



Argentine unions call strike to demand higher wages as inflation surges

Workers want government to take more action to protect their purchasing power.

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Argentina's leading labor unions said on Wednesday they will hold a 24-hour national strike on April 10 to put pressure on the government to allow wage hikes in line with inflation running at among the highest in the world.

The workers will demand that the government takes action to curb "a loss in purchasing power" as inflation increases, said Juan Carlos Schmid, head of a union representing dredging workers, in a televised press conference.

"People are very angry," he said at the event flanked by Hugo Moyano and Luis Barrionuevo, heads of two leading factions of the General Labor Confederation, the country's largest labor umbrella group.

Schmid said these groups, which represent workers ranging from parking garage attendants and bakers to oil drillers, will be joined by other labor unions, most of them opposed to President Cristina Fernandez de Kirchner. These include public transport workers, teachers and state hospital employees.

This will be the latest demonstration of worker discontent with rising inflation, which most private economists project could surpass 40 percent on an annualized basis this year after reaching 35 percent in February, according to data compiled by opposition lawmakers. Public school teachers have been on strike since the start of the month in Buenos Aires, the country's largest province, since the start of the year to demand wage hikes of at least 35 percent.

Inflation is among the world's highest in Argentina, according to the Cato Institute, a Washington D.C.-based think tank. It puts Argentina's inflation up there with other countries with troubled currencies, including Iran, Syria, North Korea and Venezuela, many of which are in the 50 percent-plus range.

The Fernandez de Kirchner administration is 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 in the market.

Workers, however, “don’t want to pay the price of this adjustment,” Schmid said.

Most unions are gearing up for government-brokered wage negotiations with companies through the third quarter of this year. While the government wants to keep the raises at about 22 percent to reduce pressure on inflation, unions want at least the 30 percent secured by most public school teachers earlier this month.

Pablo Micheli, head of the Argentine Workers Central, another labor umbrella group, said on La Red radio that the strike, which his workers will join, “isn’t against anybody. It is self-defense.”

If the government “insists on giving a raise that is less than inflation, they are lowering our salary,” he said.

Jorge Capitanich, the president’s chief of staff, downplayed the workers’ concerns, saying the strike is political at its roots.

He said Sergio Massa, a former chief of staff for Fernandez de Kirchner who now runs an opposition party, was putting pressure on the workers to strike to weaken the government as Massa seeks to make a run for the presidency in 2015.

Even so, the economy is showing signs of cooling after expanding robustly at 8 percent a year between 2003 and 2011, when consumer demand was surging and international prices for the country’s main export – soybeans – were at record highs.

With consumption in decline, industrial production rose 0.2 percent in February on the year, as rising output of cigarettes and stationary supplies failed to offset declines in the production of food, tires and cars, according to the latest data from Indec, the national statistics agency.