

“Industrial Patronage”: The Labour Process in Chile in the periphery of Atlantic Fordism

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Introduction & Motivation

- **Marxist premise (or LP scholarship)** Analysing the labour-process (not only markets) reveals power and domination *at* the workplace.
- But in its integral sense also *beyond* the shop-floor, i.e. at the realm of social reproduction considering the household the ideological apparatuses of the state (Althusser, [1970] 1974), and the social division of manual-intellectual labour (Jessop, 2007).
- For peripheral capitalism like, the labour-process must be read relationally with the world market horizon in the shadow of hierarchically ordered inter-state system (In this case, the Variegated Fordist core).

Introduction & Motivation

- **Central question** How Chile's labor-regime, fostered productive forces development, up to a point that become their fetters opening a period of social upheaval and a top-bottom/bottom-up socialist revolution (Miliband, 1973; Winn, 2016).
- **Thesis:** The inner contradictory tensions of a particular labour regime coined here as "*Industrial Patronage*" collapse into a societal-crisis of the Prebischian state *of Chilean Characteristics*.

Conceptual Framework

- Labour-process contradiction: discipline and de-skilling vs. empowerment and up-skilling contradictory tendencies (Braverman, 1974; Vidal, 2022).
- Empowerment in the labour process can be understood two-folded. Throughout it, i.e. **consensual** (Vidal, 2022) vs. beyond it, i.e. **counter-hegemonic** (Perez, 2025).
- Discipline also goes beyond the shop-floor, specially in a surplus labour economy putting downward pressure to wages by means of over-population and marginalization, i.e. informality as reserve army (Lewis, 1954; Nun, 1971).
- Peripheral Capitalism imposes the need of global and historical structural approach → Dependency Theory *as a research programme* (Kvangraven, 2021).

Atlantic Fordism vs. Chilean Adaptation

Table: Comparative Dimensions of Atlantic Fordisms and Chile's Adaptation

Feature	Atlantic Fordism	Chilean Adaptation
Global hegemony & context	US military-financial leadership; in a bi-polar world order. US Hegemony contested by non-aligned movement (<i>Vidal 2019; Prashad 2007; Harmer 2011</i>)	UK→US transition: Export-dependency to Finance Currency dependency during; high turbulence from nitrates crisis huge hit from 1929 crash. LA marginalization of global trade (<i>Cardoso 1972; Bertola & Ocampo 2013</i>).
Production ↔ consumption	Mass production + mass consumption in relatively-closed economies (<i>Vidal, 2015, 2019, 2022</i>)	ISI adaptation based Landlord Renteier Industrialization based on Conspicuous Consumption (<i>Silva 2007</i>); infant-industry protection post-nitrate collapse in 1918 (<i>Palma 1978</i>);
Market structure	Oligopolistic competition among giant firms (<i>Vidal, 2015, 2019, 2022</i>)	Monopolistic/protected industry; structural heterogeneity; "dependent insertion" (<i>Clark 1989; Sunkel 2000</i>)
State & institutions	Keynesian National Welfare State; "inclusive unions" & social wage (<i>Jessop, 2004</i>)	Prebischian National Populist State; social-wage big-push (<i>Riesco, 2009; Jessop, 2020</i>)
Labour relations	Strong centralized unions; corporatist pacts (<i>Vidal, 2015, 2019, 2022</i>)	Patronage syndicalism (<i>Winn, 1986</i>); contested by generational change and popular movement articulation with marginal masses and the peasantry (<i>Quijano 1966; Pinto 1970; De Vylder 1976; Meller, 2000</i>)
Raw-material strategy	From colonial extraction to strategic raw-material control (<i>Cardoso, 1972</i>)	Copper-dependent enclave; weak regional/internal markets (<i>Sunkel 2000</i>)
BOP & growth	Bretton Woods architecture of international financial system (<i>Vernengo, 2021</i>)	Chronic BOP constraint; recurrent crises with over-urbanization (<i>Quijano 1966; Pinto 1970; De Vylder 1976</i>)

The *Inquilinaje* as Institutional Anchor of Industrial Patronage

Historical Background:

- *Inquilinaje*: Land tenure system prevalent in Chile from colonial era to mid-20th century, shaping landlord-peasant relationships (Gongora, 1960).
- Chile's subsequent Industrial Patronage labour regime emerged from its decay (Kay, 1980)

Dimension	Capitalist Social Relations	<i>Inquilinaje</i> System
Access to Means of Production	Workers lack independent means; dependent solely on wage-labor.	Peasants had no claim to land or independent subsistence means; relied on landlord's estate.
Labor Mobility	Free mobility of laborers to change employers or relocate based on economic incentives.	Limited mobility after annual contracts; theoretically possible but restricted by landlord authority.
Reserve Army of Labor	Existence of unemployed or underemployed laborers, creating market discipline.	Presence of <i>peones gañanes</i> —floating, seasonal laborers constituting a disciplinary labor reserve.
Judicial and Legal Symmetry	Employer-employee relations legally symmetric and contractual; state-enforced rules.	Highly asymmetric, coercive judicial system controlled directly by landlords; sanctions included imprisonment, forced labor without pay.

Source: Own elaboration based on (Richards, 1979)

Key Implication: The hierarchical and coercive institutional structure of the *inquilinaje* fundamentally shaped Chile's urban-industrial labor relations, establishing the socio-economic foundation for Industrial Patronage.

Main Features of Industrial Patronage

Historical Continuum and Dimensions of Analysis:

- The *inquilinaje* system structured labor discipline territorially via legal coercion and paternalistic enclosure on the landlord estate (Richards, 1979).
- Post-inquilinaje labor regime inherited territorial mechanisms of control in urban-industrial workers featured by:
 - **Business Management:** Based on kin-ship relations with low resilience to changing conditions of business environment.
 - **Monopolistic Competition:** Vertical integration between industry and finance (Property of banks by big-family business was common).
 - **State-Reliance in Business:** The state functioned protecting rentier industrialization but also providing interlocking networks in directorates boards.
 - **State-Reliance in Labour Force Development:** Big-push thorough social wage allowed business to rely on a cognitively enhanced working class. Hence, simultaneously enabled generational shifts in working-class reproduction in the long-run while creating new axes of consent in the short run (Bowles, 1978; Vidal, 2022).
 - **Patronage syndicalism:** Unionism serving the bosses fueled “*sapo*” culture.
 - **Control of social reproduction:** Providing housing and amenities to industrial working-class allowed business man to surveillance counter-hegemonic spaces and empowered them with severe sanctions cutting housing benefits.

Spatializing Discipline, Consent and Counter-Hegemony

Dimension	Discipline (Territorialized)	Consensual Empowerment (Vidal)	Counter-Hegemonic Empowerment (Pérez)
Inquilinaje Legacy	Providing housing and amenities at industrial districts setup an implicit sanctions system anchored in the control of social reproduction cultivating <i>worker-patron</i> loyalty (Winn, 1986; Castillo, 2022).	Cognitively enhancement through language and numerical literacy. Hieghts convergence across classes through nutritional developments (Nuñez, & Perez, 2021; Lorca-Jaña et al., 2021, 2022).	Early peasant mobilizations broke estate control but with heavy backlash from the state (Loveman, 1976). New generations built clandestine syndicalism spaces to organize (Winn, 1986).
Urban Informality	Land Seizures by Squatters took place around industrial districts. Tolerated due their function as a reserve army of labor (Garces, 2003; Murphy, 2010)	Provided self-subsistence to marginalized labour. In turn, these provided non-durable amenities and competitive prices for urban working-class through small-scale informal retailing.	Squatters settlements provided a space to inter-class alliances (Garces, 2003; Schlotterbeck, 2018).
Social Wage (Health)	Public health lowered mortality to sustain workforce (Llorca-Jaña et. al, 2022)	Provided an unlimited supply of labour downward pressing wages <i>a-la</i> Lewis (1954)	Enhanced cognitive skills allowed community organizing beyond immediate subsistence.
Social Wage (Education)	Disciplinary function per Bowles (1978); curricular uniformity	Produced cognitively competent yet loyal workforce under early stages of ISI	Eroded traditional elite control, producing politicized students and rank-and-file leaders (Schlotterbeck, 2018)

Implication: Empowerment during Chile's transition from rural inquilinaje to urban industrial patronage was spatially structured. Vidal's consensual empowerment operated within productive rationality; Pérez reveals antagonistic spatialities that repurpose urban and informal terrain for class struggle.

Over-Urbanization or Dependent Urbanization Process

Figura: Urban vs Rural population. 1900-1970.

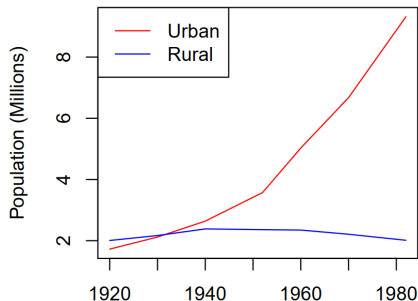
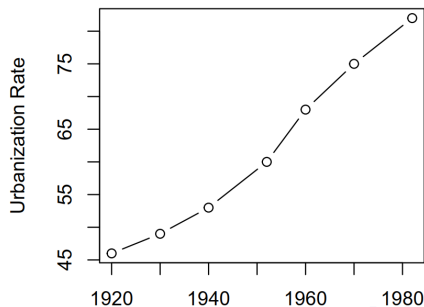
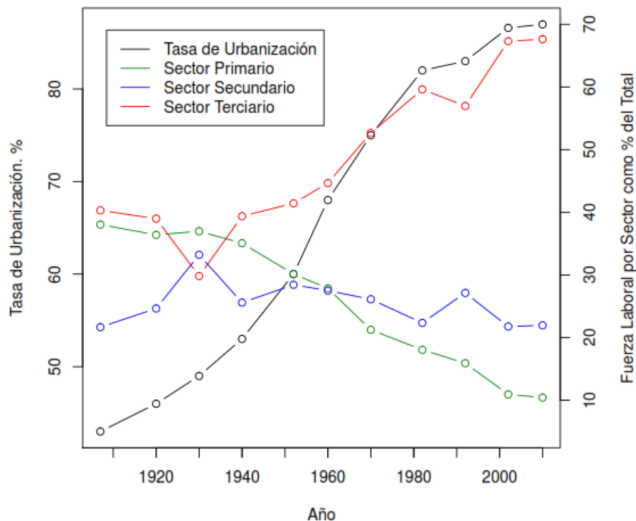


Figura: Urbanization Rate. 1920-1980.

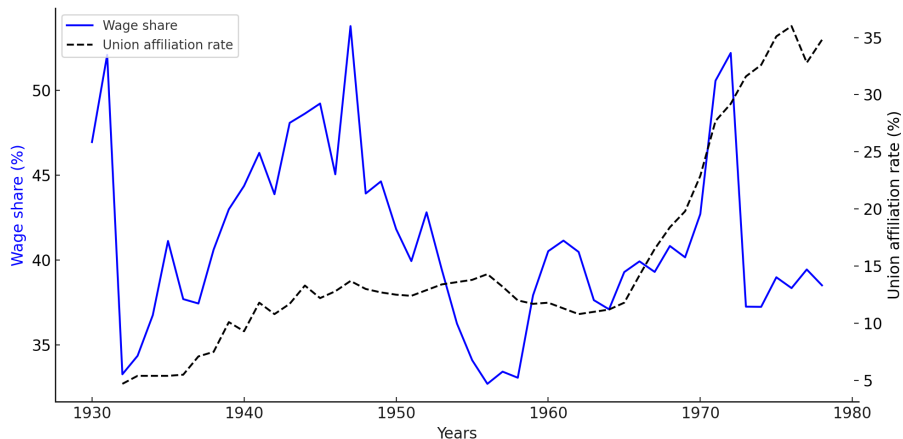


Disarticulated Late Industrialization

Figura 6. Tasa de Urbanización y Fuerza Laboral por Sectores. 1900-2000.



Wage-Share and Union Affiliation Rate in Chile (1930–1978)



Real Wages. Rural-Urban Gap (1930–1970)

Figura: Real Rural-Urban Wage Gap. Shields 1960. 1929-1970

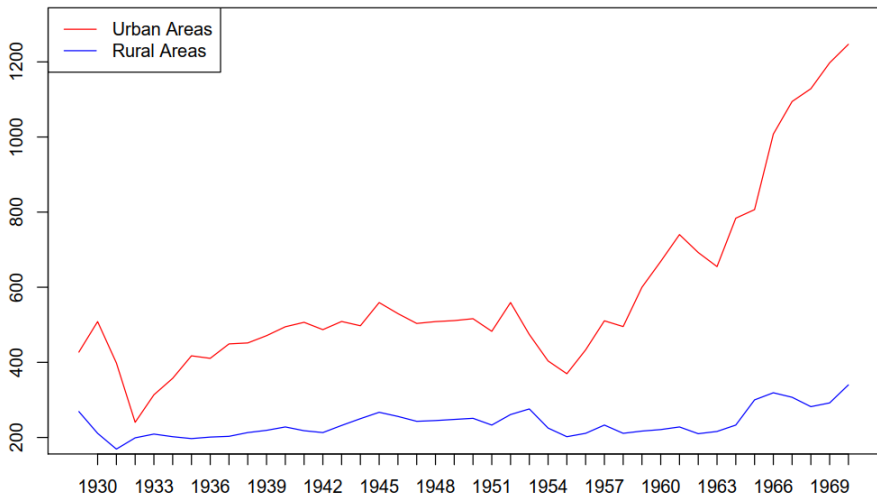
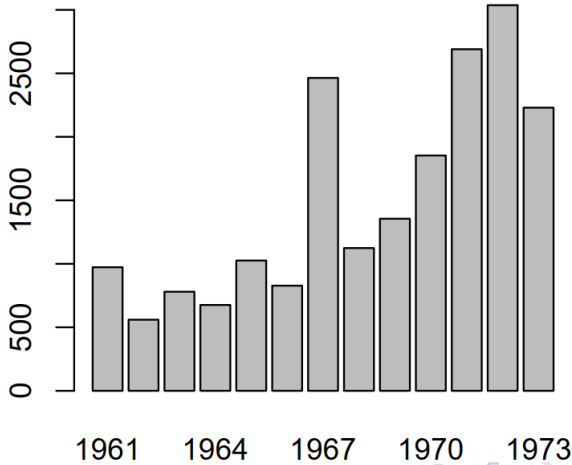


Figura: Total Strikes. 1961-1973



Cuadro: Urban Land Seizures in Santiago and in Chile. 1967-1971

	1967	1968	1969	1970	1971
Santiago	13	4	23	103	350
Chile-Total		8	35	220	560

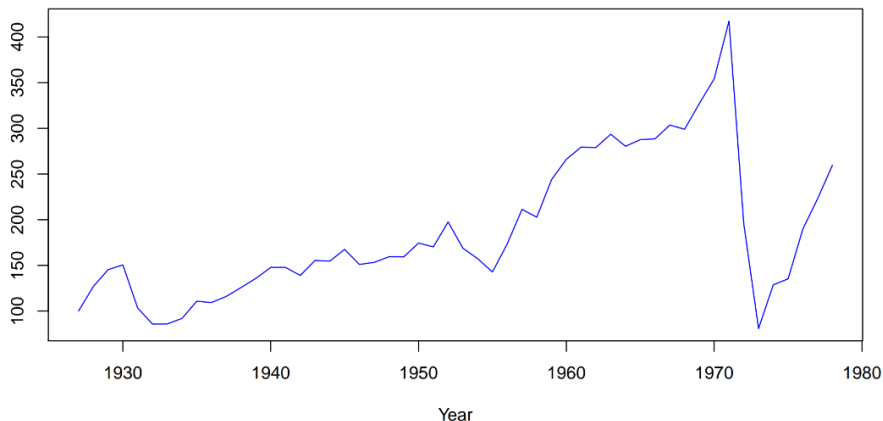
*Source: Murphy (2015)

Socialist Revolution Emerges

- Bottom-up: Political momentum triggered by the Cuban revolution and 1957 revolt (Thielemann, 2023) a wave of strikes, peasantry unionization, and constitution of *cordones industriales*. In a nutshell, a popular movement articulated by the *Unidad Popular* organizing industrial working-class, squatters taking their place in the city, and the peasantry (Gaudichaud, 2004; Garces, 2003; Murphy, 2010; Tinsman, 2003).
- Top-down: 1000 days of Allende's government: Nationalizations, APS reforms, co-management (De Vylder, 1976; Espinosa & Zimbalist, 1984).
- Wage-led Keynesian growth stimulus worked in 1971 w/ 8% in GDP growth but hit the external constraint and turned into a BOP crisis (Stallings & Zimbalist, 1974).
- Revolutionary convergence of state and grassroots power finally defeated by lack of strategic coherence *vis-a-vis* the enhanced capacities of the ruling class backed by transnational imperialism.

Real Wages. Rural-Urban Gap (1930–1970)

Figura: Real Wage. 1927-1978. 100=1927



Conclusions & Implications

- The labour process in Chile understood as *Industrial Patronage* throughout the Fordist era reflects its dependent adaptation—reliant on over-urbanization, rentier-industrialism, and state-subsidized social reproduction.
- Empowerment was double-edged: it fostered worker discipline (via education, housing, health), but also created cognitive and territorial spaces of counter-hegemonic organization.
- The contradiction between capitalist development of productive forces and the inherited paternalistic structure of control led to a crisis of the Prebischian state—culminating in the socialist revolution of the Unidad Popular.
- Spatializing the labor process reveals how capital's territorial strategies are met with working-class counter-spatialities: the workplace is both terrain of control and insurgency (Vidal, 2022; Pérez, 2025)..