ORGANIZED LABOR IN THE ANDEAN REGION

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My job is to assist democratic labor organizations better represent their membership, train and educate present and future leaders, organize and participate more actively in national and international affairs. In today's context this means that more and more of AIFLD's efforts are directed toward helping unions survive. As the representative of the AFL-CIO in the Andean region, I am active in the market place of ideas:

How can unions respond to changes in the nature of the work force?
How do we improve labor management relations?
What is organized labor's place in the democratic process?
How do we relate economic integration and international trade to human and workers rights?

I came to this work as a result of my university studies at Haverford College which challenged me to think about the world in an active and committed way. As a member of the rebel, 60s generation, I won a Fulbright Scholarship to Ecuador to study social and agrarian movements. Then as a Peace Corps volunteer in Honduras, I found my home in the labor movement running AIFLD education programs for peasant leaders organizing and fighting for land reform. Today, twenty plus years later, my local country coordinators and myself are assisting Andean worker and peasant unions to rethink their missions and to create more modern structures and leadership molds.
Since the 1980s the Andean labor movement has been jolted by the globalization of economic forces and the opening of national economies to the world market. The need to become competitive has modified production processes and made reorganization of work and the application of production and social technology a must. "Yet, Colombian workers know very little about these new forms of organization. In the business sector there is agreement about the effectiveness and applicability of competitive strategies...However, organized labor simply seems to have no alternative response." (Cardenas, 1994, 7)

The debt crisis, high inflation rates and the slow economic growth of the past decade created an international policy response on the part of multinational lending agencies called structural adjustment which is not just the redistribution of economic power but also that of social and political influence. (1) The state has ceded power and responsibility to the private sector as has domestic industry to foreign ownership; and in the case of Colombia, to huge, national conglomerates. Workers and their unions have lost leverage in relation to capital. One result has been a growing disregard for their points of view. Neither the Colombian government nor the business sector directed or encouraged Michael Porter’s consultant firm to talk with workers and labor organizations during a long and expensive study on the export competitiveness of Colombia. (2)

There have been significant changes in labor law and practice giving employers expanded tools for weakening and breaking unions. This suites the regions’ governments well because organized labor has been a principal opponent of structural adjustment plans, downsizing government and privatizing state entities.
For the last 15 years unions in Colombia, Ecuador, Peru and Bolivia have been in a state of stagnation and decline, and recently, rapid decline. We see this clearly in membership statistics:

COLOMBIA: In the 1980s membership stagnated at around 880,000 until 1990/91 when ten of thousands of lay offs in the public sector began. The last 4 years have seen 3.6 million new entrants to the job market without any appreciable new union membership (30,000). Today the estimated unionization rate is 7% of the economic active population. (3)

ECUADOR: Membership is higher than in other countries, somewhere around 29% of the economically active population. It stagnated in the 1980s and has gone down in the 90s because of lay offs of 60,000 public employees and downsizing of the industrial sector. This 29% figure includes 180,000 members of the chauffeurs union, many of which are independent truck and taxi owners, and 150,000 organized artisans in all trades out of a estimated union membership of 1,050,000. (4)

PERU: The approximate percentage of unionized workers to all salaried employees was 18% in 1980, 18% in 1988, 12.4% in 1991 and 5% in 1994. (5)

BOLIVIA: It seems as if membership has stayed constant at 200,000, from 1978 to 1995; however, it has fallen drastically as a percentage of the working population. The strongest union, the Mine Workers Federation, has gone from 45,000 to 15,000. A low 10% of unionized workers pay dues through payroll deductions. (6)
The labor codes of Latin America were complex documents governing job stability, working conditions, benefits, the unions and the power to strike. In spite of the fact that they were honored more in the breach than in practice, labor legislation has been blamed for a lack of foreign and local investment and called an impediment to job creation and modernization of the firm. (7) Therefore, amending and new legislation have introduced flexibility in hiring and firing and allow for different types of contract and temporary workers. In many Peruvian companies and institutions 50% or more of the workforce are on a temporary work contract or are employees of an employment agency which maintains the contractual relationship. Another ploy is the worker employment cooperative which eliminates any labor relationship with its so-called employee members. In these instances workers are usually employed on 3 month contracts with a forced break between the next. There is no continued worker/boss relationship, and because jobs are in such high demand, very few workers will protest working conditions and wages. This type of workforce does not risk the consequences of union membership. (8)

"In effect, there is a growing tendency ... to settle labor relations in the market place, taking labor questions out of traditional labor codes... First, permanent employment is less and less a question of labor law than it is a demand for labor or the efficiency a worker can show on the job... Secondly, labor relations is escaping the orbit of traditional labor relations through contracts regulated by civil and commercial law, in the same way as one would buy and sell goods." (Martínez and Zuluaga, 1994, 75)
"As has been the case over the past several years, the principal problem confronting Ecuadorian labor in 1993 was the severe lack of employment generation, particularly in the modern public and private sectors, where wages and benefits are relatively good. The government estimates the open unemployment rate at approximately nine percent. However, in view of the lack of unemployment insurance programs and the high poverty rate, most Ecuadorians are forced to offer their labor in the growing informal sector of the economy, where salaries, benefits and productivity are low, rather than accept even short-term unemployment. Informal sector laborers, who work in small artisan and repair shops, in micro-industries, or as street retailers, shoe-shiners, car washers, domestic servants or in marginal urban agriculture, are generally classified in Ecuador as "underemployed"... Various estimates place the underemployment rate at 40-50 percent of the economically active population". (9)

When more and more of the work force can not join a union either by law (Peru- a worker needs a year of continuous employment before he can exercise this right) or because of practice (intimidation and firing), the collective bargaining process withers. Unions are struggling just to maintain the permanent work force, keep past benefits and obtain a modest salary increase. Latin American labor codes employed a concept protecting past benefits of the collective bargaining agreement. All future negotiations started at the level agreed to in the last contract, an important protection for generally weak, trade union movements. This has changed or is rapidly changing depending upon the country. The semi-dictatorial government of Peru has mandated CBAs of a one year duration where all clauses go back into the negotiation process and the employer can present the union with its own contract version in an almost take it or leave it fashion. Also the process of modernizing and re-engineering businesses have put a strain on the traditional bargaining practice of only allowing negotiation over wages and benefits and some working conditions.
Management is changing the work processes and technology but not its control over the work force.

The Goodyear affiliate in Cali, Colombia, is resisting an aggressive union campaign to become an important partner in all aspects of the business, even though it does share more and more information with the workers and union as a result of collective bargaining.

In Medellin, Colombia, over ten firms have broken their unions in the last 18 months. In one three day period the car manufacturer SOFASA enticed 800 workers to leave the union with a package of benefits only available to non union workers willing to sign an agreement as individuals with management. This procedure called the collective pact (pacto colectivo) is legal in both Peru and Colombia.

The union movement is partly responsible for this dismal atmosphere. Even with the end of the cold war, ideological splits remain between the communists affiliated to the World Federation of Trade Unions (WFTU), the social christian movement and the free and democratic unions affiliated to the Regional Organization of Inter-American Workers (ORIT) and the International Confederation of Free Trade Unions (ICFTU). This latter group is by far the most representative sector but not always the best organized. In Ecuador and other countries caciquismo, autocratic leadership, has concentrated power and decisions in a few hands in exchange for economic benefits to the membership. However, when there is no more rigid labor law or businesses come under the competitive gun, this leadership can no longer deliver and the membership is too accustomed to paternalism to respond.

Political parties see the labor movement as a way to secure votes and, in the case of Bolivia, will spend huge amounts of money to insure the election of their members to union office. The
battles over which party slate will get the most seats and which political thesis will be approved can string out a convention of the Bolivian Labor Congress (COB) for 10 days. Collective bargaining is not a well known process in Bolivia partly due to this political interference.

In Peru, the social democrat APRA party gravely weakened its own creation -the Confederation of Peruvian Workers (CTP)- by trying to impose party hacks in the late 1980s and early 1990s. This helped facilitate the present government's policy of labor flexibility and weakening unions.

In Colombia, party affiliation is an important factor in the division of executive board member seats of the Unified Labor Confederation (CUT). As a result the membership feels that the leadership has become impervious to its needs and is beginning to demand direct election of CUT leadership by the individual member of each affiliated union.

So what have been the effects of this drastic change in economic and legal terms for workers and their unions?

First, there is growing popular skepticism of the idea of democracy and the democratic process as the Colombian experience shows. "The socio-political turning point in Colombia has been characterized by a double transition to a new economic model of neoliberal economic development (economic opening) and a new political regime based on social liberalism (political opening). Economic opening is justified because of the global economy, and the need to spur processes for the accumulation of capital. The political opening was a response to the crisis over the legitimacy of the state and the need to give greater value to and amplify the democratic system. The political opening is a furthering of the democratic process and inclusive, while the economic opening is inequitable and exclusive." (Zuluaga and Martinez, 1994, 2)
Under the Gaviria administration (1990-1994) Colombian labor laws were modified to lower labor costs in the form of severance. Temporary worker arrangements were given greater legal and practical status. Social spending as a percentage of the budget was down if we compare 1993 with 1983 while the budget increased significantly. The percentage of below poverty level population increased from approximately 49 to 53%. A similar 53% of the working population must make ends meet in the informal sector. Unions are targeted by some official forces and paramilitary groups (10), and members of the state telecommunications workers union were charged with sabotage and terrorism as a result of a strike until cooler heads could prevail. However, the message to public employees not to challenge the government’s privatization schemes was very clear. In short the Gaviria administration imposed an irreversible, neoliberal economic regime with as little consultation as possible. NOT THE BEST WAY TO ENourage CITIZEN PARTICIPATION AND THE DEVELOPMENT OF DEMOCRATIC PROCESSES UNDER A NEW CONSTITUTION IT HAD INITIATED. (Zuluaga y Martinez, 1994)

Salaries have gone down. "In the Latin American region, real salaries have contracted an average of 10% for manufacturing, 40% for minimum wage and agriculture.... due to the abandonment of active policies in favor of the minimum wage, the weakening of union negotiation capabilities and the acceleration of inflation." (11) I have continually witnessed economic stabilization programs based on driving down salaries and repressing citizen economic demand in all four of my countries.

"In the past the state [in Latin America] replaced society, but now we run the risk of the market preempting it. Yet society is the only guarantee that the fruits of the system will be equally distributed," commented ILO Sub Director General, Victor Tokman, in a recent visit to Peru. (12)

Job creation has been dynamic in the informal sector but not
in the formal economy, which has seen a loss of employment due to downsizing by private business and layoffs by government. ILO figures show the highest unemployment among youths and women. And even though Colombia is suffering from a marked shortage of qualified industrial professionals, technicians and skilled operators, their chances of getting permanent job status has dropped by one third.

Uncertainty for the future, fear of loosing one’s job, less risk taking in housing and education spending, plus so many other tensions which distract an individual from doing his or her best, are obstructing the region’s development.

So where does the trade union movement go from here? Can it play an important role in this brave new world of globalization and generally, irreversible economic changes?

I believe that labor movement can continue to play an important role because many of the reasons for its decline - falling wages, job insecurity, joblessness, fear etc... - are reasons for people to organize when they get to the point that the risks of organizing are perceived to be equal or less than their daily suffering. People fight back when they fear they will loose that little of worth they still preserve.

Yet if unions in the Andean region are to help people find a new sense of justice and wellbeing, then they must look inside themselves for their recovery. So far I have laid out the conditions which hinder the development of unions but do not necessary stop their progress into a new era.

The biggest problem unions have is a mindset which will not accept that the past is gone and will not return. However, much employees may complain of the present, the communist elements of CUT Colombia can not convince workers with an appeal to class struggle or the call to mass demonstrations. If workers have to
choose between a collective pact with an employer who promises some stability and respect and a win all, lose all stance of an uncompromising union, he or she will be sorely tempted to leave the union and become an individual signer of the collective pact. This was the case of the 800 workers at SOFASA.

At the same time, a union not willing to take on management on issues of safety and health, worker participation, creating more respectful relationships and the special problems of an increasingly feminine work force, will loose legitimacy with workers. "New personnel policies ... will aim at the subjective aspects of work, motivation, new forms of communication, participation and corporate identity." (Cardenas, 1994, 7)

Bargaining over wages and benefits while accepting management's arguments that it will take care of the rest will slowly strangle the union movement.

Therefore much of AIFLD's program is aimed at assisting unions rethink the problem and their strategies either at international seminars in the George Meany Center for Labor Studies, in-country courses or in my presentations to union groups. It is the reason why Pete Cinquemani of FMCS has been helping Guayaquil unions and management study new processes of labor relations.

In Guayaquil, Ecuador, a younger generation of union leaders are in control of the democratic labor organizations. They have come to the realization that the verbal belligerence of their past national leadership against management and the class warfare of the communist and maoist left have not preserved jobs or raised salaries or prevented businesses from transforming themselves. They know that they will be in a most difficult position to defend the membership if there is an all out offensive of management and government against them. At the same time, managements experimenting with modernization processes are uncertain that they can insure the quality of work by relying on a low wage, transient
work force. So there is a serious, beginning effort by the Guayas Worker Federation (FETLIG) and the Chambers of Industries and Commerce to develop a new relationship under economic conditions which both have been forced to accept.

In the Santa Cruz area of Bolivia, AIFLD has assisted peasant colonizers obtain 20,000 land titles after 20 years on the land and, for the first time in their history, become eligible for bank credits of almost a million dollars. This is a departure from the general practice of Bolivian peasant organizations which, because of party politics, have not developed a strategy beyond securing land and then criticizing government for poorly conceived programs. The credits will assist the colonizers intensively farm 25 acres while leaving 87 to 100 acres in forest. This will insure rainfall, soil conservation and natural methods of pest control. Unfortunately, agribusiness is stripping huge areas of forest to plant soy beans for export, and creating grave ecological damage.

In Colombia the CUT has split over labor's participation with government and private business in the National Agreement On Productivity, Prices and Salaries. The position of the far left is that the agreement (called the Social Pact) is an attempt to castrate the militancy of the labor movement. "As proud trade unionists, we are not committed either to the policies of business and even less so to doing the government a favor so it can claim to be progressive and democratic, with the real intention of creating confusion among the public and appropriating to itself the years of sacrifice and struggle of Colombian workers." (14).

Yet the real reason for the departure of the Communist Party members from the negotiation of the pact has to do with the long standing, power struggle between the guerrillas and the government. In a document entitled "No to the Social Pact, Yes to National Negotiations" the communist labor federation FESTRAC states: "It is
clear that the weakness of government causes it to make concessions to all. Concessions will be made to those who will use the pact to bury the subversives, read restrain popular protest, and try to isolate the armed movement from social movements. They want to exclude the guerrillas as a spokesman in favor of social and economic issues. Therefore, the government's policy is to postpone the negotiation with the guerilla coordinator until the Social Pact is signed."

The ORIT-ICFTU forces respond: "If the pact is space for participation, we would be ill advised to agree with those who pretend to maintain labor to the side without any participation in national life." "Our expectations ... start by recognizing that the magnitude of the country's structural problems calls for an agreement which compromises all social forces." "Specifically for unions, the pact reads: The workers, in conjunction with the government and business, will develop policies to promote and stimulate unionism." In essence "we are not instruments for manipulation."

The CUT has come to an impasse: either continue to avoid the difficult issues which divide its leadership and aggravate its poor credibility with the public, or define what it really stands for in policy and organizational terms while maintaining its pluralistic, political structure.

There is some movement of labor and management toward high performance work places, as in the case of the Hospital David Restrepo, a non profit clinic for Colombian women in Bogota. The turning point came in 1988, when union members seized control of the hospital, because of rampant corruption by administrators and poor treatment of workers. After returning the faculties to the Board of Directors, new management was installed and the union was invited to sit on the board. Today, administrators and workers are
expanding and continually upgrading the quality of expanding services. The clinic turned a profit, which is financing new equipment and installations. There is an ongoing education program for the front line work staff.

Ecuador presents opportunities for unity of action by democratic labor groups led by the Free Trade Union Confederation (CEOSL) and possibly, a new style, labor structure inclusive of wage earners, peasants, agricultural workers, drivers and independent truck and taxi owners, self-employed artisans, women’s community organizations and members of the informal sector. If the latter does take place, it will owe much to years of education and social project work by AIFLD with all the above mentioned groups.

Our orientation has been to recognize the specific differences of interests between these groups but also to provide them with the trade union orientation of worker solidarity and the need to solve common problems together. This message is hitting home as the government’s neoliberal policies are making all Ecuadorians, with a few exceptions, poorer. As the labor work force changes drastically, so will the structure of unions and union like organizations.

In conclusion the Andean trade union movements will survive. But whether they will be a minimal expression within society or something much more will depend upon their vision of the future and how well they can communicate this to workers and the public. This means the ability to bring the concept of workers’ rights to the fore of national and international discussion - workers’ rights in structural adjustment, economic and monetary policy, income generation, trade and other important questions.

For the argument of workers’ rights and its role in creating a market and more democratic processes to impact the public
conscience, unions must find a way to make workers rights a dramatic part of a worker’s life. As the Protestant Reformation and the Catholic Counter Reformation brought religious drama in the most intense personal ways to the European populace centuries ago, so must organized labor show people that trade unions are not just another organization or better wages and working conditions but also a dramatic personal expression of how to confront many of life’s most important problems.

To do this will necessitate a new concept of civic leadership, different from the traditionally, paternal and monopolistic pattern of Latin America. Labor leaders generally hold most of the power in their hands, and because of the lack of public prestige, physical dangers and low pay, are frequently tempted to take management positions and to go into elected, political office. In the case of Colombian cooperatives, the leadership have become bank and financial managers oblivious to the trade union and working class roots of their movement.

This pattern does not encourage competition to fill leadership slots, the delegation of power or the concept of volunteerism and consultation with the membership. Yet, only when labor changes this leadership pattern to include all who wish to participate can labor become capable of instilling a sense of personal drama in workers’ lives.

Within the ethical bounds of respect for trade union autonomy, international and local educational assistance organizations (AIFLD for example) are helping those unions and leaders who request to develop the skills of their members, education programs and new approaches to problems and problem solving.
This implies the realization that the betterment of labor means struggle in solidarity, as the famous trade union movie *The Inheritance* tells us:

"Freedom doesn't come down like the bird on the wing,
Doesn't come down like the summer rain,
Freedom, freedom is a hard won thing,
You got to work for it, fight for it,
Day and night for it, and
Every generations got to win it again." (15)

Thank you.