in support of the workers of PepsiCo in this final battle for reinstatement.

No one put it better than delegate Camilo Mones: "After the violent eviction, we received immense solidarity. We believe this is because millions of workers saw that it was possible to confront the big monopolies and Macri's government that supports them. If all the unions fight against layoffs with the same strength, the government and the companies will not be able to advance as they have until now. So on this day of action, we want all the unions that oppose the national government to take to the streets with us and mobilize thousands of workers from all of those organizations. If we do this, we can start to change history and show that it is possible to fight against all these attacks against

working people.”

Solidarity

The struggle of 691 workers against a factory closure in Vicente Lopez, Buenos Aires, may seem insignificant to a country faced with the nefarious agenda of one Donald J. Trump. Yet the movement holds greater implications for labor rights in general. The motion of workers to take the fate of their jobs into their own hands and out of the control of both PepsiCo and the bureaucratic union invites widespread support. They stand united against the harmful capitalist policies of multinational corporations and those who defend them, and fight instead for the rights of workers who bring us the products we have come to enjoy.

**Mira Craig-Morse is a US-born student of journalism doing an internship at* La Izquierda Diario/Left Voice *in Argentina*. @miracraigmorse