Strike hits world’s largest copper mine in Chile

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On July 21, 2,375 copper miners at the Escondida copper mine in northern Chile walked off their jobs over management’s violation of bonus and work hour provisions. Five days later, some 9,000 contingent workers (*obreros tercierizados*), who are employed by subcontractors at lower pay and benefits, joined the strike. They are demanding 30 percent of whatever is achieved by the walkout.

BHP Billiton, an Anglo-Australian transnational corporation, heads the conglomerate that owns Escondida, the world’s largest copper mine. Last week, BHP management turned down a mediation offer by Labor Department authorities and is refusing to address the miners’ demands unless they return to work. The corporation has threatened to sue the strikers in court, the first step before the use of strikebreakers.

The miners’ union (FM), which represents 11,000 mine workers at privatized mines, initially called for a 24-hour strike. However, at a membership meeting in the mine’s cafeteria groups of miners began chanting, ‘*¡A morir!’* (till death!)—the slogan of a 2006 strike that lasted 25 days.

Workers are angered over the current productivity bonus of US$193, which is well below last year’s $647. In addition to improved productivity pay, workers are demanding a compensatory windfall profits bonus of US$10,750; management has offered $6,100. Worldwide, the copper industry is benefiting from record copper prices.

Put together, both demands add up to US$26 million and represent a minuscule amount of BHP’s windfall profits. According to one industry estimate, BHP could meet the miners’ demand with less than one day’s production.

Colin Becker, a mining analyst at PriceWaterHouseCoopers in Santiago, warned against the “extremely dangerous precedent” the miners were setting. “Escondida is the biggest mine in Chile,” Becker said, “so it’s also a benchmark.” If the copper giant gave in to the miners’ demands, he said, “You could see this spreading to other mines.” The mine owners had to stand firm, he said, and not “negotiate over every whim; they must break the cycle.”

Meanwhile, the union announced a deal with BHP but miners voted by a 96 percent margin Friday to reject the sellout and press for their demands.

The right-wing administration of President Sebastián Piñero and Escondida management consider the strike illegal because it is taking place outside of collective bargaining negotiations. Under the reactionary Chilean labor code, largely a legacy of the Pinochet dictatorship, workers involved in a so-called illegal strike can be replaced after 48 hours.

FM has said it will shut down all the privately owned mines if any worker is replaced. So far the Chilean government has not intervened and is relying on the union to wear down the strikers.

The FM bureaucracy has largely isolated the struggle, only calling a one-day strike at Collahuasi, the world’s third largest copper mine, on Saturday, July 30. Limiting the strike to 24 hours, Reuters reported, “eased fears of a contagion” in business circles.

Hundreds of striking Collahuasi miners marched thought the streets of the northern Chilean city of Iquique on Saturday carrying signs demanding decent health and safety conditions and the re-nationalization of privately owned copper mines. Six months ago, Collahuasi miners carried out a month-long strike.

The copper miners strike takes place in the wake of massive student protests in defense of public education and of a one-day strike by copper workers at the state-owned Codelco Corporation over the creeping privatization of the firm. Chile is the world's leading copper producer.

Escondida produces more than a million tons of copper every year. The current strike is reducing world copper supplies by 3,000 tons a day. The Escondida strike has helped drive up the price of a pound of copper to a near-record high of US$4.50, up from this year's low of US$3.85.

The nearly 50 percent price rise since August 2010 has resulted in record profits for the transnational mining cartels that dominate global copper production, including BHP Billington. Massive profits exist alongside poverty and lack of safety and medical care for the miners and their families.

Living standards and working conditions for Chilean miners have always been poor.

Many of the mining towns in northern Chile do not have adequate housing, roads, or even potable water. The financial crash of 2007-2008 resulted in the collapse of copper prices and the sacking of some 14,000 miners. Prices have recovered, but employment has yet to reach pre-2007 levels.

With these job actions Chilean miners are joining the global resistance of copper miners in Australia, Indonesia, Zimbabwe and South Africa in defense of their living standards and working conditions. In South Africa on July 28, 250,000 gold miners shut South African mines over wages. Strikes are also affecting coal and diamond mines in that mineral rich nation.

On July 13, 8,000 Indonesian copper and gold miners ended a 10-day strike in the Indonesian Papua region.

The Escondida strike came a few days after a 24-hour strike by 50,000 Codelco copper miners and contingent workers to protest the restructuring of the state-owned company. The protests were timed to take place on the 40th anniversary of the nationalization of the copper industry under the administration of President Salvador Allende's government. The pending "restructuring" is expected to lead to the destruction of jobs in the public mines.

While the Chilean government denies it intends to privatize Codelco, it has signaled its intention of selling the Gabriela Mistral copper mine, a relatively new copper mine.

Miners suspect with this restructuring the government intends to make the government mines attractive to international capital. The Coldelco strike was the first company-wide walkout in 18 years. Codelco union officials declared last week that the strike may be renewed.