12-9-2016

Truckers Disrupt Six Latin American Economies

Andrés Gaudàn

Follow this and additional works at: https://digitalrepository.unm.edu/notisur

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
Truckers Disrupt Six Latin American Economies

by Andrés Gaudín

Category/Department: Region

Published: 2016-12-09

Throughout 2016, prolonged trucking conflicts led by both business organizations and labor unions have disrupted several South American countries. Trucking is a strategic operation that can paralyze a country’s economic activity if its leaders decide to do so (NotiSur, Oct. 27, 2000).

While conflicts in this sector have been cyclical, this year, and for the first time, truckers in Peru and five neighboring countries—Bolivia, Brazil, Colombia, Chile and Ecuador—began a joint shutdown on June 15 that blocked traffic on roads and bridges, causing a serious setback for regional trade. Only pedestrian traffic was permitted. This action, applied equally by owners and workers, originates from a 2012 tax levied in Peru by the government of then-President Ollanta Humala that, if unpaid, was resulting in the accumulation of fines of US$150,000 per driver. A document prepared jointly by organizations in the six countries denounced the measure as an “abusive tax outside of existing international agreements.” The strike ended after 14 days, when the Peruvian Congress annulled the provision and its expanding sanctions.

Strike threatens peace process in Colombia

Before and after, the use of force remained a constant. On June 7, as the Colombian government negotiated a peace agreement with guerrilla fighters and a national peace mobilization called the Agrarian, Farm Workers, Ethnic, and Popular Summit (Cumbre Agraria, Campesina, Étnica, y Popular) was being organized, Colombian truckers went on a strike that lasted until July 22. The strike left two dead and caused major losses in the coffee, poultry, and rice sectors. The government also said it caused inflation to rise at least 0.8%. That trucking shutdown, in which both business owners and workers participated, called for the annulment of a program of “scrapping” (replacement of trucks older than 15 years), elimination of tolls, and the establishment of fuel subsidies.

Critics said the strike was not a true labor action, but part of a right-wing de-legitimization campaign promoted by the opponents of the peace accord. As proof, they noted that participating truck drivers were carrying black flags, the symbol chosen by former President Álvaro Uribe (2002-2010) to oppose the policies of President Juan Manuel Santos. Uribe was the leader of the opposition to the accords with the guerrillas.

Truckers lifted the strike after 45 days

To break the truckers, the government invoked an austere package of measures that included deployment of 50,000 soldiers and policemen, cancellation of licenses and permits for participating drivers and businessmen, fines up to US$163,000, and confiscation of trucks that blocked traffic. In an article in the magazine Semana, Germán Manga explained, “the imperfections of the system cause our country to have the highest land transportation costs on the continent. It affects 22% of the final value of any product, 39% of the value of imports, and 36% of the value of exports.” Semana reported that while 70% of commercial freight is transported in trucks in Colombia, the amount is only 8% in China, 14% in Australia, and 16% in the US. The other 30% of freight in Colombia corresponds to coal transported by rail.
Truckers said the government’s package of measures left them defenseless and chose to respond to President Santos’ criticism by accusing him of “giving in to the interests of Impala, the multinational that provides multimodal transportation.”

The Cruzada Camionera (Truckers Crusade) said, “the government sold the state transportation business to Impala Colombia, a company with international ties that since May 2014 has held majority ownership in Barranquilla, a Caribbean port at the mouth of the Magdalena River. Impala became the owner of water, rail, and land transportation, and a toll administrator, making it a monopoly.”

Impala is a subsidiary of the Dutch firm Trafigura Beheer BV, one of the world’s top commodity trading companies.

Cruzada Camionera, which never ratified its complaint after its defeat following the long strike, also charged that the multinational was pressuring to keep trucks manufactured before 2005 out of the freight business, an action that would displace more than 80% of the Colombian truckers.

**Bolivia strikes days before referendum**

In Bolivia, days before a February referendum in which President Evo Morales sought citizen approval to run for re-election a second time (NotiSur, March 11, 2016), truckers held the first of their three long stoppages this year (others came in May and July). Each time, they blocked strategic routes with trucks they said were loaded with fuel, mining explosives, and toxic substances. They demanded, as they did in 2015, exclusive treatment that would allow them to claim tax deductions using any kind of receipt, and not only receipts from specific activities, as other firms must do. The proposal is similar to one made earlier this year by Brazilian truckers, who ended their violent highway actions as soon as former Brazilian President Dilma Rousseff was impeached (NotiSur, April 29, 2016, June 24, 2016, Sept. 30, 2016), even though they never received a response to their demands.

**Argentina’s truckers grow powerful**

So far this year, the truckers’ union in Argentina has paralyzed transportation of valuables, fuels, general cargo, mail, industrial supplies, food and medicine, as well as waste collection. On some occasions, the strikes sought to reduce a tax levied on the highest wages; in others, they demanded a change in their favor of the union structure for drivers in several sectors, including those who work for supermarket chains, catering firms, and newspaper distributors. With this combined practice of stoppages in one sector but extending them to others in the same union, the truckers union, Sindicato de Choferes de Camiones, has managed to unite more than 200,000 members in just a few years, making it the largest and most economically powerful union in the country.

**Historical perspective**

In South America, transporting freight by truck began to take hold in the mid-20th century, when because of a lack of investment, the rail system ceased to be ideal for certain products—particularly perishable goods or those with a deadline for their arrival at a port. Truck manufacturers lobbied for investment in roads, reinforcing the decline of the national rail system. The longest railroad line in the region was built in Argentina in 1870, just 50 years after the English engineer George Stephenson adapted a steam engine for a locomotive and inaugurated the world’s first railroad in his country. Over time, Argentina became an emblematic case. From having the most extensive
railroad network in Latin America, with nearly 47,000 km of rails in the 1950s, Argentina’s system has declined to the point that it has about 20,000 km today, transporting a little more than 10% of the country’s general cargo (NotiSur, Oct. 14, 2016). While it once monopolized the shipment of grains, meats, and cereal bound for export, railways have been replaced by trucks able to carry up to 48 tons of cargo and tractor trailers that can handle up to 52 tons. As it abandoned the railway system, the government has had to invest in a road network that can withstand continual use by heavy vehicles.

A study by the Association of Directors of the Argentine Railways (Asociación del Personal de Dirección de Ferrocarriles Argentinos, APDFA) released by Sen. Fernando Solanas (who also is a filmmaker) notes that the change in the transportation model had become irreversible as of the last quarter of the 20th century with the arrival of neo-liberal governments that wove close relationships with multinational businesses. In the case of road transportation, the links were made principally with major European and US manufacturers who developed truck models that in a matter of just a few years jumped from 14- to 52-ton capacities.

In Argentina, according to the APDFA, shrinkage of the railroad network went hand-in-hand with private companies receiving concessions to develop ports, navigable waterways, and toll roads. One of the major beneficiaries of the privatizations registered between 1991 and 1995 during the administration of President Carlos Menem (1989-1999) was Sociedad Macri (SOCMA), a conglomerate of nearly 100 firms in diverse sectors belonging to current President Mauricio Macri and his family.

**Uruguayan trains defunct since 1988**

In neighboring Uruguay, trains stopped running in 1988, a decision by then-President Julio María Sanguinetti (1985-1990 and 1995-2000). Sanguinetti ceded to pressure from multinational companies, and decided that the system inaugurated in 1867 was no longer profitable or fixable.

-- End --