Workers struggles around the world--20 June 1998

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The Americas

Telephone workers battle Puerto Rican police

Police armed with riot gear attacked workers and beat them with batons June 18 on the first day of a strike by 6,400 workers against the planned privatization of the state-owned telephone company. More than 1,000 management employees were escorted across picket lines to keep the phone system running.

The walkout was in res ponse to the vote by Puerto Rico's Senate to sell off a controlling interest in the Puerto Rico Telephone Company to the giant US-based GTE Corp. Governor Pedro Rossello has made the sell-off of PRTC the focal point of his economic program. In 1996 the US government ended PRTC's monopoly of phone service on the island, as part of the telecommunications deregulation act. Rossello maintains that the state-owned company cannot and should not compete with the multinational telecommunications firms which are now entering the market.

The leaders of the two unions involved in the strike, the Independent Brotherhood of Telephone Workers and the Independent Telephone Workers Union, have denounced Rossello along nationalist lines, criticizing not the privatization itself, but the decision to sell to a consortium headed by an American rather than a Puerto Rican company. They accused Rossello of selling off the "national patrimony."

The sell-off is widely regarded as a sweetheart deal, since GTE and its partners will put up only $375 million of the $1.8 billion purchase price. The rest would come from a loan taken out by the PRTC, which will essentially be borrowing to finance its own acquisition.

Philadelphia transit strike continues

The 19-day strike by 5,500 transit workers continues with the three negotiating sessions between the union and management this week resulting in no movement towards a settlement. The union, Transport Workers Union Local 234, placed about 80 pickets Thursday on a portion of a regional rail line, but called off picketing before the day was over when a court injunction was issued.

City Council President John Street has moved a resolution calling on the council to launch a lawsuit to force both sides to negotiate under court supervision. Street was instrumental in obtaining concessions from the city's unions in the 1992 contractual negotiations. Nevertheless, the Southeastern Pennsylvania Transit Authority (SEPTA) chief negotiator David Cohen has rejected Street's initiative, stating that the city council has no role in the current dispute. The council president has been seriously considering ordering the union back to work as part of the resolution, but this may be dropped before the entire resolution comes before the council for a vote. Democratic Mayor Ed Rendell has taken a more openly pro-management position by telling the striking workers to return to work and accept SEPTA's latest contract offer.

SEPTA's General Manager John Leary, Jr. has already asked the union to return to work, while offering the workers nothing more than a paycheck, a request that has been turned down by the union. The union leadership's central demand in the strike is to place the entire contract dispute under binding arbitration, with SEPTA rejecting this on the basis that a third party may not give them all the concessions that they are seeking from the work force.

Consumer advocate Lance Haver and several city officials have filed a lawsuit in Common Pleas Court demanding that SEPTA return all of its tax subsidies during the strike. The suit maintains that SEPTA is profiting on the strike by collecting $666,000 a day in tax money, but saving on labor, power and fuel costs. Haver estimates that the Authority is making a half-million dollars a day on the strike.

Teamsters abandon McDonald's vote

The Teamsters union called off its effort to win union recognition at a McDonald's outlet in suburban Cleveland where workers organized the first-ever strike against the fast food chain. Dominic Tocco, president of Teamsters Local 416, said the union was withdrawing its request to the National Labor Relations Board for a representation vote at the McDonald's in Macedonia, Ohio.

Tocco took the action after the owner of the franchise, Jed Greene, made it clear he would vigorously opposed union recognition. Greene insisted that the representation vote be conducted at all three restaurants which he owns in the Cleveland suburbs, rather than limiting the vote to the Macedonia franchise, as the Teamsters had proposed. Greene also fired two leaders of the earlier strike, Jamal Nickens, 20, and Bryan Drapp, 19, on charges of threatening a manager.

Greene's actions were entirely predictable, since manipulating the size of the bargaining unit and firing strike leaders are two of the standard tactics used by US companies to smash unionizing campaigns. Union-busting consultants regularly conduct seminars for employers on how to utilize such methods.

The Teamsters' capitulation at the first sign of resistance from the employer simply demonstrates that the union bureaucrats never had any intention of making a serious fight to organize McDonald's. Low-paid fast food workers would not provide much dues income, nor would the bureaucracy want to see an influx of young and militant members into the union.

More computer industry layoffs

Two more US-based computer companies announced major layoffs this week. Texas Instruments cut 3,500 jobs, nearly 8 percent of its worldwide payroll, citing the impact of the Asian crisis on sales and prices of semiconductors. The average unit price of memory chips, called DRAMs, has fallen 60 percent over the past year.

The majority of the jobs to be eliminated are in the United States. Texas Instruments is selling its memory chip division to Micron Technology, unloading manufacturing operations in Italy, Singapore and Richardson, Texas, and shutting a second plant in Richardson.

On June 18 Iomega Corp., which makes ZIP and Jaz portable computer drives, said it would lay off nearly 15 percent of its work force, about 700 workers, most of them at its main facility in Roy, Utah. The company said it expects to lose between $25 million and $35 million in the second quarter, but will recoup that through $50 million in cost-cutting in the second half of the year.

Europe

Greek bank union prepares sellout

Workers at the Ionian Bank, the fourth-largest bank in Greece, were this week continuing their five week-long strike, in defiance of three orders by an Athens Court declaring the strike illegal.

The workers first went on strike on May 8 in opposition to the decision of the social democratic government of Prime Minister Costas Simitis to privatise the bank. The bank sale is part of moves to slash the public sector to comply with criteria for entry into the European Monetary Union by 2001.

However, union federations have called off all support for the dispute and the bank workers union is moving towards a deal with the government to ensure that the privatisation goes ahead. Under the agreement, the workers would supposedly keep their jobs and social security benefits within the privatised enterprise.

The agreement will strengthen the government's hand to sell-off other assets. These include the state-owned Duty Free Shops, the Bank of Crete, the government's stake in the Public Petroleum Corporation and its share in the phone company OTE.

Croatian teachers seek raises

Thousands of public school teachers rallied June 16 near the headquarters of the Croatian government in Zagred, demanding a 12.5 percent wage increase and protesting the government's decision to close schools for the summer a week early in order to block strike action. Lines of policemen held back the teachers from reaching the main government building. The monthly teacher's salary is about $350, below the national average of $400.

The vast majority of Croatia's teachers participated in earlier strikes on May 20 and June 4. Six separate unions of education workers joined forces in the wages campaign.

The government of President Franjo Tudjman, which has relied on nationalist demagogy and military adventures to maintain itself in power, has taken a hard line with the teachers, as well as with other public employees and pensioners who have staged strikes or protests seeking increases in wages or state benefits. The bulk of Croatia's budget goes to finance military operations, both against Serb-populated territory within Croatia, and in neighboring Bosnia.

Ukraine miners march through Kiev

One thousand coal miners reached the Ukrainian capital city, Kiev, on June 18 and surrounded the presidential headquarters and parliament building after a 310-mile march from the country's main coalfield. Banging their helmets on the pavement, the miners demanded payment of back wages, much of it overdue more than eight months. Some carried signs, "Thieves, give us our money back."

The miners began their march from the Donbas coal basin in mid-May, and their route has been marked by spreading strikes. About 20 percent of Ukraine's 276 coal mines were shut this week, according to the miners union.

In addition to back pay, the miners are seeking increases in wages and pensions and more investment in the coal industry, especially in relation to safety. More than 170 miners have been killed in accidents so far this year in Ukraine.

Polish train drivers strike

Hundreds of Polish locomotive engineers began strike action June 17, disrupting passenger and freight traffic in many parts of the country and threatening to escalate the walkout into a total shutdown of the rail system. The train drivers union is demanding a wage increase of 300 zlotys (US$83) a month and an increase in government investment in the state-owned industry.

Officials of the Polish State Railways (PKP) said that about 60 percent of passenger trains and 40 percent of freight trains had been operated, but some areas, including the Baltic coast around Gdansk, were virtually paralyzed.

The machinists union, to which most of the drivers belong, is not part of the Solidarity union, which is allied to the center-right coalition government. The government has threatened to fire strikers if they do not go back to work soon, and Finance Minister Leszek Balcerowicz has threatened to impose consumption taxes on lower paid workers to pay for any wage increase for the railwaymen.

Asia-Pacific

Unions call off Korean subway strike

Union leaders called off a strike by South Korean subway workers only hours after it began. The workers in Seoul went on strike one week ago when management refused to negotiate their demands for a 7.8 percent pay increase and instead demanded that wages be cut by 4 percent.

Shortly after the strike began at 5am, union leaders immediately resumed negotiations and then ordered a return to work, announcing they had reached an agreement.

The management promised to "raise wages gradually" and to reinstate seven workers sacked earlier for organising a wildcat strike. Union leaders accepted the deal despite the fact that management had mobilised and used scab labour during the stoppage.

"Dismissals for management reasons," the rule used to fire the seven workers, is part of the agreement struck in February by the Korean Confederation of Trade Unions with the government now headed by Kim Dae Jung. It has already been used extensively by companies to lay off thousands of workers.

Job brokers prey on Thai workers

Urban and rural workers in Thailand, desperate for work because of the economic crisis, are falling victim to ruthless "job brokers" who are stripping them of their meagre savings and, in many cases, selling them into bonded labour.

In one recent case, three women villagers paid a broker 50,000 baht and were promised well-paid jobs in Malaysia. Instead they ended up working in slave labour conditions and were unable to return home because the broker had kept their passports.

Another 11 workers were swindled out of almost 1 million baht by a Bangkok job broker. The men had been promised jobs in the United States. After handing over the money they never heard from the broker again.

In another instance nine villagers from Pob Phra who had been sent by a job agency to work in Singapore without permits are now facing severe penalties.

Japan air strike called off

A strike by All Nippon Airways flight crews was called off last week when management agreed to reverse a pay cut implemented in March 1997.

However, no settlement has been reached on the major issues that sparked strike action, including the introduction of a salary restructuring scheme for pilots and flight engineers. Imposed on April 1, the scheme replaces base salaries with a performance-based pay system. An ANA crew association spokesman said the union was continuing discussions but did not rule out further strike action.

Philippines Airlines threatens more jobs

Philippines Airlines ground and cabin crews have threatened to join striking pilots if the management goes ahead with plans to downsize the workforce.

The staff cuts are in line with a proposed restructuring to cut international routes and concentrate on domestic services. A spokesman for the PAL Employees Union, representing the 8,400 workers, told the media this week: "If our members are going to be affected, we have no choice but to join our pilots on the picket line."

However, the union has not called a stopwork meeting to discuss the threat to jobs, nor has it taken any action in support of the pilots. Support has been restricted to off-duty cabin crews attending the picket lines.

Philippines Airlines sacked all its 600 pilots when they went on strike on June 6 and ignored a management deadline to return to work. The strike is against a new policy compelling pilots to retire after 20 years service or 20,000 flying hours. The policy is a mechanism to slash manning levels.

Australian public sector union dumps campaign

A statewide industrial campaign endorsed by New South Wales public sector workers at stopwork meetings on June 12 was quickly called off this week by the union leadership to hold talks with the state Labor government.

The campaign, including extensive work bans and a 24-hour strike scheduled for July 10, was launched to oppose the government's decision to renege on a pay deal agreed to last January.

The agreement included a 16 percent wage increase to be paid in three installments by January 1999. However the government declared that the last two installments would be cut from 5 percent to 2 percent in many departments, claiming that productivity increases had not been delivered.

Even before canceling the action, the Public Service Association leaders sought to prevent bans being imposed by union members. However, on June 16 parliamentary staff initiated overtime bans and formed a picket line, causing Parliament to be temporarily halted.

The June 12 stopwork meetings also called for the union to abandon the decade-long practice of negotiating wage increases tied to productivity tradeoffs. Thousand of jobs have been destroyed through this process, together with basic working conditions.

See Also:

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[8 May 1998]

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[10 January 1998]