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LADB Staff

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Strike Ends in Colombia; Economic Policy Debate Continues

by LADB Staff

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After two days, striking Colombian workers and the administration of President Andres Pastrana reached an agreement ending the nationwide strike. On Sept. 1, the government agreed to dialogue with unions about economic policies the unions say have impoverished workers and caused civil strife. The government estimates that the strike cost the country about US\$135 million a day.

The strike was organized by the Central Unitaria de Trabajadores (CUT), the Confederaciones General de Trabajadores Democraticos (CGTD), and Trabajadores Colombianos (CTC). With 1.5 million participants, it was the most serious labor protest since Pastrana took office in August 1998.

The organizing committee (Comando Nacional de Paro, CNP) said unions, small-business owners, campesinos, and nongovernment organizations want modifications in the labor and economic policies of the Pastrana administration.

Despite Pastrana's promises to create more jobs and put the economy back on a growth footing, the country is in its most serious recession in 60 years. GDP dropped 6% in the first half of 1999.

Unemployment now affects about 1.8 million workers almost 19.8% of the economically active population (EAP) the highest unemployment rate in Latin America. It is also the highest unemployment rate ever recorded in Colombia and, say the unions, the result of the government's economic policies. Besides economic issues, strikers also protested the ongoing violence and human rights abuses.

Jesus Gonzalez, head of the CUT human rights committee, said that 3,000 members have been assassinated since the CUT was organized 13 years ago. Seventy-two union leaders and activists were killed between October 1998 and June 1999, said the CNP.

The CNP presented a 41-point agenda to the government that included a moratorium on the US\$17 billion foreign debt, restrictions on imports, and the elimination of the autonomy of the Banco de la Republica (central bank).

Workers also want more money spent on social programs. Social spending in Colombia has decreased from 26.3% of the budget in 1996 to 17.2% this year, said Wilson Borja, head of the Federacion de Trabajadores al Servicio del Estado (FENALTRASE). In contrast, debt servicing has increased in the same period from 21% to 32.6% and will reach 36% in the 2000 budget.

Pastrana says strikers threaten progress

The night before the strike began, in a television and radio address, Pastrana criticized the strikers. He said that, "just at the moment when things are beginning to improve, we must face the prospect of a strike that is no help in the present circumstances."

In Colombia's main cities the first day of the strike, demonstrators threw rocks at police wielding clubs and firing tear gas, and hundreds of protesters were arrested. The same day, just after nightfall, suspected right-wing assailants opened fire on CUT leader Domingo Tobar. "Domingo escaped unhurt but his bodyguard was wounded," said Borja. "This was carried out by the military working with paramilitaries." He said he had received a tip from within the army that the military would try to kill him and other union representatives during the strike.

Meanwhile, rebels stormed a hydroelectric plant in western Colombia Aug. 31, taking up to 145 people hostage, in an apparent show of support for the strike. The hostages were later released. Agreement brings talks but differences remain Government representatives and strike organizers signed the agreement just before midnight Sept. 1.

In the three-point accord, the government agreed to release protesters arrested during the 48-hour walkout, to respect union activities, not to punish workers who participated in the strike, and to enter negotiations with the major labor federations.

On Sept. 7, CNP coordinator Tarcisio Mora said the central working group would meet twice a week to analyze the macroeconomic issues related to the government's adjustment plan including debt payments, the national budget, unemployment, human rights, and the peace talks. He said the CNP expects the talks to last a month and to end in concrete agreements with the government. Among the thornier issues is the government's negotiations with the International Monetary Fund (IMF) to obtain contingency loans of US\$3 billion.

The unions fear the credit will come with harsh fiscal and labor strings attached. They say it will force labor "flexibilization" and tax reforms that will mean "higher taxes for workers and deterioration in the quality of employment." The labor reform proposed by the government would reduce severance pay, eliminate compensation for night-shift work, and facilitate part-time contract work.

The IMF negotiations would also commit the government to reduce the fiscal deficit to 2.5% of GDP by the end of the year, forcing layoffs and a freeze on salaries for state workers. Workers are asking for a wage increase beyond the rate of inflation, a freeze on utility and fuel prices, and greater funding for education.

Finance Minister Juan Camilo Restrepo said a moratorium on debt-servicing payments is impossible, but he offered to sit down with the strikers and explain the government's position "calmly and rationally." Restrepo said the purpose of the labor reform was to make it easier for investors to hire people for less, which in turn would reduce unemployment. "The salary freeze, in principle, is for state workers who earn more than two minimum salaries a month [US\$250], but those who earn less will receive increases based on inflation," he said. [Sources: Clarin (Argentina), 08/31/99; Reuters, 08/31/99, 09/01/99; The Financial Times (London), 09/01/99; Notimex, 08/24/99, 08/30/99, 09/02/99; El Nuevo Herald (Miami), Associated Press, 09/02/99; CNN, 08/31/99, 09/02/99; Spanish news service EFE, 08/26/99, 08/30-09/02/99, 09/07/99; Inter Press Service, 08/31/99, 09/07/99]

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