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Argentine unions call 24-hour strike

Workers demand that the government address high inflation and protect jobs.

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Argentina's leading labor unions will hold a 24-hour national strike Aug. 28 to put pressure on the government to allow wages to rise in line with double-digit inflation, and to protect employment.

"It doesn't make us feel euphoric to call a strike," said Hugo Moyano, who runs an anti-government faction of the General Labor Confederation, the country's largest union umbrella group. Moyano's remarks were made during a televised press conference late Thursday.

He said the unions he represents have been "forced to make this decision" because of a lack of response to their requests from the government.

This will be the second strike by unions this year, a sign of how high inflation and recession are fueling social discontent in Latin America's third-largest economy.

The economy is on pace to contract by more than 1.5 percent in 2014, the worst performance since the country emerged in 2003 from a 2001-02 financial crisis.

More than one million workers walked off the job during the April 10 strike, grinding to a halt most industries due to a lack of public transport.

Moyano's unions are already planning a response if the government fails to address their concerns.

"If there are no responses, in September we are going to increase the measures of force," said Luis Barrionuevo, another head of the striking labor movement. "We have more problems now than during the April strike. We have less money in our pockets and more unemployment and more layoffs."

Next week's actions will be the latest in series of work stoppages to highlight discontent with rising inflation, which most private economists say could surpass 40 percent this year after running at about 25 percent since 2010, according to data compiled by opposition lawmakers. Public school teachers held strikes early this year to demand wage hikes of at least 35 percent.

Inflation in Argentina is among the world's highest, according to the Cato Institute, a Washington-based think tank. It puts Argentina's inflation at 51 percent, among the highest the organization tracks.

The administration of President Cristina Fernandez de Kirchner has been trying to contain inflation by capping prices of some products in supermarkets and other retail outlets, and by raising interest rates and cutting the supply of pesos on the market.

But with the economy contracting, the government has opted to cut interest rates in a bid to encourage companies to borrow for investment.

Economists warn that this strategy runs the risk of pushing up demand as people spend pesos quickly on concerns of future price hikes, in turn raising inflation.

Jorge Capitanich, the president's chief of staff, downplayed workers' concerns, saying that the striking unions "don't represent the majority of workers."

The government wants to keep salary hikes below 3 percent regardless of union pressure.

Even so, Capitanich said the government has called a meeting with union and company leaders to discuss salaries Aug. 29, a day after the strike.