Workers Struggles: The Americas

2 April 2003

Lula government faces massive strike by Brazilian metal workers.

Over 20,000 Sao Paulo metal workers are entering the second week of their strike to demand a 10 percent wage increase to offset the impact of inflation. The strike is affecting 40 more factories each day. The strikers' unions, associated with the Forca Sindical (FS) federation, suspended the job action against 76 plants that have signed preliminary "me too" agreements to accept the increase. The FS has expanded the strike to other plants. In some cases—auto parts manufacturers and foundries—the labor federation has declared a truce, pending negotiations, in part to contradict charges that it is being "too radical," according to FS sources. Another federation, the Central Workers Union (CUT), has indicated that it will not call its members out on strike. Average wages for metal workers are a paltry $250 a month. The Brazilian minimum wage is about $120 a month.

However, observers warn that those employers that cannot increase prices to pay for the wage increases are reticent to settle. Since new firms are added every day, the strike could involve the bulk of Sao Paulo's 280,000 workers by the end of the week. Consumer prices have increased by more than 9 percent since last November, and 16 percent throughout the year, following a 35 percent devaluation of the Brazilian Real.

Union leader Eleno Jose Bezerra said, "Our goal is to achieve wage increases at 1,200 factories and we are prepared to stay out for a month, if necessary."

This is the largest strike since President Lula—a former metal worker who led strikes in the 1970s and 1980s—took office promising to improve conditions of the Brazilian working class and to create jobs. The reformist party he leads—the Workers Party, known by its Spanish acronym as the PT—has agreed to implement the demands of the International Monetary Fund and is increasingly coming into conflict with the working class.

Brazilian unemployment increases to 11.6 percent

The same week that the World Bank and other international financial institutions congratulated the government of President Luis Ignacio da Silva Lula for exceeding the austerity goals imposed by the International Monetary Fund, unemployment leapt up in Brazil.

The Brazilian Institute of Statistics and Geography reports that 11.6 percent of the labor force is unemployed, up from 11.2 percent last month, raising fears that Brazil is sliding back into economic recession. Unemployment statistics had shown gradual improvement since February 2002, when the rate was 12.5 percent.

Labor protests in La Paz

Retired and active teachers and workers under contract by the state marched in La Paz on March 28, blocking major intersections in the Bolivian capital. Many of these workers had walked for days from other Bolivian cities to demand that the government raise their wages by up to 800 percent. More than 100,000 teachers have been on strike since March 26.

Argentine teachers strike

Teachers in the Argentine province of Entre Rios refused to begin the school year until their back wages were paid, canceling classes scheduled to begin on March 24. The Entre Rios governor blamed the situation on his predecessor and insists his government has no money to pay the teachers. He is negotiating with the World Bank for a loan to pay the teachers the $20 million they are owed.

In addition, the teachers are demanding to be paid for the days they are on strike and that a decent transportation system be established for students.

The Entre Rios Teachers Association (AGMER) says it will neither complete the last year nor begin a new cycle unless teachers are paid. Many students have yet to take final exams for last year.

AGMER reports that 78.2 percent of teachers are women and that 64 percent of them bring home the sole income for their families, since unemployment in the province affects mainly men. Over half of the teachers' families live under the official poverty line.

Negotiations continue over concessions at Mexican airline

Threats to strike notwithstanding, the Association of Airline Stewards (ASSA) is continuing to negotiate with Aeromexico over its insistence that the union accept layoffs to save the airline

Aeromexico is demanding drastic modifications in the union contract on manning and job conditions that would allow it to "temporarily" reduce cabin crews. Last week ASSA leaders said that every option was being discussed, but they would not accept unpaid layoffs.

Northwest airlines executives rake it in while workers lose jobs

The two top executives at Northwest Airlines added a combined $2.5 million to their compensation packages last year, according to the company's recent proxy statement. The revelations come at a time when Northwest has announced plans to ax another 4,900 jobs.

CEO Richard Anderson received a $250,000 bonus and President Douglass Steenland got a $200,000 bonus. However, the major portion of their compensation increase was realized through stock options that cannot be immediately sold and originally required the company's stock share price to be between $11.50 and $56.28. But the company lowered the minimum target price to $8.30, making it easier for the executives to cash in. NWA stock is presently fluctuating in the $7 per share range.

Anderson saw his total compensation increase last year by 126.3 percent, from $1,238,305 to $2,802,788. Steenland's compensation rose by 79.3 percent, from $1,242.545 to $2,228,203.

Northwest union officials bemoaned the fact that the compensation packages make it more difficult to impose concessions on workers. "It's going to be extremely difficult for any union to explain to our membership how they can say labor is the problem while they take care of themselves," said Bobby DePace, president of District 143 of the International Association of Machinists, which represents ground workers and customer service employees at Northwest.

Labor Department announces new rules on overtime pay

The Labor Department announced new rules governing overtime pay that the Bush administration plans to implement. The administration is claiming the policy will allow 1.3 million low-wage workers who previously were ineligible for time-and-a-half pay to now qualify by increasing the present yearly compensation ceiling of $8,060 to $22,100.

But critics believe the net affect may be to cause many of the present 70 million workers who receive overtime to lose the compensation. The new rules will supposedly "simplify" the validation of those workers exempt for extra pay based on job duties, how much judgment or discretion their position requires and educational credentials. Under the new rules, an employee who manages a business, directs at least two employees and has hiring and firing responsibilities would be considered an "exempt executive." Another guideline specifies workers who hold a "position of responsibility" relating to an impact on the operation or finances of the company. The old rule that exempted management workers on the basis of an advanced degree will be expanded to include workers who obtained skills in the military or at technical schools and community colleges.

The motivations for the new rules were summed up by Randel K. Johnson, vice president of labor for the US Chamber of Commerce, who declared, "We want to see a lot more clarity, and we want to see a proposal where very well-paid workers aren't considered eligible for overtime."

Union-buster given port contract in Iraq

The Washington-based Corporate Research Project reports that the US Agency for International Development awarded a $4.8 million port management contract to Stevedoring Services of America (SSA) to administer the port of Umm Qasr, which will help supply the US military in Iraq.

SSA is the largest marine terminal operator in the US and was the driving force behind the attempt to break the International Longshore and Warehouse Union in last year's contract battle. SSA maintains global operations that include ports in Chile, India, Mexico, New Zealand, Panama, South Africa and Vietnam.

Corporate Research cites a recent attempt by SSA to build a $500 million containerized terminal in the city of Chittagong, Bangladesh. Workers have staged hunger strikes and work stoppages in opposition to the proposal, arguing it will cause large job losses. US Ambassador to Bangladesh was quoted by *Agence France Presse* saying, "Future investments in Bangladesh by American companies might be threatened if the plan for the SSA project is not approved by the Bangladesh government."

Vidéotron workers ratify concession-laden five-year contract

After a 10-month dispute which was isolated and betrayed by the labor bureaucracy, 2,200 locked-out workers at Québec cable and Internet company Vidéotron ratified a five-year contract, which further erodes living standards, job security and working conditions. The main issue was Vidéotron's intention to cut jobs and outsource to lower wage companies—including the wholesale transfer of 650 workers to the company Alentron, a subsidiary of Entourage, where they would receive a much lower wage. The workers are represented by two locals of the Canadian Union of Public Employees (CUPE).

The settlement sees that the company scraps its plan to transfer the technicians to Alentron, and that it cancels a plan to transfer a Montreal call center to St. Hubert. However, it explicitly allows the company to outsource 20 percent of its labor and extracts other onerous concessions from the workers.

There will be no wage increase in the first three years of the contract. In the fourth and fifth years of the contract there will be paltry 2.5 percent wage increases. Another 267 jobs will be eliminated. Technicians will be required to work an extra 2.5 hours per week, while other employees will be required to work an extra 1.25 hours a week.

Despite the protracted character of the conflict, a significant minority of workers voted against ratifying the concession-laden contract. In Laval, 22 percent of the 1,500 workers there voted against the agreement, while in eastern Québec, 16 percent of workers voted against the deal. The settlement has not caused Vidéotron to withdraw a lawsuit the company filed against the union, alleging responsibility for acts of vandalism committed against the company's lines during the dispute.

Simon Fraser University support staff engage in job actions

Almost 800 clerical, service and technical staff at Simon Fraser University, in Burnaby, British Columbia have been engaging in rotating job actions since March 24. The workers are the lowest paid employees at the university and are demanding a wage increase of 6 percent a year in each of the next three years. The university administration has insisted on a wage-freeze and a reduction in benefits.

The workers are represented by Canadian Union of Public Employees (CUPE) Local 3338. The union leadership has asked the university to agree to binding arbitration on the issues of wages and benefits. Workers employed at the university bookstore have been locked out in response to the rotating job actions.