

2021

REPORT

Labor Strikes in Chile 2021

Francisca Gutiérrez
Rodrigo Medel
Domingo Pérez
Pablo Pérez
Diego Velásquez

Observatorio
de Huelgas
Laborales

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Índice de Contenidos

1. Glossary of key terms.....	3
2. Executive Summary	4
3. Introduction.....	5
4. General overview of labor conflict in Chile	6
5. Strikes by Industry and Sector	12
6. Collective Action, Demands, And Geographical Distribution Of Strikes	17
7. Conclusions	20
8. References.....	21

Authors:

Francisca Gutiérrez: Associate researcher, COES; assistant professor, Universidad Austral de Chile; former director, Observatory of Labor Strikes (COES-UAH).

Rodrigo Medel: Researcher, Observatory of Labor Strikes (COES-UAH); Director, Department of Politics and Government, UAH.

Domingo Pérez Valenzuela: Bachelors in Sociology and Masters in Social Sciences, Universidad de Chile. PhD candidate in Geography, Pontificia Universidad Católica de Chile. Researcher, Observatory of Labor Strikes (COES-UAH).

Pablo Pérez Ahumada: Adjunct researcher, COES; Director, Observatory of Labor Strikes (COES-UAH); Assistant Professor, Department of Sociology, Universidad de Chile.

Diego Velásquez: Director, Observatory of Labor Strikes (COES-UAH); Researcher, Trabajo, empleo, equidad y salud (TEES) (Work, employment, equality, and Healthcare) program, FLACSO Chile.

Thanks to the following for their support:

Adrián Ulloa, Bachelors in Political Science, UAH.

Hernán Muñoz, Bachelors in Sociology, UAH.

Address:

Diego Velásquez

Los Navegantes 1963
Providencia - RM
comunicaciones@coes.cl
www.coes.cl

1. Glossary of key terms

Strike: Any deliberate disruption to work organized by a group of workers in support of a shared grievance.

Formal collective bargaining: Negotiation between workers and their employer conducted in accordance with all of the procedural norms established in Book 4 of the Labor Code, giving rise to the rights, prerogatives and obligations defined in said legal text, and reaching a resolution by means of a collective contract or an arbitrator's award. Negotiation of this type involves the possibility that workers will resort to strike action.

Legal strike: Those strikes carried out within the framework of formal collective bargaining. Strikes of this type are regulated by the Labor Code and registered by the Chilean Labor Directorate.

Extra-legal strike: Those strikes that fall outside the framework of formal collective bargaining. These are also known as illegal strikes or de facto strikes.

Workers involved (WI): The number of workers who take part in a strike.

Average workers involved (AWC): The total number of workers who took part in strikes over the course of a year, divided by the total number of strikes registered over the same period.

Days lost (DL): Work days lost as a result of the strike. The calculation takes into account whether Saturday and Sunday are working days according to the nature of the company or sector (public versus private).

Person-days of work lost (PDWL): An indicator of the economic cost of strikes to the company. It is calculated by multiplying the number of workers involved in the strike by the number of days lost (not including non-working days). For example, if 20 workers were on strike for 3 working days, they generated a PDWL of 60. In this report, the indicator is presented for every 100,000 employed people.

Tactics: Actions complementary to the strike that are carried out in order to increase the visibility of the cause or to maximize the likelihood of the strike's success.

2. Executive Summary

This report provides an overview of strike action in Chile during 2021 and examines general behavior in the second year of the COVID-19 pandemic. The seven main findings are as follows:

- » First, the number of labor strikes remained almost the same as in 2020 (248 in 2021 versus 246 in 2020).
- » Second, legal strikes saw the largest increase over the previous year, rising to 123 strikes (49.6% of the total). Private sector extra-legal strikes continued to fall (68 stoppages), while public sector action rebounded slightly (57 stoppages).
- » Third, there was an increase in worker participation. In 2021 an average of 10,037 workers went on strike, with 80% resorting to extra-legal action and the remaining 20% engaging in legal strikes.
- » Fourth, the duration of legal strikes has continued to increase, reaching an average of 13.8 days—the highest figure since Chile's return to democracy. Meanwhile, the length of private sector extra-legal strikes fell to an average of 1.6 days.
- » Fifth, the economic industries in which strikes were most common were Teaching (53), Transport (36), and Healthcare (35). There were hardly any stoppages in the areas of Artistic Activities and Administrative Services. In the public sector, strikes occurred in the areas of Healthcare (14), Education (12), and Justice and Human Rights (4).
- » Sixth, conventional or cultural tactics continued to predominate (60.7%), although disruptive action increased to 18.3%. There was no evidence of violent tactics.
- » Seventh, the demands made by strikers in 2021 primarily concerned pay (52%). However, this figure was lower than in 2020 (63.1%). Demands relating to organization of work and to issues beyond the employer increased to 15.1% and 13.2%, respectively.

A general conclusion that may be drawn from the present report is that trends in 2021 closely reflected those of the first year of the COVID-19 pandemic. This is also likely to have been influenced by the adverse economic situation. However, there are a number of indicators that show signs of recovery, in particular those relating to the reactivation of extra-legal strike action. This suggests a possible return to pre-pandemic levels of conflict over the coming years.

3. Introduction

The Labor Strikes Observatory (OHL in Spanish) analyses the state of labor conflict according to a registry of strikes that is updated annually. The year's events thus provide the basis for each report. There were two main events that influenced labor conflict in 2021. The first was the gradual easing of the COVID-19 pandemic. In the majority of countries, strict closure of workplaces has now come to an end and there have been signs—although meagre and slow—of recovery in terms of economic activity and the labor market. According to some international studies (CEPAL/OIT, 2022; OIT, 2022), the return to work has been uneven and driven primarily by the self-employed. Furthermore, women have been more seriously affected than men in terms of labor participation and workload. The global economic crisis is a related factor that has affected the purchasing power of workers. As such, in the present report we discuss the previous year and the impact of the pandemic on labor conflict. Among the various findings set out in the previous report was that remote working and the temporary suspension of productivity contributed to a fall in strike activity in industries where such policies were most rigorously imposed (Observatorio de Huelgas Laborales, 2021).

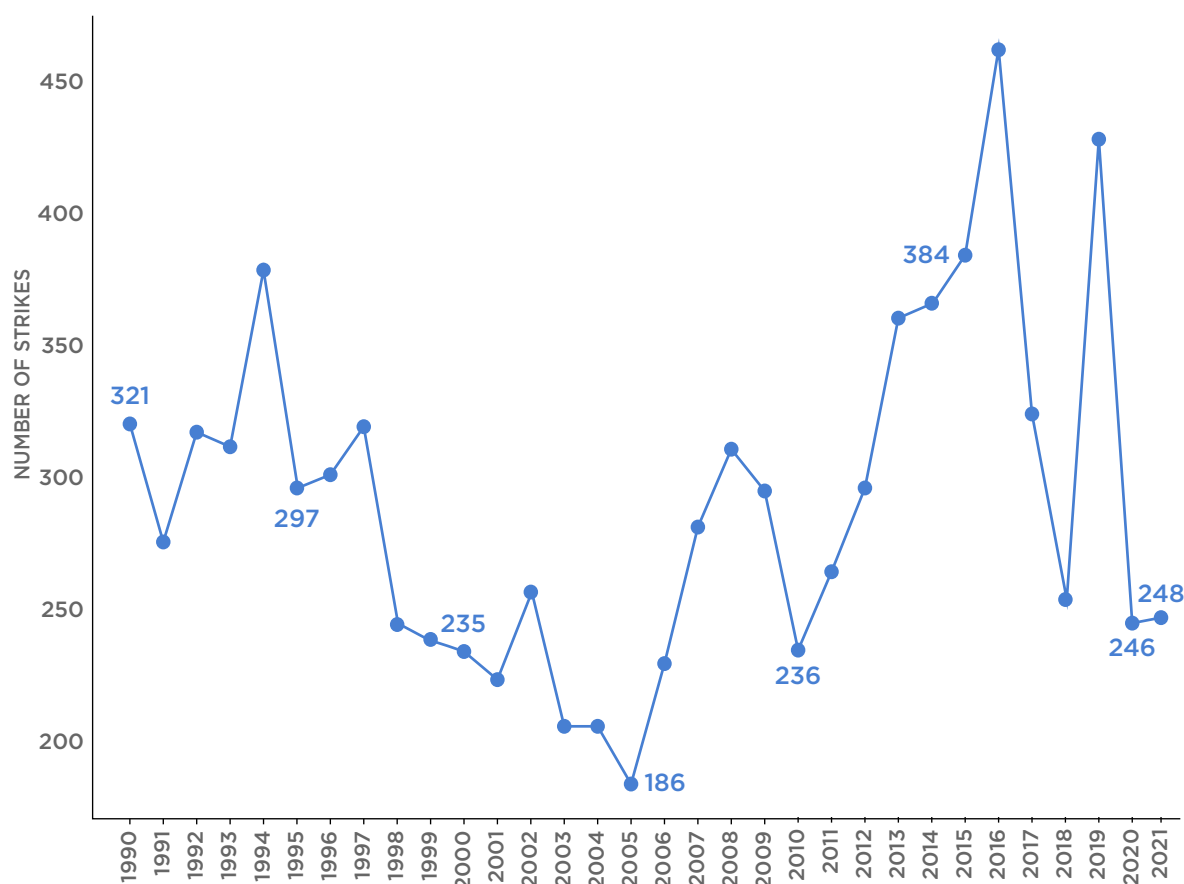
2021 was also dominated by discussions surrounding Chile's new constitution, which proposed the extension of social and political rights in order to strengthen union organization and action. In particular, Article 47 of the proposed text sought to guarantee both public and private sector workers the right to unionize; the right to collective bargaining at the industry, sector, or territorial level; and the right to strike. Much has been written on how restrictive the current regulatory framework is in terms of collective employment relations and union action (e.g., Pérez Ahumada, 2021; Pérez et al., 2017). The legislative reality has created a landscape of growing labor conflict over the past decade, which the labor reform of 2016 unsuccessfully attempted to reverse (Pérez Ahumada, 2021). As such, it was hoped that approval of the new draft constitution would lay the foundations for a new environment of labor relations in Chile. However, the situation endures following the recent rejection of the proposed text, and uncertainty remains as to the future of labor legislation and conflict. Will union revitalization continue in the wake of the pandemic? Will conflict return to previous levels? Did union strategies change in response to the unfavorable economic context and alterations to working realities brought about by COVID-19? Will the aforementioned union rights be incorporated into a new draft constitution?

The present report seeks to contribute to discussions of the future landscape of labor conflict over the coming years and addresses the issues mentioned above through an analysis of labor strikes and other relevant statistical data. As such, there follows a general overview of strike action between 1990 and 2021, making use of classical indicators and a discussion involving data on unionization and collective bargaining. These data are then analyzed according to various labor units, such as economic industry and company size. Subsequently, the collective action involved in each strike is assessed in terms of the tactics applied, the demands made, and the geographical location in question. We finish with a discussion of the main results.

4. General overview of labor conflict in Chile

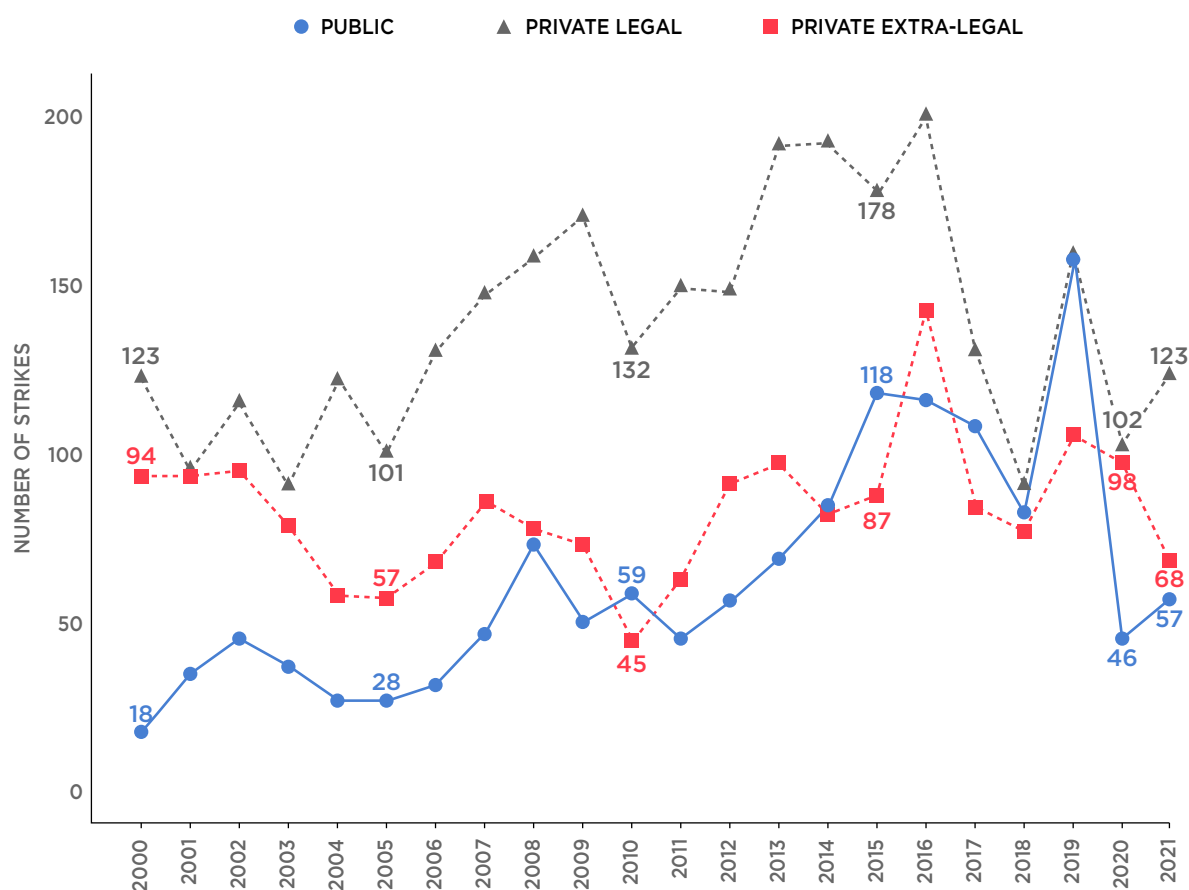
Our initial analysis of labor conflict addresses strike frequency. Figure 1 shows the number of strikes that occurred in Chile each year between 1990 and 2021. In 2021 the number remained practically the same as in the previous year (248 versus 246 in 2020). Since 2017 there has been a consistent fall in the number of strikes, with the exception of 2019 when around 430 events took place. Despite the effect of the pandemic and the associated economic situation, it is probable that we are in the midst of a decline in strike numbers. A similar trend can be seen between the mid-1990s and the mid-2000s, after which there was a resurgence in labor conflict that peaked in 2016.

Figure 1. Total number of strikes, 1990-2021



We have split strikes into two groups: those involved in formal collective bargaining processes and which are part of the formal institutional structure; and those that occur outside the bounds of labor code provisions and are generally separate from formal collective bargaining. We refer to the first group as legal strikes and to the second as extra-legal. Of the 125 extra-legal strikes that occurred, 68 correspond to the private sector and 57 to the public sector. Public sector strikes are expressly prohibited by law. Figure 2 reveals a break in the trend seen between 2015 and 2020, during which period the number of extra-legal strikes exceeded legal strikes. The general downward trend in strike numbers primarily reflects a drop in the number of extra-legal strikes, while legal strike action has remained more stable since 2017.

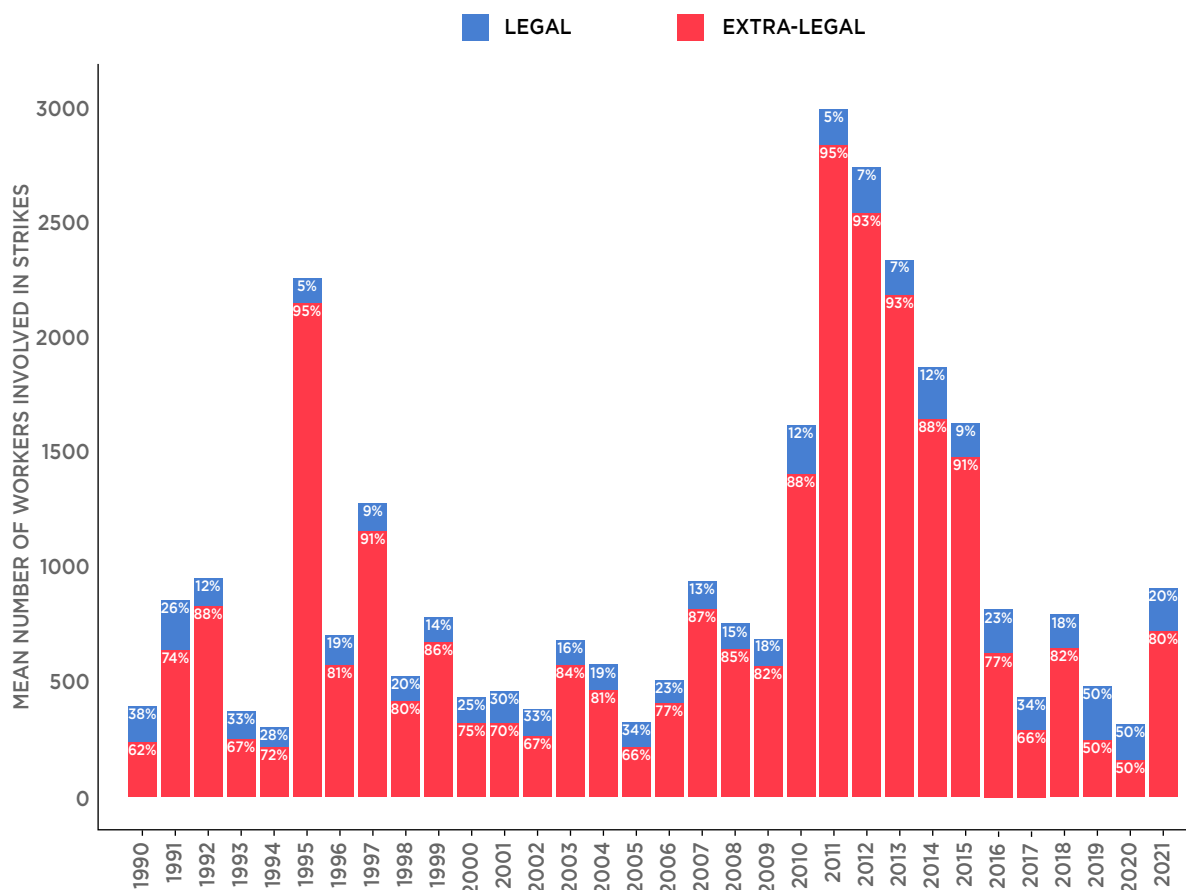
Figure 2. Legal versus extra-legal strikes, 2000-2021



A second key dimension is strike participation on the part of workers. Figure 3 presents the average number of workers involved in legal and extra-legal strikes annually. In 2021, strikes involved an average of just over 1,000 workers, the majority of whom (80%) participated in extra-legal action. In absolute terms, this is almost three times the figure observed in 2020. Furthermore, it is interesting to note that although there was a drop in the number of strikes falling outside formal collective bargaining processes, actions of this type mobilized a larger number of workers on average. This suggests that these extra-legal strikes were brought about by unions with greater levels of convening power or overall strength.

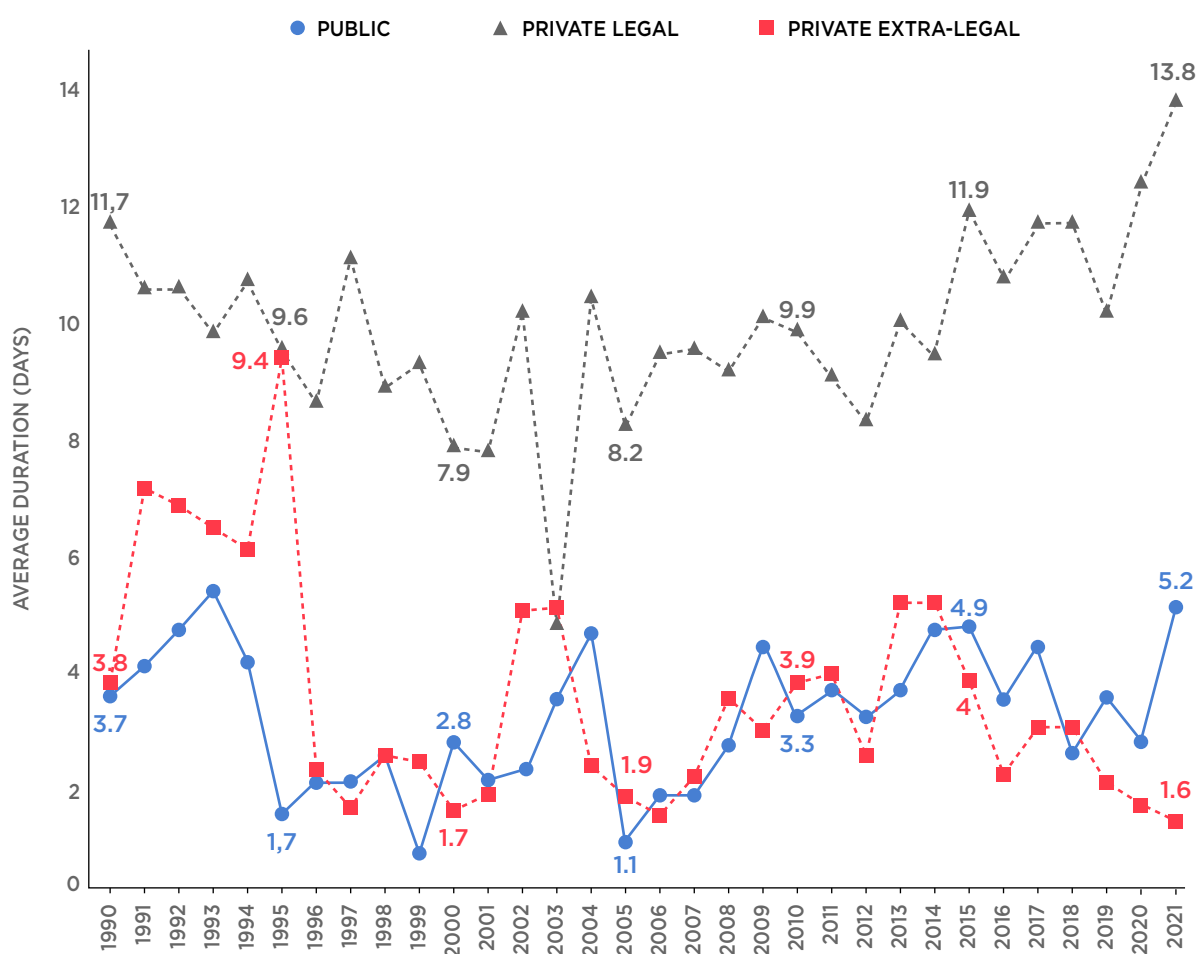
Figure 3. Average number of workers involved in legal versus extra-legal strikes, 1990-2021

CENTRO DE ESTUDIOS DE CONFLICTO Y COHESIÓN SOCIAL



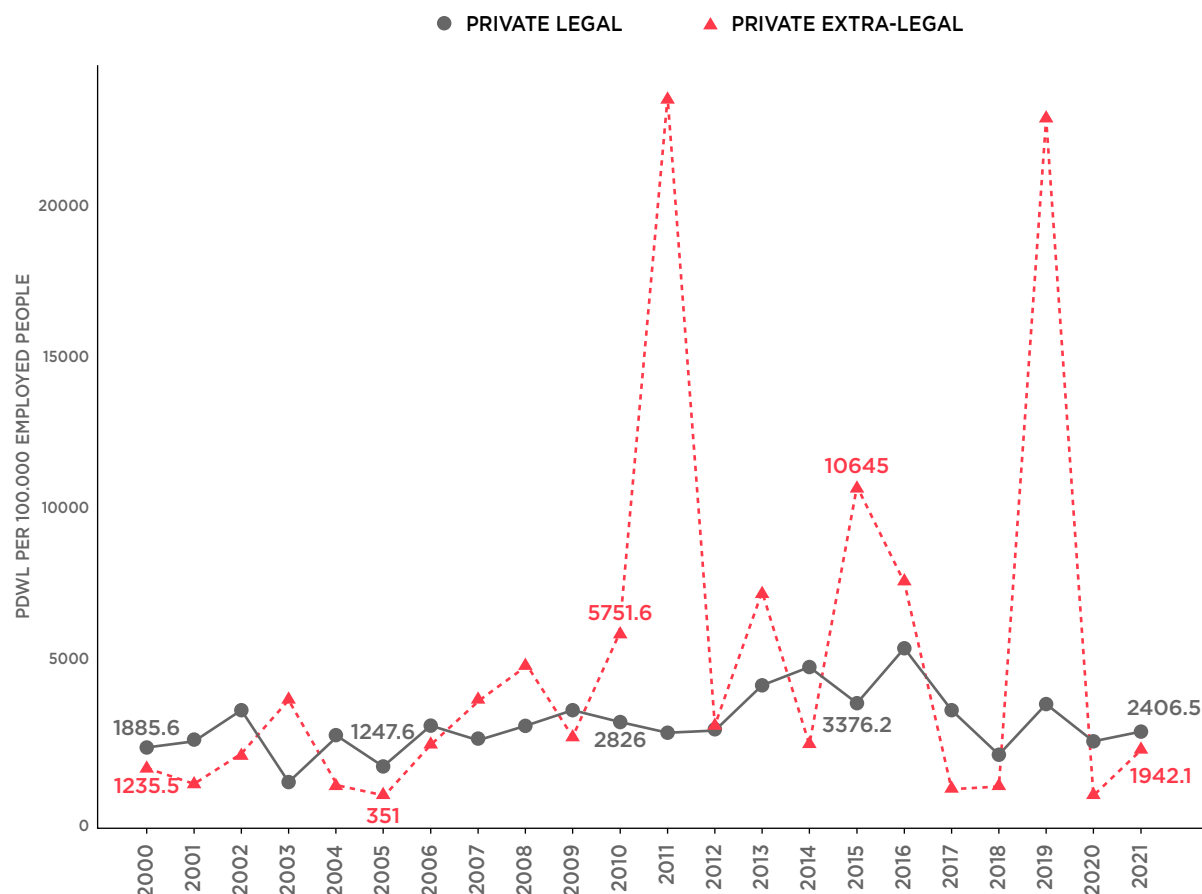
Another classical indicator is strike duration. Research has addressed the relationship between strike duration and union strength. A number of studies (e.g., Velásquez et al., 2021) have demonstrated that a shorter strike duration tends to be an expression of greater union strength and, as such, a greater likelihood of success in the conflict. In the case of Chile, this is evident from the data presented in Figure 4, which reveal two aspects of note. First, as in previous years, public and private sector extra-legal strikes tended to be much shorter than legal strikes in the private sector. This was despite the fact that in 2021 the difference in duration between public sector strikes and extra-legal strikes in the private sector increased in comparison to 2018. Second, Figure 4 indicates that, since the mid-2000s, legal strikes in the private sector have been growing in length, reaching a peak in 2021, when actions lasted an average of 14 days.

Figure 4. Average duration of legal and extra-legal strikes by sector, 1990-2021



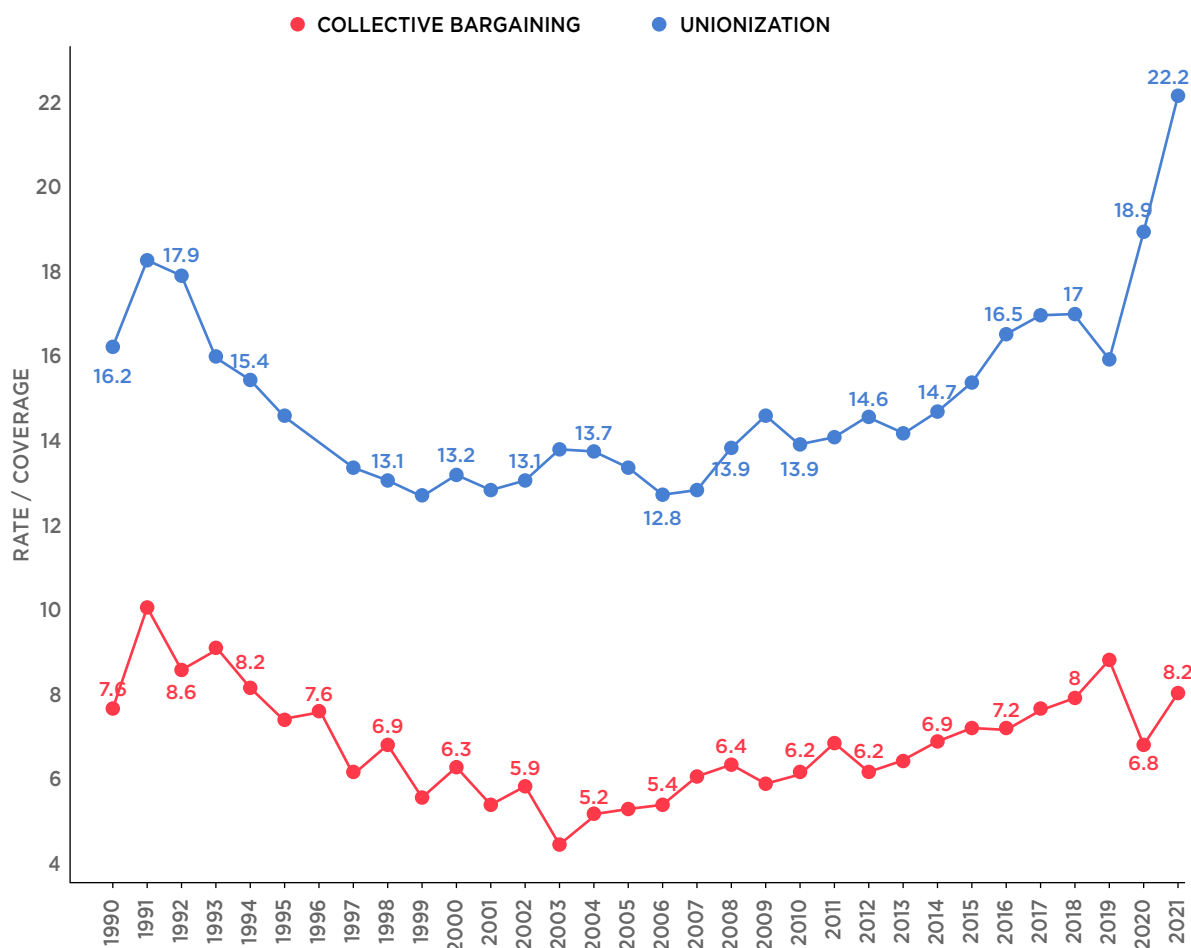
Despite the complexity of assessing the economic impact of strikes given that they do not necessarily succeed in paralyzing production, an approximation of their effects is possible using an analysis of person-days of work lost (PDWL). Figure 5 presents the annual average PDWL caused by strikes per 100,000 employed people. This indicator can be seen to have increased in 2021 over 2020. However, the increase was not substantial when compared to years in which large-scale mobilizations occurred, such as in 2013 and 2015, and particularly in 2011 and 2019.

Figure 5. PDWL per 100,000 employed people during legal versus extra-legal strikes, 1990-2021



Finally, in order to obtain a general overview of labor conflict in Chile, we explore worker participation in unions and in collective bargaining. Figure 6 presents unionization rate and collective bargaining coverage. According to these data, we can see that the pandemic coincided with greater union membership among workers (2020-2021). Unionization reached a record level of 22.2% in 2021—the highest since Chile's return to democracy. The same was not true of collective bargaining coverage, which has remained fairly stable over the course of the past two decades, exhibiting a slight upward trend since the mid-2000s. This discrepancy between unionization rate and collective bargaining coverage shows that union affiliation and strength do not necessarily result in collective contracts. There may be several reasons for this, including multiple unionism (or union parallelism), deferral of collective bargaining, the inability of some unions to negotiate collectively in accordance with the law, negotiating groups who have since unionized, and other legal and circumstantial issues.

Figure 6. Unionization rate and percentage collective bargaining coverage, 1990-2021



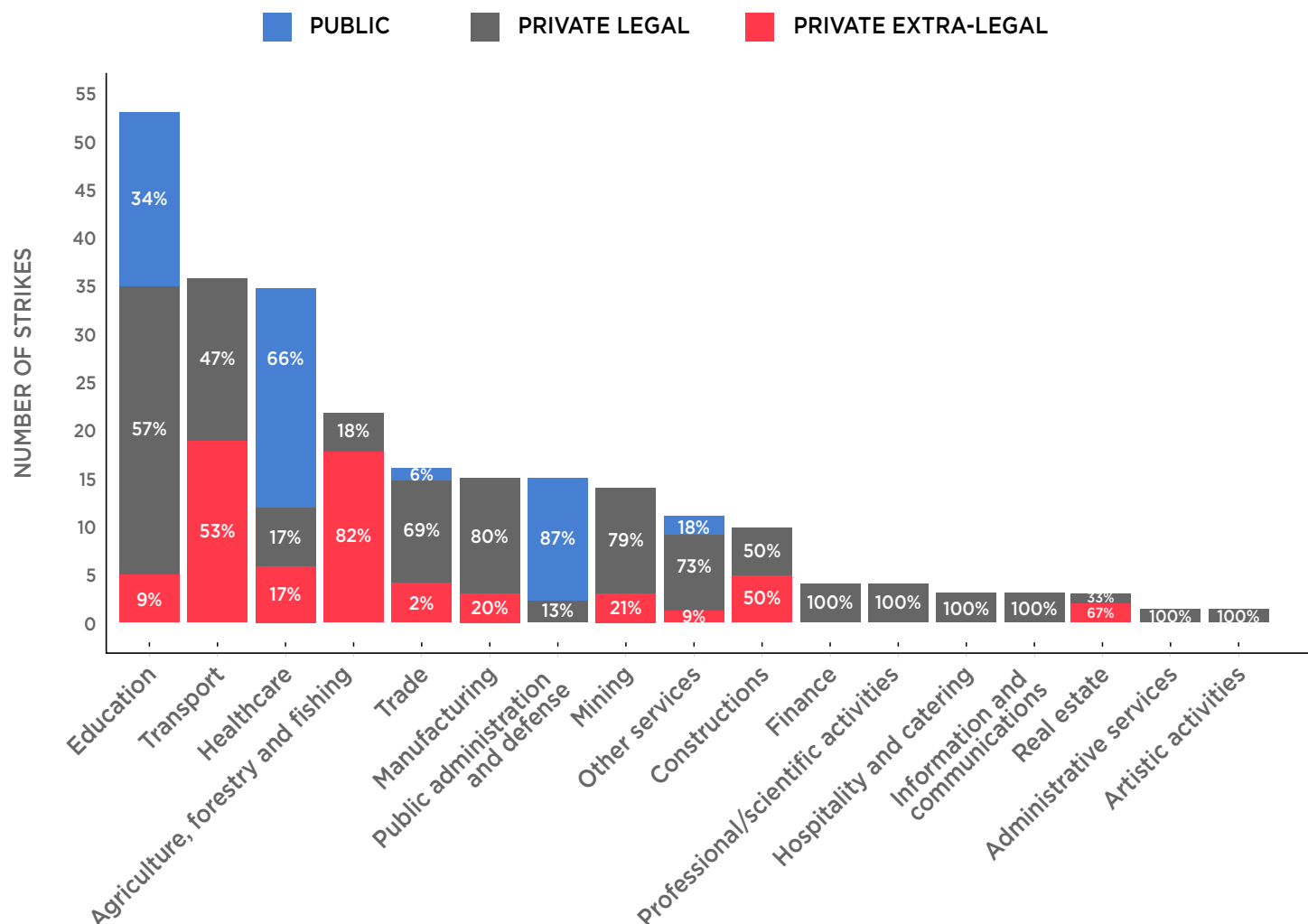
Source: Statistical compendia, Labor Directorate

5. Strikes by Industry and Sector

An analysis of industry strike action by sector enables us to identify differences in union behavior nationally. Figure 7 presents the total number of strikes and their distribution (legal versus extra-legal) for each economic industry. In 2021, the greatest number of strikes occurred in the Teaching, Transport, and Healthcare industries. By contrast, strike frequency was close to zero for Artistic Activities and Administrative Services.

The most common strike type within these industries depends on labor relations and public sector participation in each. For example, while the ratio of legal versus extra-legal strikes is similar for Transport, it is extra-legal strikes that dominate in the Healthcare sector, where a considerable proportion of stoppages affect public services (66%) and, as such, lack a clear regulatory framework. Similarly, a considerable proportion of strikes (34%) occurred in public sector Education establishments.

Figure 7. Number of strikes legal versus extra-legal strikes by industry



An analysis of strike activity in economic industries based on PDWL (Figure 8) reveals that Education remains the highest-scoring industry in 2021. By contrast, Transport performs less strongly for this indicator. In other words, although strikes are more frequent in the Transport industry, they tend to be shorter and/or involve fewer workers. Meanwhile, Mining occupies second place in the ranking, indicating that strikes in this industry are scarce but powerful in terms of participation and/or duration. The ranking of Administrative Services is explained by the occurrence of a strike that involved around 67,000 workers.

Figure 8. PDWL per 100,000 employed people by economic industry

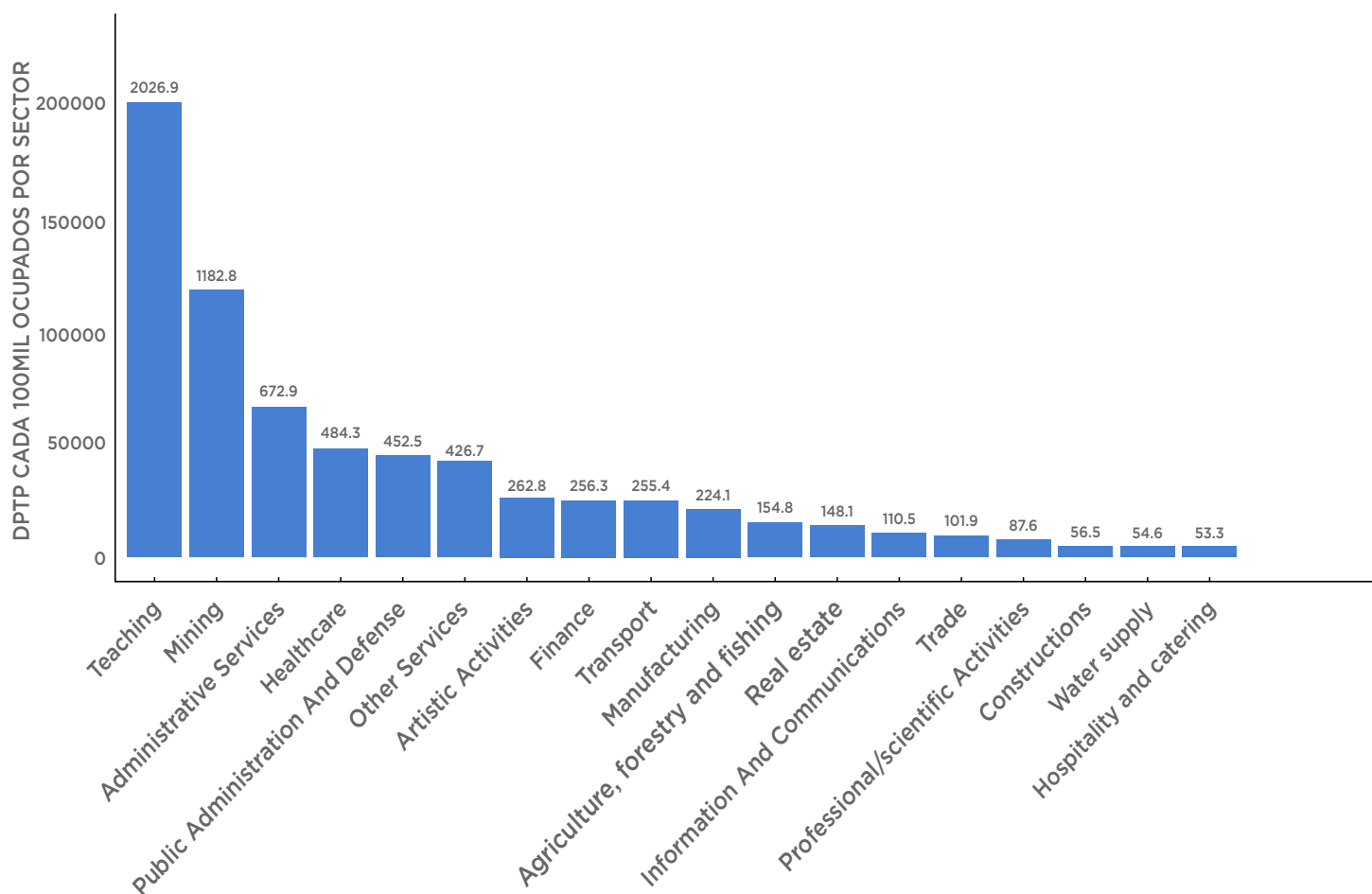
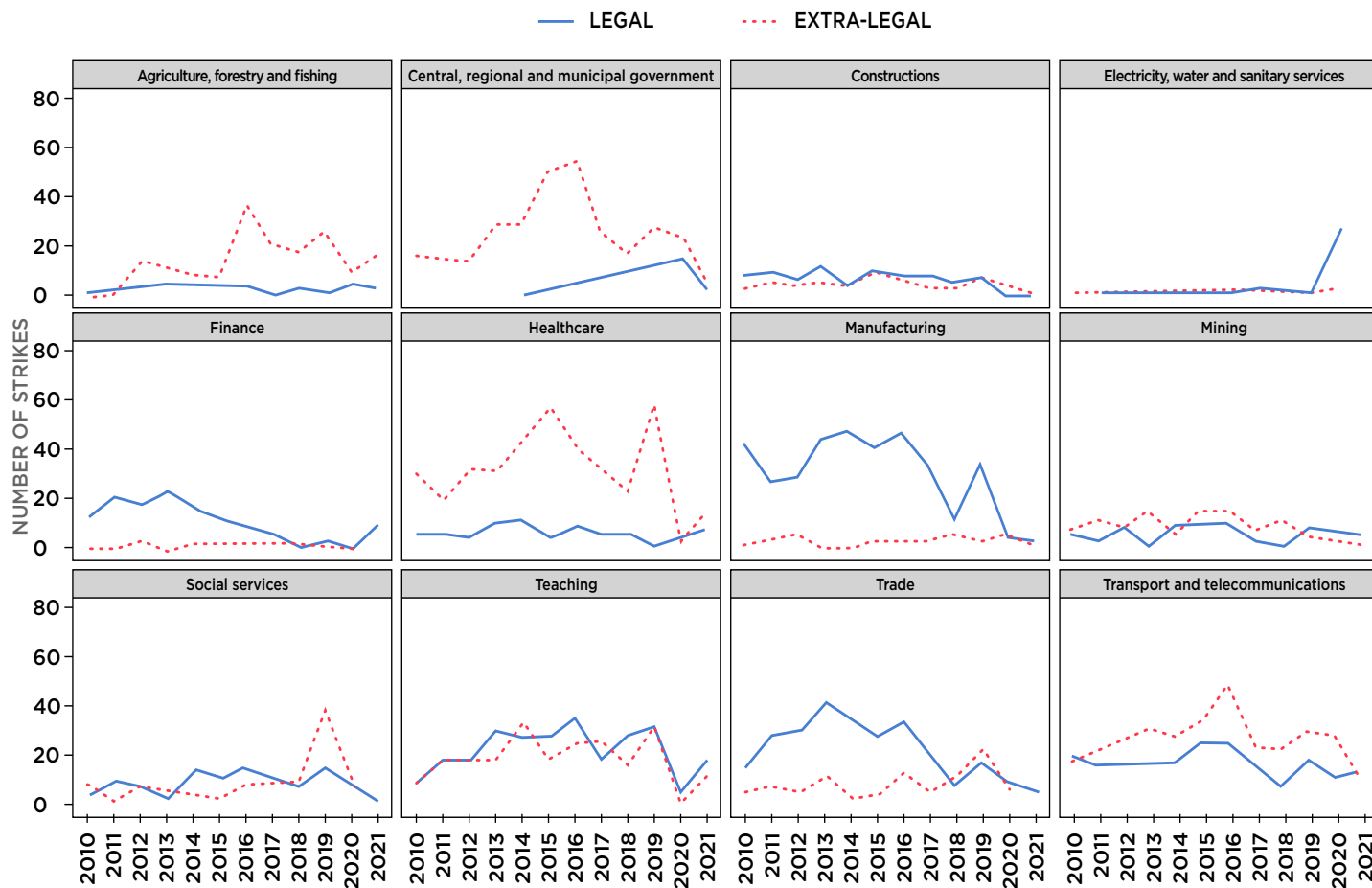


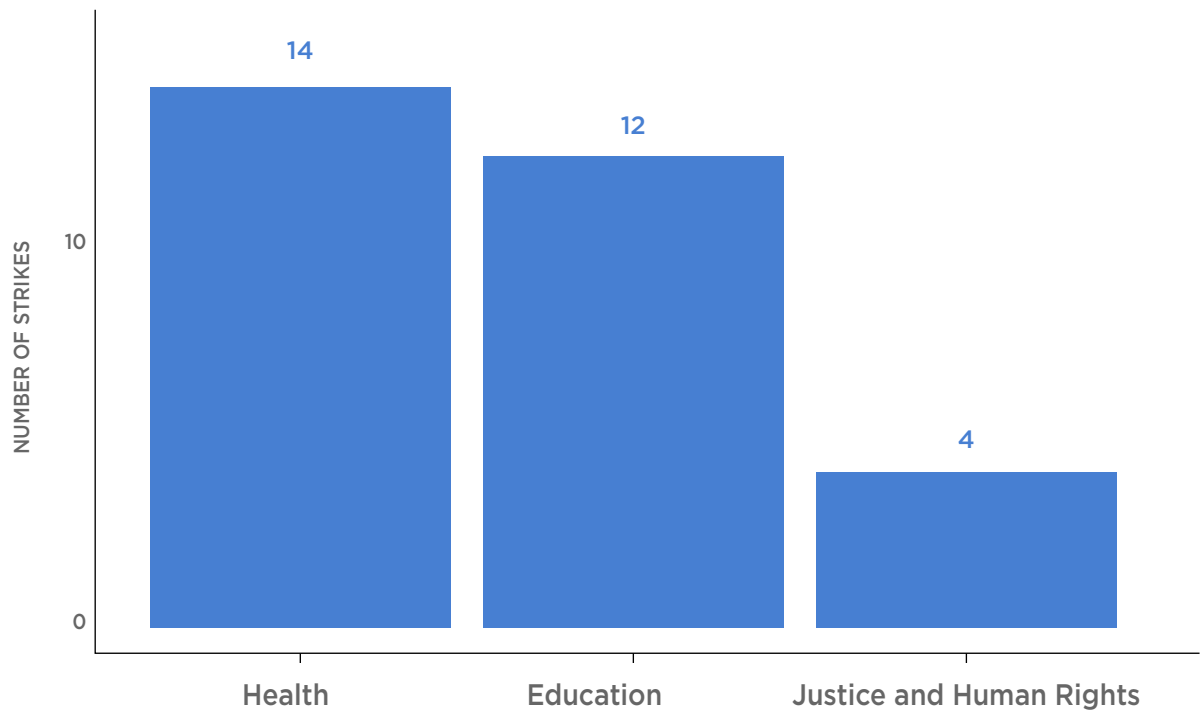
Figure 9 presents the evolution of strike frequency by economic industry between 2010 and 2021, revealing two extreme scenarios. On one hand, in industries such as Electricity, Water, and Sanitary Services, there was an upturn in legal and extra-legal strikes during 2021, with figures rising above the average for the last 10 years. On the other, industries such as Trade, Construction, Government, and Manufacturing saw a fall in the number of legal and extra-legal strikes compared to the previous year, with figures reaching record lows.

Figure 9. Number of strikes by economic industry, 2010-2021



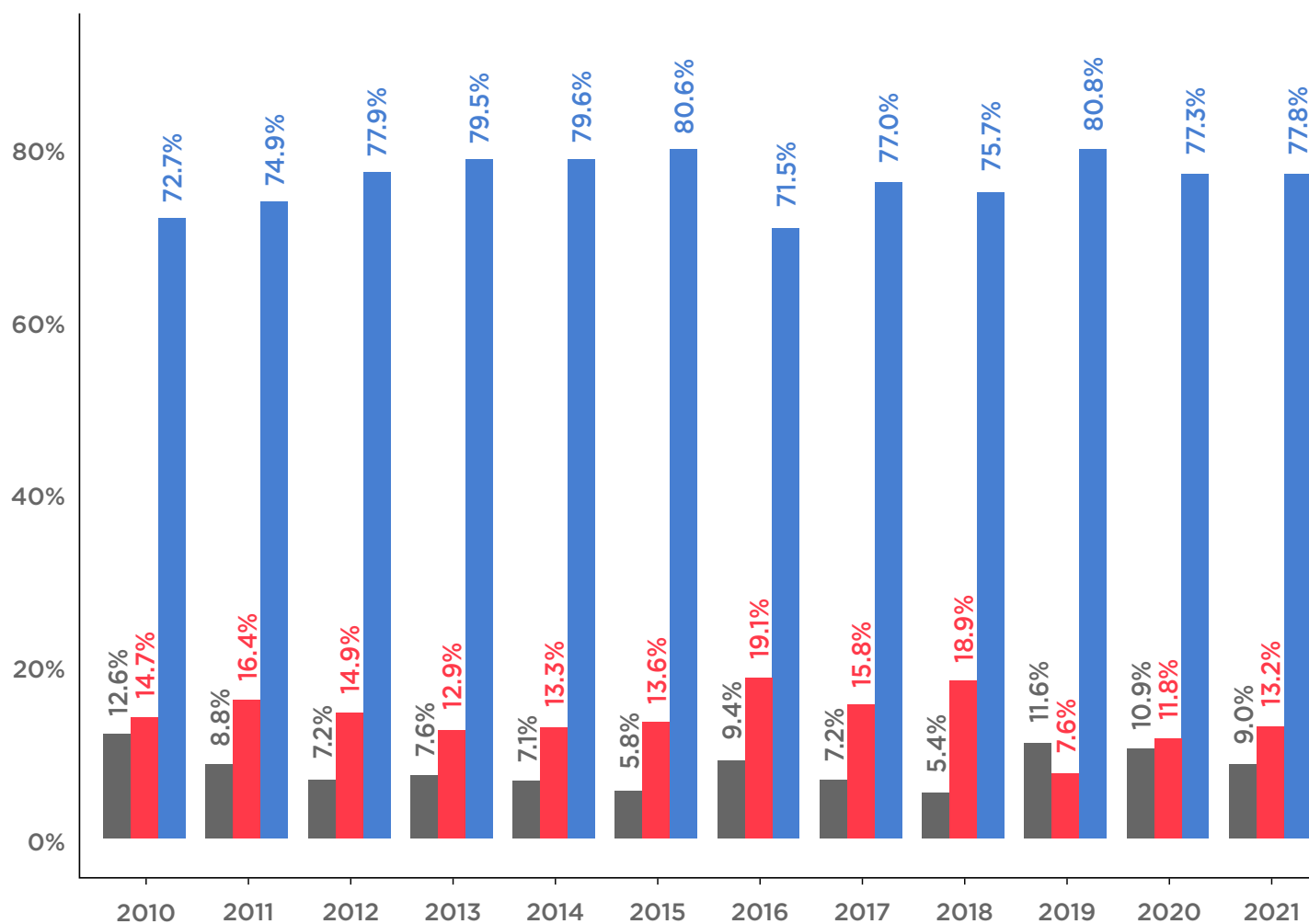
This report is the first to present data concerning State Administration and the distribution of strike action across ministries. As shown in Figure 10, strikes during 2021 were focused on the Ministries of Health, Education, and, to a lesser extent, Justice and Human Rights.

Figure 10. Number of strikes by ministry



Company size is also a relevant factor when it comes to explaining strike behaviors. As highlighted in previous reports, strikes have historically focused on large companies where the existence of unions is more likely. As shown in Figure 11, 2021 was no exception. Furthermore, there was no apparent increase in the proportion of strikes relating to medium-sized companies, a trend seen in 2016 and 2018. The pandemic appears to have maintained the focus of conflicts on large companies.

Figure 11. Percentage of strikes by company size



6. Collective Action, Demands, And Geographical Distribution Of Strikes

A study of supplementary tactics used by workers to improve strike effectiveness allows us to identify the degree of intensity or even violence of these conflicts, as well as the dominant repertoires of action involved in Chilean unionism. Figure 12 covers the period between 2010 and 2021 and presents the percentage of strikes involving conventional or cultural tactics (such as collection of signatures, marches, public gatherings, musical acts, etc.), disruptive tactics (such as roadblocks, pickets, or barricades), and violent tactics (such as attacks on counter-protesters, clashes with the police, or hunger strikes). As in previous years, conventional or cultural tactics were widely used in 2021 (60.7%). Furthermore, as has been the trend over the past decade, there are no recorded strikes involving violent tactics. The most noticeable change during 2021 compared to the previous year was the significant rise in the number of strikes involving disruptive tactics, which accounted for 18.3% of all strikes. The latter may be a reflection of greater tension between actors involved in the conflict, a trend that began prior to the pandemic but was slowed by it.

Figure 12. Percentage of strikes employing different tactics

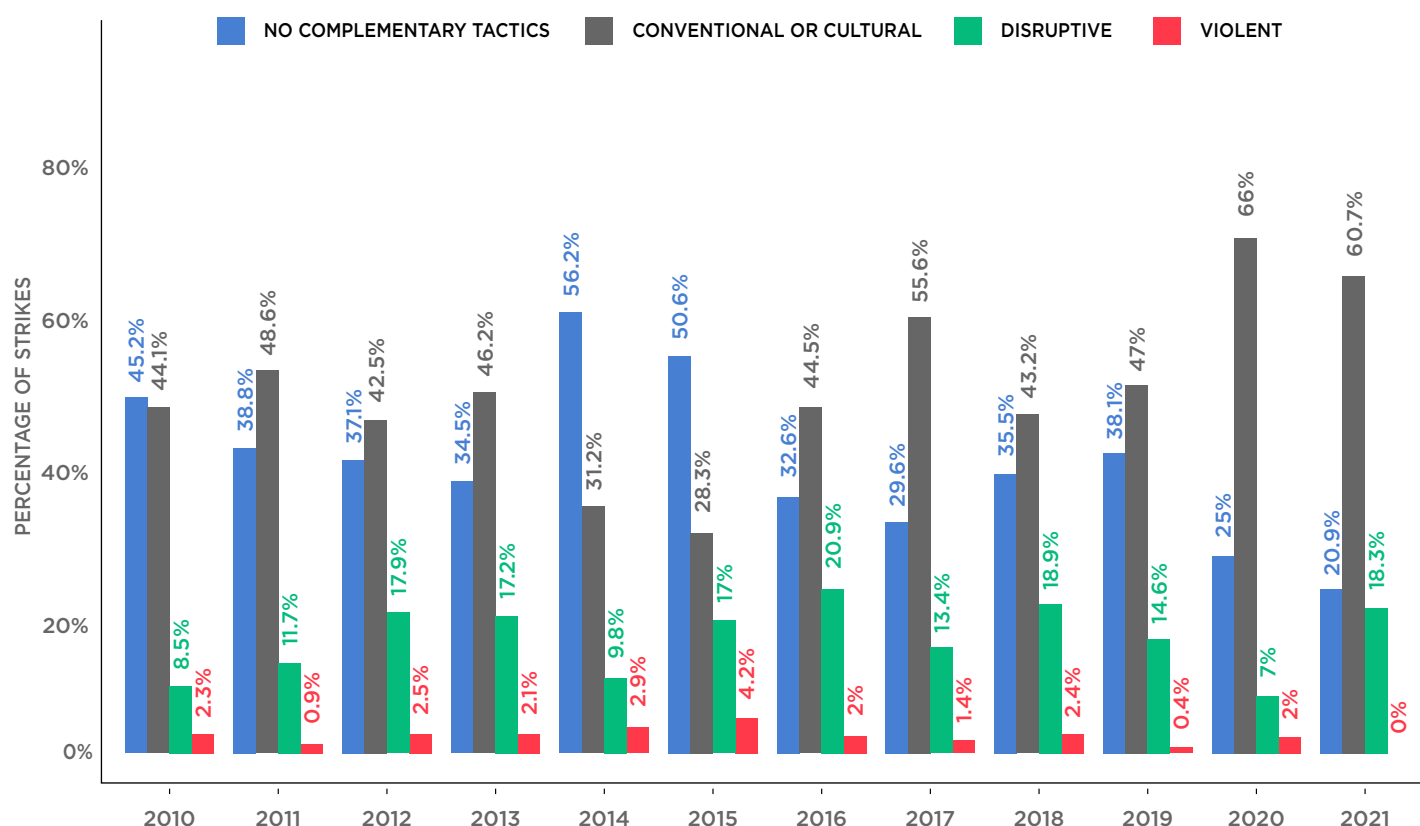
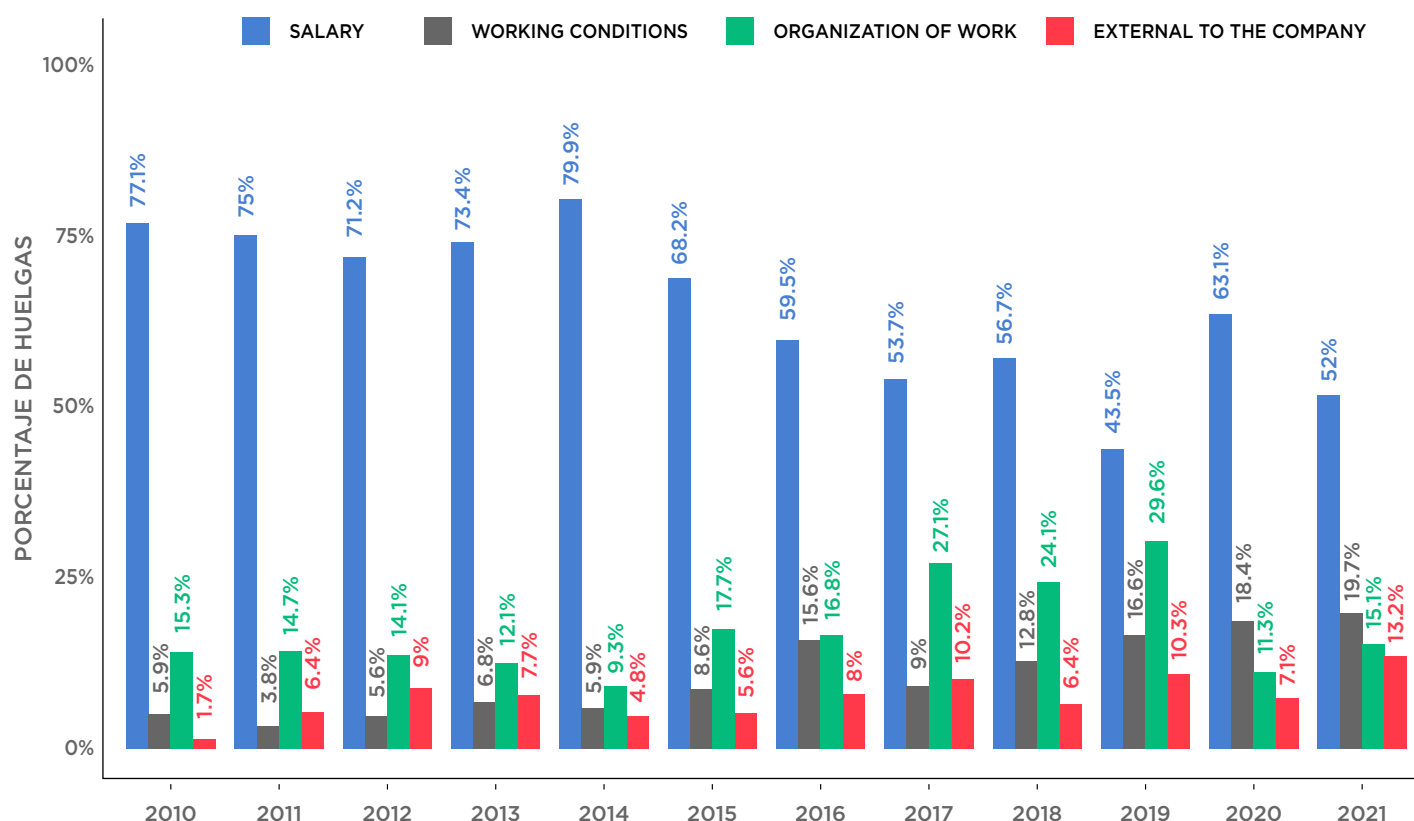


Figure 13 shows the evolution of demands involved in private sector strikes between 2010 and 2021. In previous reports we found a relative downward trend in the number of pay-related strikes (regarding, for example, salary and bonuses), which fell from 77.7% in 2010 to 43.5% in 2019. At the same time, there was a sustained increase in the number of strikes in response to working conditions (such as lack of materials, hygiene, safety, or infrastructure) and organization of the working environment (such as working hours, unfair dismissal, and leadership issues). In fact, the latter reached a peak in 2019, the year of the popular uprising. These trends have been described as part of a cycle of growing politicization of the Chilean labor movement in the workplace (Medel et al., 2021; Osorio & Velásquez, 2021). However, in 2020, pay-related strikes once again rose to represent 63.1% of cases. During 2021, this percentage fell slightly to 52%, nevertheless remaining higher than was observed prior to the pandemic. This raises the question of whether in the coming years the politicization process observed prior to the pandemic will continue, or whether it was halted by the COVID-19 crisis.

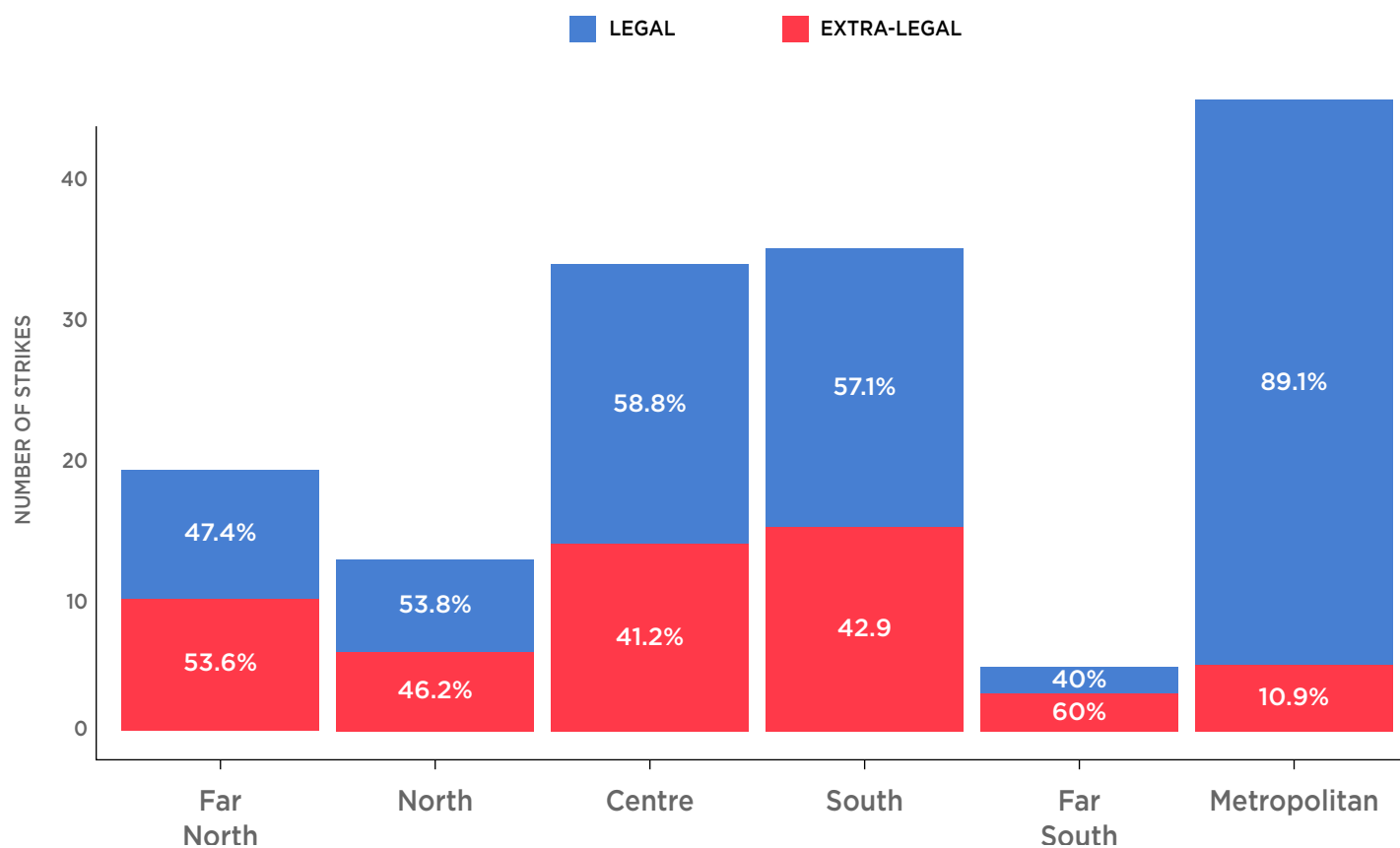
Figure 13. Percentage of strikes by primary demand



A study of the geographical distribution of strikes provides insights into which parts of the country have the greatest concentration of labor conflict, as well as the nature of strike activities in each area. Figure 14 presents the percentage of legal versus extra-legal strikes according to geographical area in 2021. The Metropolitan Region had the largest number of strikes, followed by southern Chile (between the Araucanía and Los Lagos Regions) and the Central zone (between the Valparaíso and Biobío Regions, excluding the Metropolitan Region). This can be explained in part by the country's population density between the fifth and tenth regions, which is where the majority of economic activity is based.

However, perhaps most notable is the distribution of legal and extra-legal strikes. Legal strikes occurring as part of a formal collective bargaining process predominate in the Metropolitan Region, while elsewhere there is greater balance between legal and extra-legal strikes. The phenomenon has been observed in previous reports, suggesting that it is structural in nature and indicative of the State's inability to channel labor conflict along institutional avenues outside the capital. In other words, it provides evidence of a failure of the State's spatial strategy (Jessop, 2016) and/or the fragility of government involvement (Soifer, 2012), both of which hinder the equitable exercise of labor rights the length of the country.

Figure 14. Percentage of legal and extra-legal strikes by geographical zone



7. Conclusions

The present report has provided an overview of strike activity in Chile during 2021, thus shedding light on the effects of the COVID-19 pandemic on labor conflict. Analysis of strikes improves our understanding of labor relations and, in particular, of the ability of workers to exert pressure in support of their demands by means of stoppages.

The results show a similar number of strikes in 2021 compared to the previous year, but an increase in the number of workers involved in these activities. Despite the easing of health restrictions, strike frequency has not returned to pre-pandemic levels. This may be linked to the declining economic situation, which inhibits labor stoppages. As such, it is likely that those unions that organized strikes during 2021 benefit from greater convening power, which would explain why action involved a higher average number of participants than in previous years.

These trends vary across the different economic industries. The industries with the greatest number of stoppages during 2021 were Transport, Teaching, and Healthcare, while there were almost no strikes in the areas of Artistic Activities and Administrative Services. However, analysis of the evolution of each industry over the past ten years reveals that 2021 was a particularly intense year in terms of strike action in the Electricity, Water, and Sanitary Services industries, and especially quiet in the Trade, Construction, Government, and Manufacturing industries. Nevertheless, there are other historical features of strike action that remained stable in 2021, such as the focus of activities on large companies and the Metropolitan Region.

Analysis of legal versus extra-legal strike activity during 2021 reveals a resurgence in the frequency of legal strikes; however, the same cannot be said of average participant numbers, which have varied little over the past decade. By contrast, there was a reduction in the frequency of extra-legal strikes during 2021, although they involved a greater number of workers and were shorter in duration. It is likely that, in the face of an unfavorable economic situation resulting from unemployment and inflation, unions that organize stoppages of this type opted for warning strikes as a show of force aimed at exerting pressure in a context of conflict. However, more extensive research is needed on this question.

Another notable aspect is the dramatic increase in the duration of legal strikes in 2021, which reached record figures. This could be evidence of a sustained decline in strikes conducted via formal negotiation channels, as additional stoppage days mean extra costs to both unions and employers. It therefore seems that the 2016 labor reform has not succeeded in either reducing tensions or facilitating agreements when strikes occur as part of a formal negotiation process.

Based on the findings and considering the dynamics of strikes in recent decades, there are two possible scenarios for the coming years. On one hand, the stagnation of strike action may be due exclusively to the economic situation and the pandemic. As such, it would be reasonable to expect a medium-term resurgence in activities and a return to the upward trend in labor conflict that was observed in OHL reports prior to 2020. On the other hand, it may be that, following two years of limited strike action, the trend will stabilize and mark the end of the protest cycle that began in 2006 and peaked in 2019.

As revealed by the unionization rates presented in this report, union membership has become consolidated over the course of the last cycle and even resisted the challenges posed by the pandemic. However, neither this participation nor growing strike action prior to the pandemic succeeded in bringing about reforms to safeguard labor rights or ensure broader coverage of collective bargaining. The pandemic served to highlight this weakness on the part of Chilean unionism, reducing their capacity for negotiation and intervention in the definition of working conditions. This evolution confirms the importance of bringing about

institutional change to defend the principal of freedom of association, including the right to collective bargaining at different levels and the fundamental right to strike—change that is in line with the recommendations of international organizations such as the International Labour Organization.

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