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MULTISCALAR UNEVEN DEVELOPMENT AND THE SOCIOSPATIAL FRAGMENTATION OF LABOUR

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Christin Bernhold

Class Differentiation, Fragmentation, and the Probability of Labour Struggles in Argentina's Soybean Production and Processing

Abstract *This paper critiques the Global Value Chain (GVC) framework's notion of social upgrading, arguing that a class-relational analysis of capitalist production and labour fragmentation is better equipped to understand the conditions under which social gains can be achieved. Using a case study on agro-industrial value chains in Argentina, the paper shows how firm-level upgrading in primary production, achieved through class differentiation, reduced the likelihood of labour struggles. In contrast, oil processing workers benefitted from structural and associational power. The paper argues that a class-relational perspective highlights the potential and constraints of organised labour in reducing the burden of exploitation, while acknowledging that true empancipation would require overcoming capitalist relations of production.*

Keywords *Social upgrading, class analysis, agribusiness, Global Value Chains, strike action*

1. Introduction

The World Bank (2020) claims, remarkably, that global value chains (GVCs) can deliver better jobs – driven not by labour struggles, but by capitalist firms and states. GVCs refer to spatially fragmented but functionally integrated processes of capitalist production, forming a world-spanning "network of labor and production processes whose end result is a finished commodity" (Hopkins/Wallerstein 1994: 17). Hopkins and Wallerstein (1977) introduced the chain approach to analyse how socioeconomic inequality is constantly perpetuated across chain links, albeit in changing historical and geographical constellations. Today, however, the GVC mainstream largely ignores exploitation and uneven development. Instead, institutions such as the World Bank focus on economic upgrading – the process by which firms or countries move into more profitable segments and thus "climb the value chain" (Gereffi/Fernandez-Stark 2016: 13).

Yet, it is widely recognised that economic upgrading, even when it occurs, does not readily translate into social gains. In reality, it often results in negative impacts for workers, such as long working hours and precarious contracts (Barrientos et al. 2011; Knorringa/Pegler 2006). In recent years, debates around the adverse effects of corporate strategies on GVC workers, and improvements gained for (or by) them, have been dominantly addressed through the perspective of social up- and downgrading (Barrientos et al. 2011). Social upgrading refers to improvements in working conditions, wages, gender equality, and other social advancements. Conversely, social downgrading alludes to the deterioration of these conditions through adverse power structures in GVCs. However, this approach largely avoids a class-relational perspective on labour and struggle, a conceptualisation that is critical for two key reasons.

First, this is in order to reveal socioeconomic exploitation by capital as the commonality of capitalist labour relations, even though they appear in "innumerable different empirical circumstances" (Marx 1991: 927f.). In historical capitalism, labour has entailed various forms of fragmentation, for example, related to the labour process and its scattering across scales, enhanced productivity and the related restructuring of work organisation, as well as racialised and gendered socio-cultural difference (Butollo 2021; Hürtgen 2021). However, class relations play a fundamental role in structuring the various forms of fragmentation, each in particular ways (Giménez 2019). Second, a class-relational perspective allows us to explore the potential and constraints of organised labour to reduce the burden of exploitation, while acknowledging that it cannot be generally liberating, as long as capitalist class relations prevail.

This paper aims to contribute to debates on how capital draws upon and reinforces (a) class differentiation and, based thereon, (b) labour-process-related and socio-cultural fragmentation within the workforce, thereby intensifying exploitation and shaping the prospects for class struggle from below. Gazing through this lens, I re-visit previous work on agro-industrial chains in Argentina (Bernhold 2021, 2022; Bernhold/Palmisano 2022), which shows how upgrading is based on capital-led class differentiation. The latter emphasises two aspects. First, class is a relational concept that defines the positioning of capital and labour towards each other in exploitative relations of production. Second, class relations do not always appear as a neat divide between capital and labour, and dynamic capitalist development entails shifts within the social edifice. Members of a class can (be forced to) change their location in the exploitative class structure.

Crucially for this paper, the re-shaping of class relations in primary production in Argentina has affected worker fragmentation and the conditions for labour struggles. For example, it has contributed to a near absence of associational power. In comparison, downstream in the chain, in the oil processing industry, socioeconomic conditions and a more combative union involve different power resources at labour's disposition.

The next section briefly reviews the social upgrading approach, which includes descriptions of worker fragmentation, but does not explain them. Section 3 defines class differentiation and its role in shaping worker fragmentation. Section 4 presents the empirical case study, and section 5 concludes.

2. The social upgrading agenda – a brief critique

The social upgrading agenda was devised in response to critiques of the GVC approach, which has shifted from a critical political economy perspective rooted in the world-systems tradition to becoming one of the primary analytical frameworks employed by development institutions. Many reviews have discussed the framework's theoretical shortcomings (e.g. Bair 2009; Bernhold 2022), especially with respect to upgrading as a "new paradigm for development" (Gereffi/Fernandez-Stark 2016: 24). Workers have appeared in this, if at all, as beneficiaries of capital-led development, often in abstraction from "the anti-developmental outcomes" of GVC-participation for them (Selwyn/Leyden 2021: 3). Consequently, scholars have quickly criticised the GVC approach for its "labour blindness" (Taylor 2007: 529), and cautioned against the theoretical absence of labour-in-relation-to-capital (Selwyn 2013).

GVC scholars have themselves taken issue with the disjuncture between economic upgrading and social gains. For example, Knorringa and Pegler (2006: 470) examined worker fragmentation and argued that processes of "immiserizing growth" make social improvements, especially in low-skilled production, "very unlikely." Barrientos et al. (2011) found that employment in GVCs can have adverse effects on workers, often along lines of socio-cultural difference: women and migrant workers are most likely to be employed under precarious conditions (Barrientos 2019).

The social upgrading agenda was designed to analyse the conditions under which improvements in labour conditions and wages, gender equality, and workers' rights to organising could be realised (Barrientos et al. 2011). Here, upgrading is conceived of as a segmented process that may possibly expose local firms and workers to new risks resulting from lead firm requirements or competitive pressures that entail a race to the bottom. However, his agenda's focus remains strongly connected to GVC research – including its neglect of class-exploitation. Fragmentation and social downgrading are, again, dominantly understood as a result of inter-firm relations, where lead firm pressure is passed on to workers in supplier firms (Bernhold 2021; Selwyn 2013).

Studies have proposed different ways to secure social upgrading, including adherence to the ILO Decent Work Agenda. Gereffi and Luo (2014: 19) assume that win-win scenarios can be created through "public-private-civil society partnerships." According to them, better standards can be enforced through joint action by the ILO, state actors, firms, business associations, consumer groups, workers, and trade unions. However, the authors have not specified the common basis on which these different actors would actually unite.

In brief, the social upgrading agenda has taken up the deleterious effects of GVCs upon workers, and shown in empirically rich studies how firms have an interest in extracting as much as possible from labour. In this context, it has also described gendered or racialised worker fragmentation (Barrientos 2019). However, it does not identify the roots of such processes in capital-labour relations or acknowledge class struggle from both above and below in geographically contingent constellations. The idea of social upgrading is therefore somewhat naïve – due to both a belief in capitalist states as neutral actors and the non-recognition of capital's often hostile response to workers' demands (Selwyn 2012: 7). Unions are considered as social partners – in contrast to an understanding of antagonistic relations, where gains must be struggled for against corporate interests (Bernhold 2021). Ultimately, the agenda seeks to change power relations within global production – not its capitalist form. The role conceivable for labour in this is participation in campaigns (and strikes) to contain lead firm power – a notion that blurs the consciousness of an exploitative relationship to capital that needs to be overcome.

3. Class dynamics of worker fragmentation

Beyond the GVC mainstream, scholars have shown how the social relations of production have resulted in various forms of worker fragmentation that influence the probability of labour struggles. For example, Hürtgen (2021) argues that racialised and gendered social differentiation is reinforced in multi-scalar production. Butollo (2021) points to fragmentation as related to work organisation: innovation in digital technologies has entailed new patterns of using skilled labour and low-skilled routine tasks in GVCs. While the focus, here, lies in work organisation, the structuring role of class is apparent: digitalisation is just another step in the development of productive forces, which allows for a more effective production and appropriation of surplus value. Jha and Chakraborty (2016) describe how restructuring into GVCs involves the segmentation of work, enabling lead firms to increase the pressure on labourers exploited in lower-tier companies. They also show how fragmentation is deployed to suppress workers' associational power. Importantly for my case below, scholars have further asserted that the process of labour contracting changes patterns of control and influences workers' actions by weakening their positions in conflicts (Coe et al. 2010).

In light of these dynamics, Labour Geography-related GVC research has highlighted different forms of, and constraints to, worker agency (Coe/Jordhus-Lier 2011), and pointed to the gains and difficulties of organising across the nodes of globalised production (Herod 2001). Marslev et al.

(2022) build on the power resources approach to trace factors that shape worker agency. Seeking to shift power such that workers can achieve meaningful gains, they re-conceptualise social upgrading as "worker power" (ibid.: 827), which they conceive of as shaped by (a) a vertical dimension (transnational power relations), and (b) a horizontal dimension (local and national institutions and relations), as well as (c) state-labour relations (see Coe/Jordhus-Lier 2011; Lund-Thomsen 2013). As regards socio-cultural fragmentation, Marslev et al. (2022: 839) refer to the notion of intersectionality to argue that workers' identities are "complex and multidimensional." They pose the notion that labour struggles in GVCs "need not be driven by class consciousness but may be unified by solidarities arising from socio-cultural and socio-economic ties such as gender, age, education or migration experience" (ibid.: 840).

Dara Leyden (2024) notes how Labour Geography literatures have sometimes focused on the diverse and locally particular, while analytically deprioritising forms of agency that may challenge the structures of exploitation (see Selwyn et al. forthcoming in 2025). This, he argues, can be traced back to Herod's initial break with the Marxian notion that private property in the means of production gives capital a decisive power, with the result that, within capitalism, workers cannot have the same power as capital in shaping economic landscapes (Leyden 2024). Das (2017: 142) highlights an irony here – that "labour is there" in the literature, but often not "in relation to capital, its exploitative other."

This critique is also valid for the understanding of worker fragmentation in terms of intersectionality. Studies on intersectionality have generated useful descriptions of complex inequalities and exclusions. For example, when women of ethnic minorities lack representation, this can weaken the effectiveness of organised labour (Padmanabhan 2012: 978). But as a social theory, intersectionality has rightly been criticised (Giménez 2019; Lütten et al. 2021). Giménez (2019) notes how it tends to narrow down exploitation to the level of identity and experience. While unquestionably the politics and cultures of capitalist social formation (including racialised and gendered relations) influence labour struggles, she argues that critical theory needs to analyse how the social relations of production re-shape racialised and gendered relations and identities – each in particular ways. Wallis (2015) further suggests that uncovering the class-based commonality among socially fragmented workers is a prerequisite for successful collective organising. Ultimately, he argues, social struggles building on common experiences of oppression can – and do – become the starting point for political action, and they can reduce the burden of exploitation in specific situations. However, if class exploitation – and with it the ground on which social difference is reproduced – is to vanish, the capitalist class "will have to vanish" (Wallis 2015: 617).

Foregrounding the fundamental structuring role of class relations in processes of worker fragmentation, Marxist scholars have proposed to renew value chain analysis on the basis of a social-relational understanding of capitalism (Campling et al. 2016: 1745). As Gough (2003: 8) puts it, worker fragmentation appears in geographically contingent ways, but capitalist production is always a process of "extracting surplus labour and making a profit" (ibid.), which is the key engine for restructurings in production that lead to changing forms of fragmentation. In this vein, while debates on fragmentation have often highlighted labour-process-related and socio-cultural differences and divisions within the global workforce, socio-relational class analysis is founded on the commonality of labour vis-à-vis capital in the process of exploitation and, based thereon, examines social differentiation.

One way of examining how the social relations of production shape fragmentation and influence the likelihood of labour struggle is the analysis of class differentiation, as the following argues.

Class analysis is concerned with the social relations through which surplus value is produced (by labour), appropriated (by capital), and distributed. In this vein, the relation between classes is not to be derived from the divisions in the material work process in the first instance (a labourer can work in a privatised hospital, in the extraction of ressources, or in a car factory), but from their relative position in the production of value and its distribution into wages and profits. Capital and labour are two sides of the same social relation of production. Based thereon, the notion of class differentiation emphasises that the concrete ways in which unpaid surplus labour is squeezed from the direct producers are subject to social change, and they can appear in various ways: both capital and labour are internally differentiated, and there are intermediate classes (PKA 1974: 67). As Marx (1991: 927 f.) argues, class relations display "endless variations and gradations in [their] appearance."

Capital is not only differentiated by size: industrial capitalists make profits that are based on the extraction of unpaid labour directly from workers (productive capital). Others participate thereof in the form of interest (finance capital), commercial profit (commercial capital) or ground rent (landowners) (PKA 1974). Labour is differentiated along these lines as well. As Marx notes, "just as the labourer's unpaid labour directly creates surplus-value for productive capital, so the unpaid labour of the commercial wage-worker secures a share of this surplus-value for merchant's capital." (Marx 1991). Differences among workers with respect to the production of surplus value also concern differently qualified forms of labour, which is in turn directly connected to labour-process related fragmentation (see Butollo 2021). Intermediate classes include, for example, petty capitalist producers who own means of production that they operate themselves, such that they combine the positions of capital and labour (ibid.: 177f.). The social boundaries between petty capitalists, remunerated service sellers and top qualified workers, such as managers – who participate in the productive labour process, though as representatives of capital – can be fluid and make a de facto labour relation appear as a partnership (see below).

As for agriculture, Bernstein (2010) advocates a framework that analyses agrarian capitalist development as driven by geographically specific class relations, situated in the context of the global agrarian political economy (considering, for example, the fact that the demand of firms in capitalist centres for soy impacts upon investment decisions in Argentina). Instead of assuming an ever-ongoing existence of farmers as a homogeneous social group, Bernstein distinguishes capitalist farmers from petty commodity producers and those who are subject to a "simple reproduction squeeze" (ibid.: 104), among others.

Class differentiation does not imply that capital and labour change beyond recognition. On the contrary: 'the totality of class', the fact that those who essentially control the means of production appropriate the fruits of alien labour, is "reproduced through intra-class differences" (Das 2017: 17). What does change however, is the ways in which labour power and means of production are combined among capital, labour, and intermediate classes – class relations are historically and geographically contingent, and they are subject to change, as the organisation of the production process is itself changing. Systematic efforts to increase the extraction of surplus value comprise various tendencies, including the development of the productive forces (through advanced technologies, etc.), and resulting changes within the capitalist property relations. As high-tech production requires the advance of ever larger amounts of capital, the notion of 'change' also points to a concentration and centralisation of capital: the tendency and property-based capacity, to increasingly appropriate surplus-value, either directly from workers or from other firms. Members of a social class can thus be forced to change their location within the exploitative class structure.

The following shows how capital shapes these relations, so that it can benefit most from the appropriation of surplus value. Class-relational restructurings then correspond with changes in the labour process and fragmentations within the group of the direct producers.

4. Class differentiation and (absent) labour struggles in agro-industrial value chains in Argentina

After the 1990s, and especially in the 2000s, agro-industrial chains increased in importance for Argentina's political economy. The area under cultivation increased significantly from 26.57 million hectares in 1990 to 39.2 million hectares in 2018. A large part of this area (41.63 %) was planted with soybeans. This export crop and its derivatives alone accounted for a quarter of Argentina's total exports in 2018, strengthening the power of agrarian capital.

The restructuring of soybean GVCs affected fragmentation and associational power differently for workers located at different nodes. In soybean production, economic upgrading was achieved by companies not only through innovation, but crucially through re-shaping the social relations of production. This process of upgrading in and through class differentiation was also connected to a socioeconomic and workprocess-related spatial scattering of the workforce – which has contributed to a near absence of associational power. In contrast, in the downstream node of oil processing, where huge investments in fixed capital are necessary, workers benefited from structural and associational power in the form of assertive trade unions.

A book-length treatment of the subject would require further analysis of several issues from a class-relational perspective, including (a) the historical dynamics within the political economy on various scales; (b) the state – particularly Argentina's last civil-military dictatorship (1976-1983) and its brutal assault on organised labour, followed by subsequent rounds of state-backed restoration of the power of big capital(s); (c) socio-cultural dynamics as well as hegemony building and senses of belonging to 'the countryside' across different classes (see Bernhold/Palmisano 2017 for an in-depth analysis); (d) the issue of how the relations of production shape gender relations. For instance, the fact that (mostly male) workers in soybean production are often away from home for months does not only lead to experiences of social deprivation, but also contributes to situations where childcare and other forms of reproductive labour are feminised. In other words, a book-length treatment of the subject would examine the ways in which workers' actions are shaped by the social relations of production, and by the politics and cultures of capitalist social formation.

4.1 Class differentiation and social scattering in primary production

In Pampean agriculture, class differentiation in the past decades has been shaped by, and has in turn affected, the capacity of big agribusiness to concentrate and centralise capital. In the course of the state-backed but privately controlled development of means of production (including genetically modified seeds, high-tech machinery, and precision farming technology), Bernhold and Palmisano (2022) show how the number of farming units has almost halved between 1988 and 2018. Nonetheless, the centralisation of production affects farms in different ways: farming units smaller than 100 ha declined by 62.7 %, while farms bigger than 5,000 ha increased by 32.9 %.

The following case shows how capital benefits from shifts in the social class structure, which it also shapes to make the labour process more efficient. While capitalist agriculture in the Pampean region was long characterised by capitalist farmers (where means of production, wage labour, and family workers were combined under the roof of single firms), today, big capital often controls networks that combine different class positions.

My case company El Agro (anonymised name), one of the most well-known agribusiness corporations in Argentina, increased its annual sales by a factor of 60 to more than one billion USD between the early 1990s and 2013, according to company information. Calling itself a one-stop-shopprovider, El Agro has changed its conditions of accumulation by making a variety of investments along agro-industrial chains as productive capital, commercial capital (trading seeds and agrochemicals, and commercialising grains), and finance capital (providing bank guarantees that grant smaller firms access to credits, thus binding clients to the other business lines).

As productive capital, it operates in agriculture, agrochemical production, precision farming and agriculture services, among other things. With respect to primary production, it became one of the biggest soybean cultivators in Latin America at the beginning of the 2000s, farming over 250,000 ha of mainly leased land in Argentina and neighbouring countries in the 2009-2010 season. However, after international soy prices dropped and leasing prices rocketed, leasing-in land has become less profitable. The company has therefore developed a modern form of network-sharecropping.

This model builds on reconfigured property relations and the resulting positions that actors occupy within the class structure. Some former small agrarian capitalists who experienced processes of de-accumulation and were no longer competitive were re-articulated to agribusiness in new ways (Gras/Hernández 2013), often in new class positions. For example, some now just lease out their land to the 'network,' while El Agro provides seeds, agrochemicals, and consulting services. Other associates own machines and hire field workers. At the end of the season, every associate receives a percentage of the harvest. In this way, El Agro can control land while outsourcing a part of the risk. Elsewhere, we have analysed how, in this model, the scope for small capital, landowners, and intermediate classes – their dependency and decision-making power vis-à-vis El Agro, as well as the ways in which they relinquish portions of the surplus value they produce – depends on their respective socioeconomic positions (Bernhold/Palmisano 2022). In this paper, I concentrate on some of the wage-dependent actors.

First, El Agro works with a structure of low-ranked managers who work close to the clients in the fields, and coordinate production or commercial branches. Many of them are former farmers who now de facto sell their labour power, but without receiving a fixed salary. Instead, they work as self-employed management service providers. They receive forms of pay which tend to obfuscate their wage dependency, such as a share of the harvest. As a manager responsible for land leasing puts it: 'I am part of the staff, but I don't earn wages' (Interview 2016). Tellingly, he uses El Agro's financial service to advance leases. This allows him to appear as a business partner who co-invests rather than a mere employee. The described relation entails a vague promise of ascendance, and a sense of partnership, that make solidarity with class struggles from below rather unlikely. In addition, different forms of building consensus towards the capital-led network lie not only in material concessions but also in personal biographies (Bernhold/Palmisano 2017). Having formerly been an independent farmer, the quoted manager suffered a severe economic crisis during the 1990s. He had to give up his farming operation. In the early 2000s, he met El Agro's president, who offered him the described 'partnership'. Thus, at the individual level, El Agro – an active player in the concentration and centralisation of capital – helped him recapture the prospect of advancement. Although he now works in a dependent position, this history has contributed to a feeling of belonging to 'the network' rather than to the group of (qualified) workers.

Second, lower down in the class hierarchy, wage labour in the fields is outsourced. Those who do seeding and harvesting (mainly agricultural equipment operators), are in a direct labour relation not with big capital, but with so-called contratistas. This is the local name for mainly petty capitalist firms, many of which used to be farmers. Today, they hire wage workers – often combined with their own labour – and sell agricultural labour services. Although they vary in size, most of them usually employ a maximum of four workers to operate a few large machines (Villulla 2016).

Outsourcing has been accompanied by a process of relative proletarianisation. In absolute terms, the demand for labour has been reduced in Pampean agribusiness in the wake of increasing labour productivity, leading to competition among workers and a huge dependency on the jobs that exist. Relative to the remaining productive labour, however, a growing share is done by wage workers. The Population Census, for example, shows that "the share of wage workers among the economically active population in Pampean agriculture grew from nearly 47 % in 1991 to nearly 59 % in 2010" (Bernhold 2022: 382). Outsourcing has also coincided with a shift to temporary work: the share of wage workers who are only seasonally employed by contratistas rose from 37.2 % to 47.4 % in the same period (ibid.).

This organisation of the social relations of production allows firms like El Agro to control production without having to employ workers directly and pay them in off seasons. Furthermore, it defines capital and labour without them being in direct contact with one another (Villulla 2015). Instead, intermediate class actors – contratistas – appear as the direct exploiters. In these relations, workers are not just geographically scattered on individual machines as well as on distant fields. They are also socially dispersed in terms of whom they work for – a fact that blurs class differences both objectively and subjectively. Contratistas and their workers are often acquaintances and share the physical work on the field. The socio-economic difference between them is often much smaller than with firms like El Agro.

This redefinition of class relations to the benefit of capital adds to factors that complicate local labour struggles[2] Villulla (2015) has identified individual forms of protest, for instance, against particular working conditions or dismissals, but he also points to a lack of collective labour struggle in the Pampean region since the beginning of violent neoliberalisation. One result is comparatively low wages. During former President Cristina Kirchner's second term (2011-2015), the monthly wages of agriculture machine operators increased to above the poverty line, but real wages dropped below that line again after Macri took power in 2015 (Villulla et al. 2019). Hourly wages in particular are low, often compensated for by long working days. Workers often also move from field to field for months in a row, sleeping in trailers (Villulla 2015). As mentioned above, it would be interesting for a future study to examine how these labour relations affect social reproduction.

In brief, this section showed how difficulties in generating class solidarity (such as a socially and geographically scattered workforce) are directly linked to changes within socio-economic class relations. In other words, fragmentation is linked to capital-led class differentiation.

4.2 Vegetable oil industry

The situation has developed differently downstream in the value chain, in the vegetable oil industry, where, through strategic strike action, oil processing workers have achieved wage increases, among other things. Although, according to collective bargaining agreements, the wages of oil processing workers where roughly equal with those of agricultural machine operators in 2008, by 2018 they were twice as high (Bernhold 2022: 401).

The secretary general of a vegetable oil workers union in Argentina told me in a 2016 interview that, during the 1990s, "we were very divided" and "in a totally adverse power relationship." One reason was that large parts of the labour force were outsourced, making it difficult to organise workers. While the soy crushing industry (controlled by an oligopolistic group of companies) gained in importance in the country's economy in the 2000s, this did not translate into improvements for workers until the union managed to increase its industrial action.

As the union's secretary general explains, the gains they made are also "due to changes in our union policy." They had tried to negotiate a non-outsourcing agreement for years, and "when they didn't understand us, we went on strike." Since 2008, non-outsourcing has been contractually defined in the industry, and the union also pushed through permanent contracts. According to a union lawyer, this "implied an absolute change in the conditions of both work and union activities" (Interview 2016). The notion that material concessions must be forced on companies is also conveyed through the union's homepage, where announcements are often accompanied by a "Long live the working class!"

In 2015, the union's secretary general says, "we were on strike for 25 days in a row" to push through a 36 % wage increase (the business associations had entered the negotiations with a 24 % offer). Time and again, he adds, business associations made proposals below inflation adjustments. "What happens is that they're gonna have to move us before that works for them" (Interview 2016). The unionist also says that the joint struggle changed the solidarity among, and the self-consciousness of, workers. Previous to their organisation, "the company … just decided: 'This weekend, you work.' … Then the workers started to defend themselves … there was really also a cultural change" (ibid.).

Oil processing workers in Argentina have considerably more structural and associational power than the agricultural machine operators discussed above. Companies in this chain node are both economically and geographically concentrated (near the city of Rosario). First, with respect to socio-economic relations, it is easier to organise against capital among labourers who work for oligopolistic companies such as Bunge or Cargill instead of contratistas who are socially rather close. Second, oil processing workers have a structural advantage, namely that when they paralyse a plant or a port, they already address an important share of the companies operating in this sector, and a crucial part of Argentina's export economy. However, these conditions would not change much without a combative union.

And despite these described gains and the comparatively high structural and associational power, workers do not earn high wages. The union's secretary general notes how one of the reasons why companies allow for the granting of permanent contracts is that the labour cost is so low in Argentina, such that "before they risk a conflict with the workers, the companies prefer to hold them" (Interview 2016). Furthermore, the capital-labour relation implies that workers can lose their gains again. For example, the union reported layoffs in 2018, in plants run by Bunge and Cargill. In a call for a national strike in September 2018, the union noted that "being the great winners of the economic model, [the companies] still plan to lower the labour costs, they have dismissed dozens of people, and they challenge our rights" (Oil Workers Union 2018, own translation).

However, the gains that the union did achieve were not given to them automatically. They are a result of the practice of labour action under specific conditions. In other words, they are a result of the dialectics of class struggles and socio-economic development, not of social upgrading through "public-private-civil society partnerships" (Gereffi/Luo 2014: 19).

5. Conclusions and outlook

In this paper, I argued that a class-relational analysis of capitalist relations of production, and the ways in which they shape worker fragmentation, can help shed light on the conditions for labour struggles. In a brief review, I criticised the idea of social upgrading through public-private-civil society partnerships. Among other issues, the concept of civil society here is rather vague, as it neglects the way in which it consists of class relations. I advocated research that grounds studies of worker fragmentation on class-relational analyses, and I presented the analysis of class differentiation as one way of examining how the social relation of production play a major role in creating fragmentation and influencing the possibilities of labour struggle.

My empirical example is extracted from previous works on agro-industrial value chains in Argentina. Here, I showed how, in primary production, upgrading was achieved by big companies not only through innovation, but crucially through class differentiation. The latter is connected to the socioeconomic and work-process-related scattering of the workforce, which contributes to a near absence of associational power. In contrast, in the downstream node of vegetable oil processing, workers benefited from structural and enhanced associational power in the form of assertive trade unions.

With respect to Labour Geography, the relevance of class-relational chain research lies with the possibility to identify the geographically specific power resources at labour's potential disposition – without neglecting the fact that labour agency cannot be generally liberating as long as capital prevails. Analysing fragmentation as re-shaped through class relations further allows for their understanding as potential barriers to worker solidarity, but also as contestable through a practical recognition of a unity of class interests, as the example of permanent workers' struggle against temporary labour and outsourcing in Argentina's vegetable oil industry shows.

However, this paper is confined to a very small excerpt of global production. To examine how socioeconomic class relations shape worker fragmentation more broadly in the international political economy, future research needs to put more attention (a) to "international class relations," in "capitalist value chains" (Selwyn et al. forthcoming in 2025), and therewith (b), to the conditions under which successful socio-economic struggle can help to undermine exploitation in capitalist value chains – while acknowledging that genuine emancipation can be struggled for only against – not within – capitalism.

1 The power resources approach traces the relations between the global structuring of capitalist production and the strategic power resources in labour's control – especially 'structural power' and 'associational' power. Structural power lies where even small numbers of workers can fight for improvements by causing substantial disruptions in the production process. Associational power accrues where workers organise in great numbers, thus becoming able to challenge capital (Schmalz et al. 2018).

2 In situ, a conjunction of factors together constrain political class formation, including (a) the described relations of production, (b) technological changes and the organisation of the work process, (c) historical – and brutal – repression, (d) questions of culture and identity, and (e) the labour union in question (see Vil-

lulla 2015). As for the latter, ever since the military junta pushed flexibilisation and fiercely repressed unionists, organised workers have not reappeared as progressive protagonists in Pampean agriculture, which is, however, also due to the neoliberal orientation of the Argentine Union of Rural Workers and Stevedores (UATRE). The latter openly supported the neoliberal Menem administration in the 1990s (Villulla 2010), and the former union leader Gerónimo Venegas openly campaigned for the presidency of the conservative-liberal Mauricio Macri in 2015.

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Abstract *Ausgehend von einer Kritik an der Global-Value-Chain(GVC)-Debatte über soziales Upgrading untersucht dieser Beitrag die Rolle von Klassendifferenzierung in der Sojabohnenproduktion und -verarbeitung in Argentinien, um deren Auswirkungen auf Arbeitskämpfe zu verstehen. In der Primärproduktion hat Unternehmensupgrading, das auch durch Klassendifferenzierung erreicht wurde, die Wahrscheinlichkeit von Arbeitskämpfen verringert. Im Gegensatz dazu haben ArbeiterInnen in der Ölverarbeitung auf Basis struktureller und assoziativer Macht Verbesserungen erkämpft. Diese Analyse der Potenziale und Einschränkungen der organisierten ArbeiterInnenbewegung bestätigt zugleich, dass eine allgemeine Befreiung von Ausbeutung nicht auf Basis der kapitalistischen Klassenverhältnisse erreicht werden kann.*

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