

Strike continues at Peru's largest copper mine in defiance of government

Cesar Uco, Armando Cruz
27 March 2017

A strike by 1,300 workers at the Cerro Verde mine, Peru's largest copper mine, has entered its third week, continuing in defiance of a government decree declaring the action illegal.

On March 10 the Cerro Verde workers called a one-week strike demanding a bigger share of the the mine's profits, which have been low for the last two years, better family health care benefits and the inclusion of workers in the investigation of work-related accidents.

Within the first week of strike, the government's Labor Regional Management declared it illegal because the union didn't submit the dispute to the judiciary. The decree allows the owner, the US-based transnational mining company Freeport-McMoRan, to fire workers indiscriminately.

The communiqué declaring the strike illegal was dated March 13. But on March 11, the government entity presented its decision to the company, while waiting one more day to tell the striking workers.

This maneuver gave the company a one-day heads-up to hold discussions with the union leadership before the official announcement to the rank-and-file, a clear attempt to negotiate a settlement without the authorization of the striking workers.

But miners responded to the government's outlawing of their walkout by turning it into an indefinite strike, while issuing calls for the nationwide miners union to call out all miners in a united strike against the government and the capitalist owners. Miners at the Milpo, Buenaventura, El Brocal, Simsa, Minera Raura and Shougang Hierro Perú mines have all staged strikes over the past 12 months.

The decision to call the indefinite strike in the event of the government outlawing their action had been taken by the workers when they began the one-week walkout.

With a 22 percent share of annual national copper production, Cerro Verde is Peru's biggest producer of the mineral. Its main shareholder is the Phoenix-based Freeport McMoRan (FMCG)—reportedly the largest publicly traded copper producer—with the Japanese Sumitomo Metal Mining and the Peruvian Buenaventura company, of the powerful Benavides family, also owning substantial shares.

According to Bloomberg News, “the Cerro Verde mine produced 500,000 tons of copper in 2016, more than double its 2015 output due to an expansion in its operations.” In 2016 it

also extracted gold and molybdenum.

FMCG has a worldwide presence and a world of troubles as result of the five-year slump in the price of copper that forced down the company's profits and left it unable to meet contractual requirements in its operations in Indonesia, Congo and Zambia. In August 2016, a Chilean miner died at Freeport's El Abra copper mine “after an accident at its acid unloading terminal, forcing a halt to some operations,” Reuters reported.

There has been a recent rebound of copper prices which is attributed to strikes at Chile's Escondida mine and Indonesia's Grasberg mine, the world's largest and second-largest copper mines. The financial markets have also apparently factored in President Donald Trump's campaign promises to rebuild American infrastructure. Since Trump won the presidency, the price of copper has recovered 7 percent.

At Cerro Verde, which is located in 50 kms from Arequipa, Peru's second largest city, the company has sent in strike-breakers and contract workers to operate “key areas” of the mine, according to Bloomberg, but it is only producing half as much as usual.

The union has asked the company to stop production during the strike and charged that the strike-breakers and contractors are being forced to work exhausting 12-hour shifts on jobs for which they are untrained and are operating heavy machinery, violating the the company's own health and safety rules.

During the first week of strike, two strikebreakers who worked on contract died. According to Reuters “the machinist Winston Arratea Ale (27) died yesterday morning in the interior of the ammonium nitrate plant ... Apparently, an electric belt cut his left arm and injured other parts of his body. Then, Frank Axel Cohen Ruiz died and Basilio Olazábal was hurt in another accident that is being investigated.”

A union representative declared to the Arequipa online journal *El Búho* that Olazábal has been threatened with criminal charges by the company, which is trying to frame him up for the other worker's death. But Olazábal declared to the police that the order to operate in a dangerous area came from the top executives in the company, despite warnings from the workers.

According to the Peruvian daily *La República*: “The miners' spouses came out to protest yesterday and threatened to go with

their children. An average of 100 women protested against what they considered was an abuse from Cerro Verde.

“They are not giving the full work insurance to our husbands, they don’t pay overtime work, they don’t recognize rights and on top of that they cannot complain because they get fired,” said one of the protesters, Carmen Julia Alarcón.

According to Cerro Verde union leader, Zenón Mujica—a senior bureaucrat in the Federacion Nacional de Trabajadores Mineros, Metalurgicos y Siderurgicos del Peru (FNTMMSP)—all miners in the country face similar attacks on wages and benefits.

Similar struggles have unfolded elsewhere in Latin America. According to a Reuters report Thursday, “The strike at Chile’s La Escondida, the world’s largest copper mine, is ending after 43 days, when workers decided to invoke a rarely used legal provision that allows them to extend their old contract, the union said on Thursday.” The move followed another failure of talks between the union and the multinational mining firm BHP Billiton. The miners will keep their benefits, but forfeit their demand for higher pay.

“The workers said they would present their decision to the government on Friday and return to work on Saturday,” Reuters reported.

The struggles of the Cerro Verde and La Escondida miners were very similar. Both are the largest copper producers in their respective countries, capable of moving world copper prices. Both are owned by large multinationals, and both launched indefinite strikes due to their being forced to bear the burden of falling copper prices on the world market. And in both strikes, the corporations brought in strike-breakers.

The nationally-based union bureaucracies in Chile and Peru, however, did nothing to bring the struggles of these two powerful sections of the world mining workforce together, even as the transnational mining companies very consciously attempt to pit one section of workers against another.

In the meantime, the decision to outlaw the strike by the Peruvian government of President Pedro Pablo Kuczynski (PPK), a former Wall Street banker, has only served to even further discredit his administration, which unflinchingly sides with foreign investors in placing the burden of the world economic crisis on the shoulders of the working class.

During the first week of the Cerro Verde strike, PPK’s government was working on “new rules that aim to turn around the three-year slump in mining investment by eliminating permit requirements for exploration projects,” the energy and mines minister told Reuters on Monday.

In 2014, the government of President Ollanta Humala came to an agreement with Cerro Verde exempting the mining company from paying taxes until 2028. But once the US company started operations in new fields that were not covered by the government agreement—production of the primary Sulphide Flotation Plant—the Peruvian tax entity, SUNAT, came to the conclusion that Cerro Verde owed 286 million nuevos soles

(US\$88 million). The total amount rose to 800 million nuevos soles (US\$246 million) based on legal charges before the Peruvian judiciary.

While the demand for a nationwide strike to defend wages and basic rights raised by the Cerro Verde miners enjoys substantial popular support, the mine union leadership has no intention of leading a serious struggle against the government and the mining conglomerates.

The historic record of trade union and communal protest leaders in the southern region of Peru, especially in the mining sector, has been one of consistent betrayal. In July 2015, during the Tia Maria mining conflict, the WSWS reported “the release of an audiotape in which a man identified as Tambo Valley Defense Front director Jose ‘Pepe Julio’ Gutierrez is heard soliciting a US\$1.5 million bribe to be split three ways between himself, Deán Valdivia’s Mayor Jaime de la Cruz and Tambo valley farmers’ board president Jesus Cornejo.” The revelation effectively halted the ongoing struggle of the Tia Maria workers and peasants.

Union leaders in other industries—especially in construction—are engaged in corruption schemes, charging “cupos” (kickbacks for “protection” to construction companies) and engaging in a war for contracts using hitmen to eliminate rival union leaders.

The Federacion Nacional de Trabajadores Mineros, Metalurgicos y Siderurgicos del Peru (FNTMMSP) bases itself on an explicitly national-syndicalist program that is oriented to the bourgeois government of Peru. In order to defeat transnational corporations in the epoch of globalization, what is required is the unity of all workers employed by the same industry regardless of nationality. The struggle of the Cerro Verde miners in Peru must be joined with those of miners in Indonesia, Congo, Zambia, Chile and the United States in a common battle against the transnational mining companies and the profit system.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact