

CHILE: Workers Speak Out Against Free Trade at Social Forum

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SANTIAGO, Nov 21 (IPS) - The drastic effects of free trade agreements on working conditions in Chile were addressed this weekend at the Chilean Social Forum, held in the country's capital as a parallel event to the 12th APEC Summit.

Trade liberalisation is one of the primary goals of APEC (the Asia-Pacific Economic Cooperation Forum), which comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, the United States and Viet Nam.

Chilean President Ricardo Lagos and Chinese President Hu Jintao announced on Friday that the two countries have agreed to begin talks for a bilateral free trade pact, while the 21 member economies of APEC, created in 1989, are also planning to enter free trade negotiations after the summit ends today.

"An open economy like the one we have now means that Chilean companies have to face tremendous competition, and Chilean workers have paid a high price as a result," Carmen Espinoza, the director of the non-governmental Labour Economy Programme, told IPS.

The negative consequences of trade liberalisation in Chile include a steady decline in salaries, massive layoffs from the many companies that have shut down because they could not compete, and a major increase in the number of self-employed workers, she said.

"The living standards of Chilean families have taken a brutal hit. In 1973 we had the second-best distribution of wealth in Latin America, and now we have the second-worst, after Brazil," Espinoza noted.

The deterioration of working conditions was addressed at one of the 186 discussion panels held during the Chilean Social Forum, which brought together representatives of more than 200 civil society organisations from throughout the country. The meeting, which ended Sunday, kicked off on Friday with a massive protest march that ended in clashes between demonstrators and police.

Under the theme "Another world is possible, and another Chile is, too," the forum was organised to oppose the predominance of the free-market "neoliberal" economic model and its further expansion through free trade pacts, and to advocate in its place a globalisation process that emphasises solidarity, diversity, human rights, social justice and the sovereignty of all peoples and nations.

Magdalena Castillo, a representative of the Chilean workers' organisation Central Autónoma de Trabajadores de Chile (CAT), told the forum participants about her experience as an employee of the Canadian-owned footwear transnational, Bata Shoes, and the consequences the firm suffered as a result of Chile's economic opening in the 1990s.

Of the close to 6,000 workers in Bata's Chilean operations in 1996, there are now only 1,400 left. Moreover, Castillo added, the company has begun to exclusively hire young women who are paid the minimum wage of roughly 200 dollars a month, while demanding that factory workers be capable of carrying out a large number of different jobs.

Mario Olivares, a trade union representative from the Viña San Pedro winery, told the forum about the abysmal conditions for workers in the Chilean wine producing industry, which is one of the country's fastest growing economic sectors, and was touted as a model of success at the APEC meeting.

According to Olivares, Viña San Pedro, one of Chile's largest wine exporters, subjects its workers to long and exhausting hours of work and rotating shifts, while paying them low wages.

Grape picking for the large Chilean wineries is now done by sub-contracted temporary workers, a practice that is swiftly replacing the traditional system in which the work was carried out by tenant farmers, who lived on vineyard property and were able to raise farm animals and grow their own crops.

Mauricio Díaz from the bank workers' federation denounced the salary cuts suffered by employees at Chilean banks and the fact that workers must now deal with a large number of different tasks because of reduced staffs.

"This is even worse when you take into account that the banks are making higher profits than has ever been witnessed in Latin America," he added.

Díaz also lamented the lack of awareness among the workers themselves, regarding the extent to which they are being taken advantage of. "People think these injustices are normal. They don't even realise that they're being exploited," he said.

The forum was also attended by delegates from outside Chile. Carlos Aguilar, a representative of a Costa Rican ecumenical institution that is opposed to free trade pacts, called on the Chilean participants to create a Latin American front to fight against these agreements.

Aguilar pointed out that there are anti-free trade organisations in almost all of the countries of the region, as well as others that focus on subregional groups, like the Southern Common Market (Mercosur), comprised of Argentina, Brazil, Paraguay and Uruguay, and the Andean Community of Nations (CAN), made up of Bolivia, Colombia, Ecuador, Peru and Venezuela.

He said he hoped that the forum would "plant the seed" for a continent-wide alliance of organisations that oppose free trade agreements.

Chile is the Latin American country with the second highest number of trade treaties and pacts, surpassed only by Mexico, and the centre-left coalition government of moderate socialist Chilean President Ricardo Lagos is negotiating new agreements with China, India and New Zealand.

Young-Ok Chan, a representative of the South Korean Centre for Corporate Social Responsibility, was another foreign delegate invited to the forum. She told the participants about the anger sparked among South Korean farmers by the signing of a free trade agreement between the Asian nation and Chile, which went into effect in April of this year.

The agreement will seriously hurt small farmers while benefiting the large transnationals that control agricultural production in South Korea, she said.

She also urged the forum participants to think about where the money each of them spends on food, clothes or any other products will eventually end up. "The idea is to choose products made by companies that make a social contribution, like protecting the environment and respecting the rights of their workers," she said.

Hernán Méndez, president of the Chilean Federation of Trade Workers, criticised the official version of the situation in Chile presented to the APEC Summit, because it focuses on the country's "flourishing" economy while ignoring the price that has been paid by the workers.

"The workers are not represented in APEC, they are not taken into account," he said. "In Chile, there has been no 'trickle-down' effect. We only get what they want to give us," he stressed, refuting the neoliberal theory that in a market economy, economic growth automatically generates greater income for the whole population. (END/2004)