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Summary

While global value chain (GVC) studies originated with a critical analysis of the global political economy, today’s mainstream GVC research has sidelined issues of exploitation and instead focuses on upgrading as a development strategy. This is often accompanied by the implicit assumption that upgrading translates into more and better jobs. Responding to critiques of this assumption, GVC scholars have highlighted the need for an additional social upgrading agenda. However, this paper calls into question this agenda’s often unreserved invocation of public-private-civil society partnerships to achieve social gains for more than just firms. It argues that there is a need to pay greater attention to capitalist social relations and how actual corporate strategies contradict workers’ interests.

Taking GVC upgrading strategies in agro-industrial value chains in Argentina as an example, the paper looks at the stance that corporate actors take on social upgrading. It shows that the labour conditions and salaries vary in different chain links and that organised workers in processing industries have achieved improvements in labour struggles. Corporate actors, on the other hand, do not consider themselves responsible for social upgrading beyond their role in economic growth, which then allegedly results in job creation. In fact, they rather portray trade unions as barriers to capital-led agribusiness development. The paper concludes by advocating for a value chain approach that analyses questions of indecent labour as existing in relation to capital, making antagonistic interests visible.

Keywords: Global Value Chains, Social Upgrading, Argentinian Agribusiness, Corporate Strategies, Class Relations, Argentina

Zusammenfassung

SOZIALPARTNER FÜR SOZIALES UPGRADEING? UNTERNEHMENSSSTRATEGIEN IN AGRAR-INDUSTRIELLEN WERTSCHÖPFUNGSKETTEN IN ARGENTINIEN


Am Beispiel von agrarindustriellen Wertschöpfungsketten in Argentinien wird analysiert, welche Haltung Unternehmensvertreter zu sozialem Upgrading konkret einnehmen.

Schlagwörter: Globale Wertschöpfungsketten, soziale Aufwertung, argentinisches Agribusiness, Unternehmensstrategien, Klassenverhältnisse, Argentinien

1 Introduction

Global value chains (GVCs) “boost incomes, create better jobs, and reduce poverty”. This is a section heading in the World Development Report 2020 (WDR 2020, p. 3; see SELWYN and LEYDEN 2021 for a critique). It conveys that economic development in and through GVCs is generally achievable, provided the right institutional and business environment, and that it yields social improvements for workers in so-called developing countries. This belief has been prevalent in mainstream GVC research as well as in policy circles that adhere to it.

While chain research has its roots in the critique of global political economy, today’s mainstream GVC research has sidelined issues of exploitation and instead focused on upgrading as a “new paradigm for development” (GEREFFI and FERNANDEZ-STARK 2016, p. 24). Upgrading, here, is defined as “the process by which economic actors – firms and workers – move from low-value to relatively high-value activities in GVCs” (GEREFFI 2014, p. 18). Scholars from different currents have criticised a labour-blindness within the related focus on firm-level development and taken issue with a de facto disjuncture between economic upgrading and social gains. As a response, GVC scholars introduced the social upgrading agenda that encompasses improvements in labour conditions and wages, gender equality, economic security, and other benefits of workers (BARRIENTOS et al. 2011a). On that note, scholars have set out to examine the conditions under which capturing the gains of upgrading can be made possible in situ for more than just firms through “public-private-civil society partnerships” (GEREFFI and LUO 2014, p. 19).

However, critical scholars have pointed to this agenda’s non-recognition of capitals’ often hostile responses to the demands of workers and their organisations (SELWYN 2012, p. 7). Instead, studies have advocated analyses of the class dynamics of development (CAMPLING et al. 2016) and of the conditions under which organised labour can achieve better salaries and working conditions through class struggles from below (MARSLEV et al. 2021; SELWYN 2013, 2017). In this view, material concessions can be made in the wake of upgrading when capital has an interest in making these concessions (as a part of the manufacture of hegemony, for example), or when they are fought for (BERNOLD 2019).
The present paper builds on these discussions and argues that chain research needs to pay greater attention to the social relations of production and to how capital interests in GVCs, which first and foremost lie in accumulation, not in social development, play out on the ground. Instead of unreservedly invoking corporate actors as co-bearers of social upgrading, a more realistic assessment of the conditions of achieving social improvements in labour struggles requires, among other things, paying attention to corporate strategies and how they contradict workers’ interests.

How business actors refer to the social upgrading agenda in their economic and political-ideological strategies has hitherto rarely been featured. In other words, chain research has paradoxically paid little attention to how businesspeople use its concepts. Taking GVC upgrading strategies in agro-industrial value chains in Argentina as an example, the following therefore looks at the stance that corporate actors take on social upgrading. It shows that the labour conditions and salaries vary in different chain links and that organised workers in processing industries have achieved improvements in labour struggles. Corporate actors in grain and oilseed value chains, on the other hand, positively refer to the benefits of GVC-development, but they generally do not consider themselves responsible for social upgrading beyond their role in job creation. In fact, they rather portray trade unions as barriers to capital-led agribusiness development.

**Methods**

My study draws on fieldwork that was conducted in Argentina between 2014 and 2016. Semi-structured, problem-centred interviews are the main source of analysis. Problem-centred, here, refers to research that focuses on a socially relevant question and aims to understand the interlocutor’s practices, interests, and objectives, as well as their ways of reflecting social reality (Flick 2006, p. 135). A semi-structured interview at the same time allows to address theory-guided interests. I conducted a total of 51 interviews with 55 respondents, not all of which are quoted in this paper. However, they all contributed to a fuller understanding of my case study.

The most relevant informants for the present contribution where representatives of three case companies as well as of the Argentinian soy and wheat chain associations (ACSOJA, ArgenTrigo). These interviews were inspired by Schoenberger’s (1991) re-introduction of the qualitative corporate interview, the goal of which is to understand the behaviour of firms in light of their histories and economic conditions as well as other considerations such as competitive strategies and class relations. Furthermore, I used interviews with representatives of labour organisations. All my interview footage and the names of my case companies were anonymised.

To organise my data, I used structuring qualitative content analysis (Kuckartz 2012, pp. 77ff), which combines theory-driven research with inductive coding. This method was also used for documentary analysis. For this paper, I mainly analysed homepages of companies and business associations, including press releases and media coverage placed there, as well as company reports. The latter are insightful because they are partly written to convince potential investors, and discourses in these reports often differ from those in interview footage or media texts that address a wider public. Examining these documents
revealed, for instance, discrepancies between public or interview statements on a firm’s social upgrading goals and how this issue was addressed in the financial reporting.

I took care to do justice to my empirical data and to reflect what my interlocutors told me in interviews. But, obviously, I read these interviews through my eyes, not theirs. In what follows, I disclose the theoretical standpoint from which I did so.

In the remainder of this paper, the next section summarises conceptual developments in the academic chain debate, with a focus on social upgrading. Section 3 then provides a rough view of agro-industrial value chain development in Argentina (for a more thorough overview see Bernhold 2019, pp. 117ff), and it emphasises some differences between the situation of workers in primary production and in the soy processing industry. Section 4 analyses the strategic approaches of local corporate actors to social upgrading, and it draws attention to contradictions between the identified narratives and GVC scholars’ aim to achieve social upgrading through social partnerships. Section 5 concludes by discussing my findings.

2 Global value chains (GVCs) and (social) upgrading

GVC analysis can look back on a history spanning decades during which various approaches using different underlying epistemological and theoretical assumptions and research foci have been designed. The following provides a brief overview of crucial steps in the conceptual development of the chain debate, highlighting important aspects for the discussion on social upgrading.

2.1 Commodity chains and the world system’s tradition

The chain framework’s roots lie in world-systems analysis (WSA). One of its basic notions is that the dynamics of global capitalism leads to a steady reproduction of uneven development in a cohesive world economy marked by a global division of labour and a geopolitical division into separate states (Hopkins and Wallerstein 1986). Accordingly, centres are where highly profitable, relatively monopolised activities converge, and they emerge as winners of the distribution of surplus value while the opposite is true for peripheries (Arrighi and Drangel 1986; see Parnreiter 2011, p. 192). It is against this background that Hopkins and Wallerstein (1977) introduced the analysis of commodity chains, defined as networks “of labour and production processes whose end result is a finished commodity” (Hopkins and Wallerstein 1994, p. 17; see Wallerstein 2000b). Among the underlying premises that distinguish this approach from later debates on GVC-upgrading are that, first, the research focus necessarily lies on the systemic reproduction of inequality. Second, while the configuration of chains is subject to “constant social redefinition” (Wallerstein 2000a, p. 5) and core-ness can move around geographically, the prospect of general upward mobility is a “developmentalist illusion” (Arrighi 1990, p. 11).

Importantly with respect to the debate on social upgrading, Marxist scholars have criticised WSA’s focus on the distribution of profits and argued that the social relations of
production remain underexposed (see Bernhold 2019). Labour does play a role here, especially with respect to differentiated systems of labour control, working conditions, and wages, which are assumed to be worse in peripheral chain nodes (Hopkins and Wallerstein 1982, p. 126). But as WSA seeks to explain the practice of “unequal exchange” (Wallerstein 2000a, p. 221), and by understanding capitalism as a system in which capitalists “seek to accumulate capital not via profit but via rent”1) (Wallerstein 1988, p. 103), it tends to reduce the explanatory power of the concept of exploitation to profiteering among chain nodes, neglecting class relations as drivers of historical development (Hadjimichalis 1984, p. 331). This results in a limitation of its conceptual tools for an analysis of how value is produced and distributed between and also within particular chain links.2) However, WSA bears crucial strengths, including the notion that inequality cannot be generally resolved under capitalism, a view largely abandoned by later GVC scholars.

2.2 Mainstreaming chain research: From global commodity chains (GCCs) to global value chain (GVC) upgrading as a new paradigm for development

The conceptual access of chain research was altered under the global commodity chain (GCC) framework in the 1990s and further modified by GVC scholars in the 2000s (Bair 2009; 2014). Especially the GVC version has gained importance in policy circles such as development agencies and the World Bank (Werner et al. 2014; see, e.g., Taglioni and Winkler 2016; WDR 2020), as well as for corporate actors (Bernhold 2019). Here, it has been used for an affirmative paradigm of capitalist development and its supposed trickle-down effects on workers. While I am aware GCC/GVC studies have been compiled from different perspectives, the following summarises conceptual shifts that have made it possible to use them in this way.

GCC scholars at first maintained the focus on “world-economic spatial inequalities” (Gereffi et al. 1994, p. 2). They argued that “industry is not always a motor of development” (ibid., p. 4), for example, when high-value products for export are based on low-waged assembly tasks in situ (Appelbaum et al. 1994; Lee and Cason 1994; Parnreiter 2013). Therefore, they proposed to examine the mode of the integration into global production and shifted the focus to analysing organisational structures of command and control exercised by lead firms that shape chain nodes, set entry barriers, and appropriate large parts of the value-added along GCCs (Bair 2009; see Gereffi and Korzeniewicz 1994). Chain governance became the most influential dimension of analysis, and scholars identified a growing power of oligopolistic retailers and brand firms that, to counter the

1) This conception of the distribution of profits is inspired by Schumpeter’s (2003 [1943]) understanding of value in terms of rent, that is, above-average profit enjoyed due to monopolisation (see Selwyn 2014, p. 104; Werner 2018, p. 5).

2) Silver (2003, p. 30) has acknowledged that while world-systems analysis (WSA) emphasises “real constraints that the totality imposes on the range of possible action open to local actors […] its weakness is that it excludes a priori a situation in which local action [e.g., decisions forced through by either capital or workers, C.B.] significantly impacts local outcomes.”
crisis of declining profits, reduce labour costs via outsourcing and determine the terms and conditions of overseas production (Gereffi 1994; see Bair 2009).

GCC research has sprouted substantial insights into control strategies and geo-economic power differentials, among other things. However, while it was initially thought to examine organisational structures that impede upgrading, it has also discontinued the emphasis on structural characteristics of capitalism. Furthermore, scholars have stressed the necessity to address the social relations of production to actually explain governance-power – as a historically specific outcome of class relations and capitalist competition (Campling and Selwyn 2018). The absence of labour in much of the GCC-literature will be discussed below.

Throughout the 2000s, these omissions have been accentuated by GVC scholars who aimed to spread the “gains from globalisation” (Gereffi and Kaplinsky 2001) and to help craft tools for “industrial upgrading, economic development, employment creation, and poverty alleviation” (Gereffi et al. 2005, p. 79). GVCs are typically studied from the vantage points of governance and upgrading (Lee and Gereffi 2015, p. 321). As for the first, scholars have shifted to a more technocratic understanding of governance as the “coordination of economic activity” (Gereffi et al. 2001, p. 4; see Sturgeon 2009, pp. 118f). Upgrading has been widely understood as a process by which firms or regions and workers advance into “relatively high-value 3), sustainable niches” (Gereffi et al. 2001, p. 5), which occurs through innovations that allow for higher returns. Kaplinsky and Morris (2001, p. 38) have identified different upgrading trajectories that are commonly adopted and include process, product, and functional upgrading (e. g. by changing the mix of activities conducted in a firm), as well as movements into new value chains. This “new paradigm for development” (Gereffi and Fernandez-Stark 2016, p. 24) refers to upgrading within any industry, including agriculture (see Bernhold 2019 for an imminent critique).

Most scholars acknowledge that this is not a straightforward process. Factors that are assumed to determine the odds of upgrading include socio-politico-spatial dynamics and forms of chain governance (Gereffi 2014), the result of which may include downgrading. Studies have also indicated that upgrading capacities tend to be geographically concentrated (Gereffi 2014; Humphrey 2004; Lee and Gereffi 2015). However, the approach presupposes that analyses of the conditions under which firms and countries are integrated in GVCs generally allow for the creation of suitable chain development strategies. When it comes to actors considered as the subjects of such developments, literatures have at first mainly focused on firms, states, and development institutions (Humphrey 2006; Trienkens 2011). Capital interests and the question as to what happens if firms are not willing to change their behaviour were widely factored out. Fittingly, Werner et al. (2014) have described the GVC framework as a co-optation of critical theory, reinforcing the belief in capital-led development to the benefit of all.

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3) Value, here, is understood in the above-described sense. Critics have noted that the GVC analytic does not actually work with a coherent theory of value, let alone one that deals with exploitative social relations (Quentin and Campling 2018; Selwyn 2013).
2.3 The social upgrading agenda

Scholars from different currents have soon criticised the global value chain (GVC) approach, among other things for its “labour blindness” (Taylor 2007, p. 529; see Bair and Werner 2015; Fischer et al. 2021; Newman 2012; Selwyn 2012; 2013). Labour is often inexisten (also graphically) in depictions of value chains, or merely mentioned as an input or cost factor (see Gereffi and Fernandez-Stark 2016, p. 8; Kaplinsky and Morris 2001, pp. 4ff). At the same time, the GVC perspective has implicitly (or even explicitly, as in the WDR 2020) assumed that economic upgrading translates into social enhancement and more and better jobs. Workers appear as beneficiaries of capital-led development, often in abstraction from “the anti-developmental outcomes” of GVC-participation for them (Selwyn and Leyden 2021, p. 3).

Several GVC scholars have themselves responded to such critiques, and taken issue with the real-existing disjuncture between economic upgrading and social gains. Knorringa and Pegler (2006, p. 470) have argued that processes of immiserising growth have made social improvements especially in low-skilled production “very unlikely”, and that strategies like ethical sourcing often only benefit workers in key firms. In a similar vein, Barrientos et al. (2011a) have found that employment in GVCs frequently has adverse effects on working conditions and salaries (see Bernhardt and Milberg 2011). In this view, upgrading is a segmented process which possibly exposes local firms and workers to new risks resulting from lead firm requirements or competitive pressures that may entail a social race to the bottom.

As a response, scholars have introduced the social upgrading agenda, which encompasses improvements in labour conditions and wages, gender equality, economic security, and other benefits of workers in GVCs, including their right to organising and collective bargaining. Maintaining upgrading as a general development strategy, scholars have used this heading to examine the conditions under which capturing the gains of upgrading can be made possible in situ for more than just firms (Barrientos et al. 2011a; 2011b; Gereffi 2014; Lee et al. 2011; Milberg and Winkler 2011). According to Barrientos (2019), the concept helps analysing up- and downgrading trajectories and their consequences for workers, to whom the pressure that lead firms exert on suppliers is often passed on (see Flecker 2021, pp. 149f).

To secure social upgrading, studies have proposed to adhere to the ILO Decent Work Agenda (Barrientos 2007) to “improve the position of both firms and workers” (Barrientos et al. 20011a, p. 320). Gereffi and Luo (2014, p. 19) assume that socio-economic win-win scenarios can be created through “public-private-civil society partnerships, as well as regional partnerships involving countries and firms that lead international production networks”. Firm-level upgrading, in this view, is one condition for social upgrading, the others being corporate social responsibility (CSR) and deliberate actions that seek to introduce better standards and regulations, possibly enforced in collaboration with the International Labour Organisation (ILO), governments, firms, business associations, consumer groups, workers, and trade unions (Barrientos et al. 2011a; Gereffi and Luo 2014; Gereffi and Lee 2016; see Dünhaupt and Herr 2021).
2.4 Critical assessments of the social upgrading agenda

One of the underlying assumptions in mainstream GVC research is that poor salaries and working conditions are primarily an effect of employment in low-productivity economic sectors, neglecting capitals’ systemic interest in appropriating as much surplus value produced by workers as possible. In fact, much of the labour controlled by core-like firms in peripheral regions is poorly paid, also when employed in highly productive factories (Selwyn 2016b; Suwandi 2019). Even though the social upgrading agenda has taken up the issue of deleterious effects of real-existing GVC-development upon workers, it does not “identify the roots of such processes” (Selwyn 2016b, p. 5) in class relations and is therefore “only partially equipped to explain the existence of indecent work” (Selwyn 2013, p. 75).

As a consequence, the idea of achieving social upgrading through public-private-civil society partnerships is somewhat naïve: first, due to a belief in the state as a neutral actor and in a general will of corporate actors to transform labour control regimes to the benefit of workers; second, due to the non-recognition of capitals’ often hostile responses to the demands of workers and their organisations (Selwyn 2012, p. 7). Even though unions are regarded as actors who have a role in social betterment, this is often being attached to the co-operation with corporate actors in social partnerships – in contrast to an understanding of antagonist capital-labour relations, where gains must be struggled for against capital interests.

On this note, the contradictions that are inherent to the GVC-upgrading paradigm cannot be resolved by merely adding on a social-upgrading agenda. Marxist scholars have instead proposed to renew value chain analysis on the basis of a social-relational understanding of global capitalism. Campling et al. (2016, p. 1745), for example, have considered class dynamics to be “at the heart of developmental processes”. They argue that the laws of motion of capital do not play out the same way in every historical and geographical situation. Nevertheless, profit-making based on the exploitation of workers is a general feature of capitalism. This implies abandoning an all too optimistic belief in companies as social partners. Negative social outcomes are not just by-products but can rather be conditions of successful upgrading.

In Argentina, for example, agro-industrial development has entailed the reorganisation of the local social relations of production: upgrading has taken place „in and through class differentiation” (Bernhold 2019, pp. 275ff), meaning that it is by shaping the exploitative social relations of production it is achieved, not just by innovation. Scholars have also advocated the notion that analysing the conditions of workers’ collective action (and how both developments in capitalism and corporate strategies may constrain them) is key when it comes to achieving better salaries and working conditions (Marslev et al. 2021; Selwyn 2013; 2017; Taylor et al. 2015).4)

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4) An often-discussed constraining factor is lead-firm pressure passed on to workers in peripheral chain links by suppliers, who often use violent means to enforce low wages and a high labour intensity (Anner 2019; 2021). However, the notion that lead firms impose poor working conditions on supplier firms in peripheral chain links (Flecker 2021, p. 149) sometimes seems to suggest that suppliers would otherwise share workers’ interests.
The following is thought as an empirical contribution to illuminating systemic discrepancies between business interests and major improvements to be gained by workers. While I endorse the notion that a social-relational approach to capitalism is essential (Bernhold 2019), this paper argues in particular that corporate strategies and interests may be clearly directed against unions, a fact that contradicts their invocation as social partners.

3 The context of my study: Agro-industrial value chain development in Argentina

After then Argentine President Mauricio Macri took office in December 2015, scholarly and political critics of this government widely shared the diagnosis that it had quickly begun to alter the country’s political economy in a way that benefits highly concentrated capitals and disadvantages workers and marginalised groups. However, there is some disagreement when it comes to assessing the extent of the political sea change from the previous governments of Néstor Kirchner (2003–2007) and his successor Cristina Fernández de Kirchner (2007–2015), especially with respect to agribusiness related policies. The Kirchner governments made the case for a neo-developmentalist program and attached importance to both primary production and agro-industrial processing as a lever for local progress (see Gras and Hernández 2016, p. 15). Scholars have pointed out that these administrations made a de facto difference through redistributive social policies, among other measures (Basualdo 2006, p. 173). Yet at the same time, their policies helped to deepen the concentrated capital-power of large corporations operating in different value chains links (Lapegna 2017, p. 314; see Azpiazu et al. 2011; Fernández 2013; Romero 2016).

Many studies have shown that grain and oilseed production in this country has undergone significant changes over the past three decades. Among other transformations, scholars have pointed to the technologising of primary production, and to the advent of modern large-scale agribusiness. Extensive soybean cultivation and its adverse ecological and social effects have received particular scholarly attention (Acosta Reveles 2008; Gras and Hernández 2013; Giarracca and Teubal 2008). The development of the means of agricultural production in Argentina has been widely associated with the introduction of a “technological package” (Leguizamón 2014, p. 151) for capital – not labour – intensive production. It is based on a biotechnology-agrochemical complex, and on no-till sowing. Lately, precision farming has gained importance, too.

Grain and oilseed production have long played a crucial role in Argentina’s economic, political, and social history. However, it began to skyrocket around the turn of the millennium. The harvested area for soybeans, maize, and wheat increased from approximately 11.8 million hectares (ha) to 29.9 million ha between 1990 and 2019. In this same period, the production of these commodities more than quadrupled from 26 million tons to nearly 132 million tons, and the average yield has grown from 2.1 tons/ha to 3.3 tons/ha in the case of soybeans and from 3.5 tons/ha to 7.9 tons/ha in the case of maize. Accordingly,

Productivity has increased significantly. Soybeans and its derivatives alone accounted for a quarter of Argentina’s total exports in 2018. In this context, Argentina has also become an important player on the world scale. It ranks third in exporting raw soybeans after Brazil and the US (USDA 2019, p. 26). Furthermore, the country has developed a considerable processing industry for these oilseeds. 44.5 out of 58.8 million produced tons of soybeans (more than 75 %) underwent at least a first step of industrial processing in situ in 2016. That same year, Argentina was the third biggest crusher of these oilseeds after China and the US, and the world’s top exporter of soybean oil and soybean meal (ibid.).

In this context, some agriculture companies of Argentinian origin have managed to grow to such an extent that they are able to integrate their investment activities within larger parts of agro-industrial value chains, including technology development, the production and sale of agrochemicals, the provision of financial and other agro-related services, the commercialisation of crops, and the operation of processing plants. At the same time, these actors have changed the dominant model of primary production away from a system that was, for much of the 20th century, dominated by Chacareros. Today, agricultural companies and/or sowing associations mostly outsource rural labour, such as sowing and harvesting. They lease in land and machinery, contract labour, and manage primary production on large scales (see Bernhold 2019 for a more detailed account and case studies).

These developments resemble the above described notions of GVC-upgrading trajectories. In fact, the belief in the opportunities of upgrading to spread the gains of capitalist progress can also be observed in mainstream debates on agro-industrial development in Argentina. Studies have argued that this South American country has the potential to “capture greater benefits” (Anlló et al. 2013c, p. 23, own translation) by exporting more processed products, such as biofuels. But even for the current situation, these voices positively highlight the already implemented state-of-the-art technology driving soy, maize, and wheat production, point to the role of industrial processing and domestic value added as an engine of development, and hint at the job creation capacity of agro-industries (Anlló et al. 2013a; 2013c; Llach et al. 2004; Lódola and Brigo 2013).

However, among other deep-rooting problems of socioeconomic development, there is a high degree of concentration and centralisation of capital – often international capital – in almost all agro-industrial chain links. Although primary production is the most atomised node (Bernhold 2019, p. 140), it has undergone a process of concentration, too (Berndt and Bernhold 2018; Fernández 2013). Recent census data registered 250,881 farming units nationwide, approximately a quarter less than at the beginning of the millennium. 28 percent of the local farms have disappeared between 2002 and 2018, whereas the number of production units bigger than 2,500 ha has grown (see Bernhold and Palmisano 2021 for an in-depth analysis of ongoing capital concentration). Beyond that, the assumption that agribusiness development has (automatically) brought along social gains can be challenged by a look at labour relations in the next section.

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7) Chacareros have been described as traditional capitalised farmers who own the machinery needed for grain cultivation and cattle breeding, with a strong participation of family labour in direct production for both subsistence and the market. Until the mid-20th century, many of them leased-in land. Later, they gradually acquired land property through market purchases or colonisation policies (Muzlera 2020).
3.1 Labour and (absent) struggles in primary production and in the vegetable oil industry

Process upgrading – i.e. the development of the means of production and organisational changes – in Pampean agribusiness has gone along with changes in the local social relations of production (Bernhold 2019). Among other things, this includes that most of the seeding, harvesting, and fumigating that is done by those who have nothing to sell but their labour power is outsourced to contratistas. Furthermore, this has been accompanied by a process of relative proletarianisation: In absolute terms, the demand for labour has been reduced considerably with the increasing labour productivity, leading to a competition among workers and a huge dependency on the jobs that exist. Relative to the remaining productive labour, a growing share is commanded by capital and done by wage workers who produce a surplus value that does not remain in their own hands (Bernhold 2019; Bernhold and Palmisano 2021). The outsourcing of labour to contratistas, which has been analysed as a strategy of flexibilisation that allows firms to reduce risks and labour costs by reducing permanent employment, has also gone along with a shift from permanent employment to temporary work (Neiman 2010; Sánchez Enrique 2016).

As for the salaries of the agricultural machine operators in the Pampean region, they have not at all increased correspondingly with the growing productivity in agribusiness. Villulla et al. (2019) have compared the evolution of the real wages of these machine operators – the best paid rural workers in Argentina – under Cristina Kirchner’s and Mauricio Macri’s governments. Between 2008 and 2011, their wages for an eight-hour day were on average 14 percent below the region’s basic family basket, referred to as the poverty line in the following. During Kirchner’s second term, the wages increased to be above this line. In 2011, a new Agricultural Labour Law was enacted, which regulates the eight-hour day (allowing up to 30 overtime hours per week and 200 per year), among other things. Even though actual practice has not changed in many instances, this law implied a change in the correlation of forces between agricultural “patrones” and the government, which, in turn, expressed “a general, albeit limited, change in the correlation of forces between capital and labour” in Argentina to the benefit of the latter (Villulla et al. 2019, p. 57, own translation). After Macri took power, real wages dropped again significantly, and have been back below the poverty line since 2019.

Especially the hourly wages are low, and to achieve better monthly wages, agricultural machine operators often spend months on the road and work up to 16 hours per day. They sleep in trailers in the fields where they are available around the clock, thus actually spending 24 hours at work (Villulla 2015; 2018). To put it briefly, they have not gotten their “share” out of agribusiness development – and this is not a mere by-product, but part of the basis of local firm upgrading (Bernhold 2019).

Villulla (2015) also points out that labour outsourcing conceals class differences and exploitation, for it defines capital and labour without them being in a direct relation with

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8) *Contratistas* is the local name for firms that hire wage workers – often combined with own and family labour – and sell agricultural labour services (sowing, harvesting, fumigating, fertilising, etc.). Although they vary in size, most of them usually employ a maximum of four workers to operate a few machines (Villulla 2016).
one another. In these labour relations, workers are not only geographically scattered in their direct workplaces, the fields, but also socially dispersed in terms of whom they work for. And as contratistas and their workers are often acquaintances and share the physical work, the social difference between them is often much smaller than with agribusiness companies.

This has contributed to a near absence of organised labour disputes in local grain and oilseed production in recent years. To be precise, this does not mean that there are no social struggles at all. There are plenty of conflicts, for instance, led by the Madres de Ituzaingó or the collective Paren de Fumigar who campaign against the aerial application of agrochemicals and their environmental and health effects. Furthermore, there are small unions and cooperatives of vegetable producers who protest against the privileging of big agribusiness in the Argentinian political economy, among others. As for the wage workers in Pampean grain and oilseed production, Villulla (2015) has identified individual forms of protest against particular working conditions or dismissals.

However, a lack of collective class struggle from below in this branch since the beginning of the violent neoliberalisation of rural labour relations, beginning under the military dictatorship that seized power in 1976, has added to a consolidation of overall comparably low wages. There is no single reason for this, instead an array of economic, practical, and political-cultural constraints to both organising and the development of class solidarity. A conjunction of (a) the locally specific social relations of production, (historical) domination and disciplining of labour, (b) the organisation of the work process in the wake of upgrading, (c) actual unionism, and (d) questions of hegemony, culture and identity together have constrained the translation of socioeconomic, class-based exploitation into political class formation (Neiman 2010; Villulla 2012).

One expression of this situation is that considerably fewer collective agreements on salaries and working conditions have been negotiated in agriculture than in the manufacturing industry. In 2016, for example, the latter accounted for over 38 percent of the collective agreements, agriculture and mining together only for 3.6 percent (Bernhold 2019, p. 316). The quantity of agreements does not yet say much about their content. However, wages have really developed considerably better, for instance, downstream in the chain in the vegetable oil industry than in agriculture. In 2008, the monthly wages agreed to in the respective collective bargaining agreements were still roughly the same for agricultural equipment operators and workers in the vegetable oil industry. In 2018, however, the latter’s agreed monthly wages were on average twice as high as those of their counterparts in the countryside. Around that same year, even the lowest wage category in this industry

9 Interview with a petty commodity producer and representative of APER, an association of regional peasants in the province of Buenos Aires, July 28, 2016.
10 See Villulla (2015, pp. 23ff) for a history of the rural labour movement in the Pampean region, including successful unionising in the 1970s.
11 The responsible labour union UATRE is widely seen by critical scholars as a pro-neoliberal union that has hardly made efforts to bridge socioeconomic, cultural, and work process-related fragmentations within the rural working class, which are even bigger between machine operators and other rural workers, and vis-à-vis migrant workers, as part of a collective commitment to achieve better salaries and working conditions (see Bernhold 2019, p. 316). In 2015, UATRE openly supported Mauricio Macri’s candidacy.
figured at the top of wage competition in Argentina, exceeding the average in the private sector since 2010 (Bernhold 2019, p. 318).

These wage differences compared to rural workers are not merely due to the respective industry’s position within the value chain. The fact that workers in the oilseed processing industry are highly organised and the F.T.C.I.O.D y A.R.A is among the most combative unions in Argentina plays an important role here. Union lawyer Pepe explains that vegetable oil workers used to get low salaries when compared nationally “and if they [the business associations] could, they would reduce them again and return to those terms.” According to the F.T.C.I.O.D y A.R.A., the change that took place over the past decade is “due to the change of our union policy”. The workers’ federation had long existed (since 1947) but during the 1990s, union secretary Victor contends, there was not much room for union action. Furthermore, similar to the rural workers, large parts of the labour in this industry were outsourced, so that it was hard to organise people. “We were very divided, very atomised, and we were really, ehm, within a totally adverse power relationship.”

Even when the soy crushing industry became more important in the Argentinian political economy in the new millennium, the situation of workers did not change. However, from 2004 on, the union began to organise more industrial action “with one or two-day strikes once or twice a year”. The first agreement for a 20 percent salary increase was negotiated with the company Dreyfus. Here, union lawyer Silvio says, “we learned from the company’s financial reports that the labour cost was only something like 0.2 percent”. In 2009, the first collective bargaining of the federation took place at the national level. Since then, the collective agreement has covered all companies nationwide (except for those in the city San Lorenzo).

Ever since, conflicts have not only revolved around wages. According to Victor, struggles have also led to a change in overtime regulations, for example. In contrast to the agriculture machine operators, the earnings of the oil workers are based on three rotating eight-hour shifts (with a nighttime surcharge). Another difference from rural workers is that labour in the vegetable oil industry is largely based on permanent contracts. Furthermore, since 2008, non-outsourcing was contractually defined. Asked how this was achieved, Victor answers that the union first tried to negotiate for years, “and well, when they didn’t understand us, we went on strike”. According to Silvio, non-outsourcing “implied an absolute change in the conditions of both work and union activities”.

With this short account of labour struggles in the vegetable oil industry, I do not mean to assert that everything is well in this link of the agro-industrial value chain, nor that

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12) Today, the vegetable oil industry is monopolised by a couple of multinational corporations.
13) F.T.C.I.O.D y A.R.A. is short (in Spanish) for the Argentine Workers’ Federation of the Industrial Oilseed and Cotton Complex. It organises 21 unions that operate in different regions in Argentina.
15) Interview with the secretary general of the F.T.C.I.O.D y A.R.A., August 9, 2016.
16) Ibid.
18) Ibid.
19) Interview with the secretary general of the F.T.C.I.O.D y A.R.A., August 9, 2016.
20) Ibid.
labour struggles can easily lead to social betterment within the capitalist world system, regardless of the actual historical and geographical conditions. Even if this union has achieved improvements, this does not alter the oligopolistic power in this chain link and its impact on other nodes. The conditions of labour struggles for a greater share of the value are incomparably better in the vegetable oil industry than in primary production. Workers are not as socially and geographically dispersed, and it is easier to organise and build solidarity among co-workers who face companies like Bunge or Dreyfus and their respective profits instead of rural contratistas. And in labour struggles, they also have a geographical advantage, namely that when these workers paralyse plants or a port at one location, they already address an important part of the companies operating in this chain link, and a delicate part of the country’s export economy. However, better salaries are not given to vegetable oil workers automatically. Social improvement in the wake of upgrading is a question of “the strength of productivity gains and how the benefits from increasing productivity are distributed between capital and labour” (Harvey 2017, p. 108), depending on both the conditions for and the actual practice of labour action – in other words, the dialectics of economic development and class struggles. However, as the following shows, this notion stands in sharp contrast to the ways in which corporate actors position themselves in terms of social upgrading.

4 Corporate strategies and social upgrading

Chain research has hitherto paid little attention to how corporate actors in general and agribusiness associations and firms in Argentina in particular have used its concepts. On these grounds, closer empirical attention needs to be paid to the question of how these actors actually define their role in social upgrading (see Bernhold 2019, pp. 163ff for a broader analysis). This chapter considers the strategic approaches of the Argentinian Soy Chain Association (ACSOJA), its equivalent for wheat, ArgenTrigo, various of their member organisations that represent firms in different chain nodes, and case companies. At the same time, it draws attention to contradictions between the identified narratives and the social upgrading agenda. This includes a focus on how these agribusiness actors address value chain development from a class-biased perspective, meaning that they approach the matter from the ideological location of capital’s vested interests.

4.1 Agribusiness associations and social upgrading

Agribusiness associations in Argentina have arranged for a common practical approach to agro-industrial development, pushed by chain-wide organisations that unite business groups operating along grain and oilseed value chains. For them, the value chain is not only an analytical tool but also a level of manufacturing a “gradual perception of common interests” and “organisational structure(s) to advance these interests”, to borrow Wallerstein’s (1975, p. 370) words on political class-formation. According to ArgenTrigo representative Diego, organising as a chain is a crucial condition for the success of agribusi-
ness: “You have to start analysing how to improve competitiveness. [...] When you go out to bargain and compete, then you have to think more chain-like than individually.”

ACSOJA and ArgenTrigo have materialised this position in chain-wide business associations that bring together industry federations operating along grain and oilseed value chains to reinforce the economic and political influence of agro-industries in Argentina. They have aspired with some success to strengthen particular discourses on agribusiness in the public sound space. These chain-wide associations build a contradictory unity in the sense that they seek to cover economic and power differences, for instance, between associations that group large multinational soy processors and exporters and others that group smaller local companies, and reach a degree of internal consensus building to facilitate political lobbying beyond individual business organisations, and to increase the political and ideological influence in the extended state (in a Gramscian sense).

Both institutions declare that they seek to consolidate agribusiness as the “most important sector in the economy, projecting a future characterised by sustainability, competitiveness, and growing value added”. They attach importance to promoting agro-industrial value chain upgrading as an engine not only for economic but also for social development. It is their stated goal to “add sustainable value” to the benefit of the society as a whole, “if we all work together”. However, on closer examination of the addressed ‘all’, the subject of this development is confined to an agribusiness-related “coordination between private actors, the scientific-technological sector, finance, and the public sector”. While workers and other subalterns remain outside of this conception of the subject of progress, they are considered as objects of socioeconomic enhancement: ArgenTrigo’s official strategy includes the “generation of development and jobs in all the territories”, and thus the success can be “the success of everyone”.

While referring to development true to the motto “our growth is good for everyone”, the question of who benefits from real existing GVC development in situ is eventually factored out, unless it concerns particular issues that negatively affect the consulted actors themselves. In contrast to the positive depiction of spillover-effects of agribusiness development in terms of a broader national development, critical studies have pointed to

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22) Interview with two representatives of ArgenTrigo, May 12, 2016.
26) Ibid.
27) Ibid. Elsewhere, I discussed how different suggestions made by agribusiness associations to achieve this (including institutional learning in GVCs, the promotion of competitive advantages through further process, functional, and chain upgrading) are made from a perspective of capitals’ vested interests (Bernhold 2019).
28) For example, biofuels exported from Argentina are mostly produced with imported high value means of production. The imported constant capital hardly creates incentives for local producers who just assemble the machinery. Most of my interviewees do not take this into consideration as a problem, since it does not affect their firm-level accumulation basis – except for the Chamber of Argentinian Agricultural Machinery Manufacturers (CAFMA), whose concerns, however, do not arise from a general critique of center-periphery relations, but instead from its economic basis, which depends on the capacity to produce means of production locally (Bernhold 2019, pp. 172ff).
the above-mentioned processes of capital concentration as well as to the technological recourse of agro-processing industries to imported technology and related profit-transfers to capitalist centres. Accordingly, the success of a few powerful companies in Argentina is not paralleled by a dynamic and socio-spatially deconcentrated economic development within the country (Azpiazo et al. 2011; Romero 2016; see Bernhold 2019).

Job creation as social upgrading?

With respect to social upgrading, the analysed agribusiness associations portray it as a by-product of corporate upgrading. Here, ACSOJA and ArgenTrigo almost exclusively refer to job creation, which is presented as an essential result of agro-industrial value chain development. In a joint press release, the agribusiness associations write that in Argentina “the only way to create genuine employment is through the generation of wealth based on an increase in the production of raw materials and its derivatives”.29) This essentially draws on a modernist trickle-down logic according to which (agri)business wealth generation ultimately leads to social development.

In fact, my interlocutors repeat a widespread criticism, according to which the increased mechanisation at the point of primary production has diminished employment in rural areas. Eugenio, a representative of the SRA (Argentine Rural Society, an influential association of large landowners founded in 1866) explains that farmers today usually do not live in the countryside and hardly create jobs. “Why should I pay employees?”, he asks. “A small part of the staff is permanent, […] and then we hire people temporarily […] but the direct occupation in the countryside has diminished with the soy production.”30) However, he argues that one cannot only take primary production into account when evaluating agribusiness’ job creation capacity. Instead, the latter lies in the agro-industrial value chain as a whole. “All these people that leave agriculture go to transport, to the processing plants, to services that are important for agriculture.”31) Agribusiness associations state that more than one third of all jobs created in Argentina can be attributed to agro-industrial value chains. The argument goes that “for each direct employment generated in agriculture, four are generated indirectly”.32) Even if human labour tends to be replaced by machines, “someone needs to design it, produce it, sell it, sell related services. The change is perhaps going to consist in the composition of […] employment.”33)

Yet, according to their own information, the business associations do not generate data on job creation in agribusiness GVCs. Their source goes back either to rough estimates or to the above-mentioned study by LLACH et al. (2004), according to which 35.6 percent of all employment in Argentina was attributed to agro-industrial chains in 2003. In emphasising social spillovers, the authors map out downstream employment effects of functional

30) Interview with a representative of the SRA, August 7, 2014.
31) Ibid.
32) Interview with an economist at the grain stock exchange in Buenos Aires, May 26, 2016.
33) Ibid.
upgrading in agriculture value chains in Argentina that are supposed to compensate for job losses at the point of primary production.34)

Critics have pointed out, first, that Llach et al. do not only include grain and oilseed value chains, but also other agriculture industries that are much less mechanised and more labour intensive. Nevertheless, ACSOJA and ArgenTrigo use the study’s data for a positive portrayal of their branches. Second, Llach et al. have been validly criticised for their very broad understanding of indirect jobs (Rodríguez 2005). According to their method, even the labour spent on the production of a TV bought by a trucker who transports soy can be assigned to the soy chain as indirect employment. Applying this method to other chains, most of the jobs in Argentina would be counted twice and triple. Furthermore, my interlocutors adopt the notion of indirect employment in an idiosyncratic sense. To illustrate the importance of indirect jobs, they often instance qualitative changes in local labour relations – that is, the outsourcing of rural labour to contratistas. Diego, for example, explains that

“a majority of the producers do […] not seed but contract a contratista for that, who in turn has employees. […] So, one thing is direct employment and another thing is total work […] we are not talking about direct employment but also about indirect jobs, right? Because you need more and more services all the time and these services are not direct employment.”35

SRA representative Eugenio more concretely points to the outsourcing of rural labour to contratistas as “a strategy to lower labour costs”.36 Yet while this labour is directly spent in agriculture, though the relation to capital is intermediated by contratistas, he also lists such services as indirect jobs. Thus, specific forms of rural labour are unduly invoked as an example for the extra job-creation capacity of modern agribusiness.

This discussion is not meant to downplay the number of people working in agro-industrial chains in Argentina. In fact, determining the exact number of jobs is not an easy endeavour. Of data on registered jobs in the private sector in 2014, which I received from the Employment and Business Dynamics Monitoring Centre at the ministry of labour, I selected all categories that stand in relation to grain and oilseed value chains. Summed up, these jobs account for 9.01 percent of all registered jobs (see Bernhold 2019, p. 179). However, these data are not accurate. First, they do not count informal labour. Second, some of the activities listed here, such as transport, do not exclusively refer to agro-industrial chains. Third, data can vary according to the source. The Agricultural Foundation for the Development of Argentina (FADA, in Spanish) estimates that in 2016, 17 percent of all

34) The argument goes that functional upgrading does not only create employment in links that are directly part of agro-industrial chains. Instead, it also has an indirect impact on employment created through the net demand of inputs in each chain link, and a secondary indirect impact, for instance, through public employment created with taxes paid by agro-industrial companies as jobs that are generated due to consumption financed with incomes generated within agro-industries (Llach et al. 2003, p. 8).
35) Interview with two representatives of ArgenTrigo, May 12, 2016.
36) Interview with a representative of the SRA, August 7, 2014.
employment in Argentina’s private sector was attributed to all agri-food chains together. Out of this, the institution attributes 35 percent to grain and oilseed value chains (ibid.).

What becomes evident here, however, is how chain-wide agribusiness associations present themselves as promoters of social upgrading via economic growth, based on the job-creation capacity of agribusiness networks. At the same time, the emphasis put on the latter is clearly not based on well-founded analyses. The sparse substantiation of the data disseminated by dominant agribusiness associations suggests that their discourse on social development pushed by agro-industrial chains stems from an ideological strategy to present themselves in a positive light rather than from an endeavour to determine the real number of wage dependent people making a living in agribusiness. In this context, agribusiness associations use the value chain metaphor to whitewash their business rather than act on a serious concern for social upgrading.

It is also striking that quantitative job creation is the only concrete aspect of social development that is positively mentioned by my interviewees. Here, the unsaid is revealing. In none of my interviews did representatives of business associations talk about issues such as economic security or about any other aspects of social upgrading, like social infrastructure, elderly care, labour conditions, gender equality, or income distribution. In other words, their discourse is tailored to quantitative employment only. The only further aspects mentioned are salaries and the right to organise. But, as the following shows, when connected to demands on capital made by organised workers, actual unionising and successful struggles for higher salaries are discussed as limiters to social upgrading.

**Business associations and combative unions**

When my interviewees detect limits to social upgrading, these are mostly traced back to factors that are beyond any corporate control and hence lie outside their scope of responsibility. A case in point are poor salaries, which Alfredo from ACSOJA, for instance, depicts as merely inflation driven: “Salaries are constantly being adjusted to inflation, right? In reality, salaries are not good in Argentina. Inflation is higher than wage adjustment.”37 In this view, poor wages, are a matter of macroeconomics, not of capital-labour relations.

With respect to relations between business associations and labour unions, most of my informants depict them as tranquil, as long as the unions do not demand much. Fabio, a representative of the Chamber of Argentinian Agricultural Machinery Manufacturers, for instance, explains that

“There [the companies] have a commitment with the community [...] they buy things in the same supermarket, go to the same club, their children go to the same school... So there is a social commitment. [...] And also the relationship with the union tends to be very good. What happens is that the union, the metalworker’s union, knows that it can’t push too hard, because then all this reality would fall down.”38

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37 Interview with a representative of ACSOJA, August 7, 2014.
38 Interview with a representative of CAFMA, May 13, 2016.
Where unions are combative, in contrast, they are even regarded as a limit to social upgrading. CIARA-CEC for instance, has a more negative opinion of unions. The association groups high-profit multinational companies with high organic compositions of capital, which face off against one of the most combative unions in Argentina. As I described in Section 3, the F.T.C.I.O.D. y A.R.A. has achieved quite a lot in terms of social improvements for workers in the vegetable oil industry.

CIARA-CEC representative Marcos identifies a problem with the fact that this union affiliates workers in the Rosario port area, while in another export hub further north, San Lorenzo, workers are organised in a different union: “When either of them achieves an enhancement, the other wants it, too.” He says that “the relation [with the union] used to be very good (laughs loudly). […] Ten years ago, it was a fairly quiet relationship, quite easy. When there was a conflict, we talked on the phone and we quickly found a solution […] today there are no such things.” Julieta agrees that “the oil workers have strong unions that usually get what they ask for, because they have a lot of power of action […] they can easily blockade the entry to the plants”. CIARA’s negative opinion of organised oil workers is supported by ACSOJA and ArgenTrigo. Alfredo and Diego portray even large, oligopolistic processing companies as downtrodden by workers’ demands. According to Alfredo, who has a managing position in a soy processing company in addition to his representative function in ACSOJA,

“oil plants have union pressure, strikes, production stops. The same happens in ports. […] There is a situation with the unions who want more and more […]. So, the labour cost today in Argentina is high because there is a lot of constant conflict with the unions in the oil industry.”

In other words, in this case, as soon as unions really achieve parts of what is understood by social upgrading, corporate representatives no longer see them as potential partners, but rather as opponents.

Diego even describes unions as the drivers of economic concentration (their demands drive small companies into bankruptcy, he says). He omits, however, the fact that small companies are unable to compete with the state-of-the-art technology and the scale of production in the oligopolistic soy processing industry in any case. Furthermore, he argues that unions force companies into employing workers informally: “The labour unions sit down with the large companies and dictate how much the salary will be, and the small company cannot compete, so what happens? It has to have informal workers.” As Diego goes on, this is also reinforced by the Argentinian labour law. If you want to dismiss someone, he explains, you have to pay the person a monthly salary for every year he had worked for you. Accordingly, companies are pushed into hiring workers informally. CIARA, however, admits that while on average 20 percent of labour in Argentina is informal,

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39) Interview with two representatives of CIARA-CEC, June 2, 2016.
40) Ibid.
41) Interview with a representative of ACSOJA, August 7, 2014.
42) Interview with two representatives of ArgenTrigo, May 12, 2016.
the companies it groups generally employ workers formally – not on their own initiative but rather because the “unions with a lot of power” fought for this.43)

4.2 Firm-level and social upgrading

Agribusiness development in Argentina has included possibilities for some locally born companies to upgrade and grow into multinational corporations. Examples are Agrigood, El Agro, and Lagricola (see Bernhold 2019, pp. 215ff). All three were founded in Argentina, grew with the agricultural commodity boom at the beginning of the new millennium, have upgraded processes and functions at the firm level, and invested in various links of agro-industrial value chains over the past decades. They have also been among the largest grain and oilseed growers on the South American continent throughout the 2000s. Based on the mainstream understanding of GVC-upgrading, their firm-level trajectories can be read as success stories. However, their capital strategies contradict the aim to achieve broader social development in different ways (ibid.). The following depicts an extract thereof, focusing on how these companies’ pledge to a socially sustainable development serves the legitimisation of their strategies rather than real social improvements.

A first point to mention is the portrayal of corporate development as something that anyone could do. Social difference, here, is not attributed to social property relations or exploitation. Instead, for El Agro’s founder Santiago, for instance, it lies between those who actively stay tuned in an ever-changing knowledge society, and those who do not. As his firm leases in much of the land on which it controls cultivation, he stresses that land ownership is not a prerequisite for getting rich in Argentina. Appropriating the name of the Brazilian landless workers movement (MST), he has been cited saying that he is a landless, too. “We do not have land and we do not have tractors, harvesting machines, nothing.”44) Santiago did not tell me, though, that his family are landowners who lease out around 10,000 ha to El Agro, as a production manager explained to me.45)

This corresponds to analyses, according to which agribusiness corporations operating in Argentina on the basis of leasing have enlarged their business based on initial landownership (Gras and Sosa Varrotti 2013). Santiago’s remark creates the impression that anyone can be successful in agribusiness. The underlying message is that this does not require anything but an open mind and competence in management. Interestingly for the social upgrading debate, this narrative is also an implicit de-legitimisation of social struggles from below: If the success (or lack thereof) is a mere reflection of personal skills in a modern knowledge society and has nothing to do with land property (or capital-ownership more in general), then the landless movement fights an enemy that does not exist. Capital, here, denies that specific social problems even exist, rendering social property relations and power opaque.

43) Interview with two representatives of CIARA-CEC, June 2, 2016.
44) Interview with El Agro’s then president, August 21, 2014.
45) Interview with a manager of El Agro responsible for primary production, April 28.
A second point is that similar to the agribusiness associations portrayed above, the corporate social responsibility (CSR) firm representatives set out to assume reaches its limits when it comes to actual demands posed by organised labour or social movements. Company managers in my interviews often emphasised the importance of CSR with respect to both ecological and social standards. Agrigood, for example, notes that its practices are tailored to secure “neighbouring community welfare”, the “development, health and safety of our employees”, and “enhanced working conditions” (Agrigood, annual report 2018, p. 73), among other socially inclusive developments. In its 2018 annual report, the company assures to its investors that it is “complying with local labour regulations”, giving “special attention to education and poverty rates”, and contributing to “hospitals, schools, and daycare centers” (ibid., p. 79). The document lists programs through which, for instance, schooling is funded for children from poor families, and powdered milk or processed rice are donated to various institutions. Lagricola and El Agro make similar statements on social responsibility.

As a short note on such charitable measures, it should not be denied that they can actually help individual people enhance their educational, nutritional, or health situation. Yet apart from the question of why such social measures lie in private corporate hands, they can be a means of advertising, or also an investment in a better trained and healthier workforce. Most importantly, however, such donations are made with a surplus that was previously produced by workers and appropriated by the company. In other words, they do not touch exploitative social relations as a problem; instead, they are built upon them and legitimise them.

As another aspect of social enhancements, my informants have underlined the importance of qualified labour for their business models. Santiago notes that the sharp minds that work for El Agro and which are needed for modern knowledge intensive agriculture are not only well paid but participate in the firm’s reaps. He explains that this is because the productivity of well-trained people is higher. Furthermore, his company has to struggle for the best minds. In the informal conversations I had during a day spent at El Agro’s headquarters, some employees reaffirmed that they were earning well. However, as large parts of less qualified agribusiness labour are outsourced to contratistas, this is not generalisable for rural workers.46)

The presentation of CSR is complemented by a portrayal of demands made by trade unions and social movements (for instance, for better salaries and labour conditions or for land reforms) as an economic risk. This is most clearly expressed in the business reports and financial statements, which are primarily addressed to potential investors.

El Agro lists in its 2018 annual report the “risk of trade union action and/or higher labour costs”. The company is especially concerned with demands that could affect the labour-intensive production in its agrochemical subsidiary. It calculates that more than half of the staff is unionised and

46) El Agro’s network does not function without around 5,000 small producers and contratistas, who in turn employ rural wage workers (Interview with an administration manager of El Agro, June 23, 2016).
“in the past, the company has suffered from stoppages and interruptions as a result of strikes that where organised by the labour union [...]. In the context of high inflation in Argentina, [...] [we] have experienced and could further experience a strong pressure to increase salaries and benefits granted to workers” (El Agro, annual report 2018, p. 55).

In a similar vein, Agrigood informs potential investors of the risk that struggles for social enhancements could become a competitive disadvantage:

“We may be subject to labour disputes from time to time that may adversely affect us. [...] We may not successfully conclude our labour negotiations on satisfactory terms, which may result in a significant increase in the cost of labour or may result in work stoppages or labour disturbances that disrupt our operations. Cost increases, work stoppages or disturbances that result in substantial amounts of raw product not being processed could have a material and adverse effect on our business, results of operation and financial condition” (Agrigood, annual report 2018, pp. 15f).

The report further bemoans deteriorating economic conditions due to “the continued demand for salary increases” (ibid., p. 24). Especially against the backdrop of economic crisis and growing levels of poverty and unemployment over the recent years, it fears increasing protests and strikes, and pressure from unions, which could “increase our operating costs” (ibid.) when successful.

While opposing attempts to enhance the social situation of workers, Agrigood welcomes the fruits of class struggles from above: In February 2017, the Argentinian congress passed an amendment to the labour risk law, which made it more difficult for workers to get benefits after suffering workplace accidents. The company is pleased to announce that now, “prior to filing a lawsuit resulting from work-related accidents, affected workers must go through jurisdictional medical commissions” (ibid., p. 26).

These quotes allude to antagonistic relations between the corporate actors analysed in this chapter and labour organisations that struggle against the effects of corporate strategies. However, their inherently conflictual relationship tends to be forgotten when imagining social upgrading as a project pushed forwards by “public-private-civil society partnerships” (Gereffi and Luo 2014, p. 19).

5 Concluding remarks

Based on empirical research into corporate actors’ stances on social upgrading in agro-industrial value chains in Argentina, this paper called into question an unreserved invocation of “public-private-civil society partnerships” (Gereffi and Luo 2014, p. 19) for social enhancements in global value chains (GVCs). I argued that chain research falls short when it presupposes companies to be carriers of socioeconomic progress, neglecting antagonistic capital-labour relations. Therewith, the paper provides a counter to the ultimately
modernist notion that social upgrading can be generally a distinct possibility within global
capitalism, if only the key actors find ways to cooperate.

On the level of conceptual debates, I argued that while the social relations of produc-
tion have remained underexposed in chain research from the beginning, later mainstream
versions of chain analysis have largely abandoned world-systems analysis’ crucial insight
that inequality cannot be overcome within the capitalist world-system. Even though the
social upgrading agenda has taken up the issue of deleterious effects of GVC-development
upon workers, its mainstream version does not identify the roots of such processes in
systemic exploitation. As a consequence, the idea of achieving social upgrading through
social partnerships abstracts from class relations, neglects capitalist imperatives of profit
maximisation, and maintains an all to optimistic belief in companies as co-creators of
social upgrading.

The paper showed that in agro-industrial value chains in Argentina, the labour condi-
tions and salaries vary in different chain links. In primary production, organisational struc-
tures that entail adverse conditions for workers to struggle for better salaries (including the
mediation of the capital-labour relation via contractors) are not a mere by-product, instead
part of the very basis of economic upgrading. In processing industries, on the other hand,
improvements have been achieved, which cannot be merely attributed to the mode of in-
tegration of these industries in the analysed value chains. Instead, they have been pushed
through against the respective companies by organised workers.

However, corporate actors depict gains for workers and broader parts of society as an
outcome of firm-level upgrading. Yet they generally do not consider themselves responsi-
ble for social upgrading beyond their role in economic growth, which in reality, however,
does not result in job creation and trickle-down effects that reach broader parts of the
society. At the same time, trade unions and labour rights are even depicted as limiters to
social development – in particular in cases when labour organisations have in fact fought
for higher salaries and better working conditions. In this logic, anything that stands against
individual accumulation interests also hinders social upgrading. Thus, unions are regarded
as social partners only as long as they do not demand much, and capital’s stance towards
“public-private-civil society partnerships” can well be indifferent (denying responsibility)
or hostile. As soon as unions really achieve parts of what is generally understood by social
upgrading, corporate representatives no longer see them as potential partners, instead as
opponents. Social partnerships, here, are not compatible with the interests of capital and
labour respectively.

As a more general conclusion with respect to the social upgrading agenda, the latter
juxtaposes risks and opportunities of upgrading and finds what is best for firm-develop-
ment is not necessarily the best for workers. However, while the possibility of universal
development within capitalism is to be questioned at any rate, this paper showed in par-
ticular that the invocation of firms as social partners does not solve the problems associat-
ed with capitalist GVC-development.

Making antagonistic relations visible is, of course, only a part of exposing the condi-
tions for labour struggles to be successful. Here, my study resonates with research that
understands poor labour conditions as existing in-relation-to-capital under geographically
specific conditions. Instead of a social upgrading agenda that adds up to GVC-develop-
ment strategies, it endorses a chain approach that minds the dialectics of historically specific capitalist developments and class struggles. (International) Class relations need to be at the core of analyses that seek to understand the conditions under which workers can improve their situations.

6 References


