

Copper mine strike signals growing class struggle in Chile

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A 23-day strike by contract workers at the state-owned Codelco copper mining company signals a resurgence of class struggle under the Socialist Party-led government of President Michelle Bachelet.

The strike, which the union suspended on August 12 without any agreement, saw one worker killed in clashes with police and led to the occupation of one of Codelco's copper mines. The job action caused an estimated \$20 million in losses, and an 8,000-ton fall in copper production.

The calling off of the strike came in response to the company's pledge not to fire or take retaliatory measures against any of the strikers, and it is supposedly conditional on Codelco agreeing to renegotiate its framework agreement with the contractors that ultimately determines the contract workers' wages and conditions.

On a more fundamental level, the union bureaucracy was no doubt anxious to avoid a spread of working class struggles further undermining Bachelet's crisis-plagued government.

Codelco management has shown no inclination to meet the workers' demands. "An increase in those benefits and their associated costs is not compatible with the current conditions of the copper market," Codelco CEO Nelson Pizarro said in a statement.

The strike began on July 21, with 1,500 contract workers marching to the union headquarters of the CUT (Central Unica de Trabajadores) in the northern desert city of Calama, and then burning a truck and blocking roads and railways. The action led to Codelco's El Salvador mine going on strike. Clashes with police ended in one worker being shot to death.

Human rights lawyer Cristian Cruz, representing the CTC (Confederation of Copper Workers) in the shooting death of the worker, Nelson Quichillao Lopez,

last week said that police fired tear gas and unloaded "about 33 shots with handguns and 100 shotguns." He said at least four policemen have been identified—two lieutenants and two sergeants—as participants in the shooting.

Within its first week, the strike briefly shut down the Chuquicamata mine, Codelco's second-largest. A CUT spokesman announced that initially 95 percent of contractors in Chuquicamata complied with the strike. Codelco CEO Pizarro, expressed his concerns that a companywide strike could have an impact of about \$1 billion in the long run.

Contractors, numbering 45,000, are outsourced workers hired by a "service" and not state-owned Codelco. Organized in the CTC, these workers are demanding parity with 20,000 workers on the state-run mining company's payroll. Contractors receive 70 percent of the salary of workers employed directly by Codelco and minimum benefits. Moreover, Codelco can destroy their jobs at any time because, legally, they do not work for the company.

The government is opposed to higher salaries and benefits for contractors, arguing that their payroll workers are paid well above the average Chilean worker. This admission is a clear indication that the global economic crisis is wreaking havoc in a country long proclaimed "role model for capitalism" in South America. Given the precarious economic situation, it is only a matter of time before Codelco initiates attacks on the jobs, wages and benefits of the 20,000 workers on its payroll.

The temporary suspension of the strike is designed to give a break to the Chilean government and economy. Fearing the strike may get out of hand, it was the CTC that called on the Bachelet government to "establish a negotiating table between Codelco and CTC."

Neither the contractors nor Codelco's state workforce can expect anything but further attacks from this government, which has broken its election promises, is embroiled in a corruption scandal and is rapidly losing all popular support.

Pollster GfK Adimarks said President Bachelet's "overall approval fell 2 percentage points in August, dropping to 24 percent," the lowest level since she took office in March 2014.

The polling agency said: "Bachelet's approval rating suffered after she recently scaled back some education proposals. Her government has been struggling to fulfill ambitious reforms amid slowing economic growth and lower prices and global demand for copper."

In addition, Bachelet is suffering the effects of a scandal involving her family. Prosecutors are investigating Bachelet's son and his wife on charges that they used insider information and political influence to secure a US\$10 million loan to buy land and then flip it at a profit.

At the center of the Chilean crisis is the precipitous fall of copper prices worldwide. According to the Chilean Copper Commission, the price of the metal has fallen from US\$4.5 per pound in January 2011 to US\$2.8 per pound in July of this year; a devaluation of almost 40 percent.

The main factor behind the collapse of copper prices is the negative economic news coming out of China. The Asian giant has surpassed the US as the main trading partner in South America. In Chile, China has become a major player in the economy: it buys a third of the products Chile sells and 80 percent of the copper sold worldwide. Chile based its exports and its economic future on the red metal, and the Chilean consumer market is shrinking, with the workers and the poor suffering the most.

Copper miners have long been at the center of the class struggle in Chile. When over 10,000 miners struck over rapidly declining real wages at the state-run El Teniente mine in 1973, the Popular Unity government of then President Salvador Allende, with the enthusiastic backing of the Stalinists of the Chilean Communist Party, denounced them as "agents of fascism." He imposed martial law in the mining districts, called out the army to attack the strikers and installed a general as minister of mines.

These attacks on the working class initiated under Allende helped to pave the way to the September 11, 1973 CIA-backed military coup that ushered in the savage military dictatorship that ruled Chile for the next quarter of a century under Gen. Augusto Pinochet.



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