

Way forward for Walmart Chile workers after union federation sells out mass strike

Mauricio Saavedra

2 August 2024

The National Federation of Walmart Workers (FNTW), which covers 14,600 of Walmart Chile's 50,000 employees, called off a collective bargaining strike after six days amid angry denunciations from its members.

The federation, which amalgamates 130 local unions at 150 of the company's 395 stores, invoked article 342 of the Labor Code July 15, ending the bargaining process and leaving in effect the agreement signed in 2022 for another 18 months.

To justify the sellout, the union national executive declared that they ended the strike because the giant American retailer refused to budge on their original offer.

In Walmart's latest offer, it threatened to abolish automatic CPI adjustments as well as the provision of resting areas and of canteens supplying hot meals, which in many cases is the only proper meal staff will receive that day. Walmart also threatened to cut the termination of negotiations bonus (BTN) by one third and to abolish other bonuses, which act to top up an employees' very low base salary.

While claiming to refuse "letting go of past conquests," the FNTW is preparing to do precisely that. On the day the strike began the federation's president, Karen González, made sure to emphasize to the media that it would "continue talks," by which she meant negotiate away rights.

Speaking to various news sites González explained that "we asked for a five-day extension so that we could continue talking, but (Walmart) immediately said no, inciting us to strike." She then let slip that "in our negotiation project, we asked for a 20 percent increase in workers' benefits. Yesterday [July 10] our counterproposal was lowered by half, to 10 percent, and we intend to continue talking."

Six days later, González was cynically claiming that "in spite of using article 342 to stop the strike we are available ... to continue the conversations that are necessary to advance in the solution of this conflict that is still open." In other words, discussions between the union bureaucracy, the company and the government's Labor Directorate will now proceed behind closed doors and away from the purview of the workers who in their majority voted to continue the strike.

Members, who on July 1 voted 95.44 percent in favor of striking and who called on the union *not* to apply Article 342, angrily denounced the federation's decision on its social media pages.

Paula Alejandra Diaz Veliz wrote on the union's Facebook page: "I am very sorry for what they did with the workers, it

reminds me of [the strike of] 2019 when [Líder Inter-company Union president, Juan] Moreno took us as cannon fodder to a strike for a position in the [Central Workers' Union] CUT. Moreno and [former FNTW president Carlos] Cano, the biggest damage to Chilean unionism!"

Another worker, Patricia Galvarini, wrote that the whole exercise was "a mockery, with a collective bargaining agreement that is not the best, 6 days of salary deducted, without [an end of negotiation bonus], paying consultants and, what is worse, taking care of the company's pocket without them paying a penny. It will be the most mocking negotiation in history."

Katherine Gutierrez Gutierrez scathingly wrote: "Damn Federation, if they already knew that they would take up this filthy article why the *cx*##* did they make us lose days, be sure that at this moment they've lost all credibility before Thousands of Members ... Many of us have stopped trusting you. Liars and fraudsters."

Without a doubt, retail workers are at a crossroads. Walmart has been on the offensive against wages, conditions and jobs during the last six years of pandemic, skyrocketing inflation, mass layoffs and extreme economic hardship for workers globally.

Today the Walton family fortune is estimated at \$250 billion. The multinational retail giant increased its revenues from US\$500 billion in 2019 to US\$648 billion in 2024, a 30 percent rise. Walmart's net income during these six years, was an extraordinary US\$76 billion—FY19 \$6.7 billion; FY20 \$14.9 billion; FY21 \$13.5 billion; FY22 \$13.7 billion; FY23 \$11.7 billion; FY24 \$15.5 billion.

This accumulation of obscene wealth is a direct product of the super-exploitation of Walmart's underpaid workforce, which has been reduced from 2.3 million in 2020 to 2.1 million in 2024. Hundreds of thousands of livelihoods have been impacted by the insatiable lust for profits.

More than 10,000 jobs have been destroyed between 2019 and 2024 in Chile where Walmart, operating under brand names Líder, Express, A cuenta and Central Mayorista, is the largest supermarket chain in terms of revenue.

In 2019, the Líder Inter-company Union (SIL), a competitor union to the FNTW, was compelled by its members to go on strike, its first ever, when Walmart put forward a contract that replaced specific job positions with the so-called "store operator" that, along with self-service machines, aimed to multi-function the workforce, bring down wages and costs and eliminate thousands of

jobs.

As with the FNTW today, the SIL union in 2019 sold out the strike within seven days and amid furious opposition from its 17,000-strong membership, who left in droves to join the FNTW, the National Federation of Líder Workers (Fenatralid), or the Federation of Walmart Autonomous Unions.

That betrayal paved the way for Walmart to go on the offensive. In 2021 and 2022, the Labor Directorate ruled against the “store operator” position for not complying with the law, but the company blithely ignored the rulings, knowing full well that the Chilean government will do nothing to impede profit accumulation.

The fines that Walmart incurs from the Labor Directorate are so insignificant that they weigh far less than the savings it makes through cuts to wages and conditions and the sacking of 10,000 employees for refusing to sign on to the new contract.

The latest betrayal and its demoralizing impact on workers will be used by the unions to bury any further struggle against Walmart, which has already announced a new “omni-operator” position that aims to cull thousands more staff and lower wages further.

Diario Financiero’s online publication wrote on July 22 that Walmart Chile’s actions were being watched closely “as it is expected to set a precedent for the whole sector.”

It also revealed, “The union leaders maintain that they are not opposed to migrating to multifunctionality, but claim that Walmart has not adhered to the protocols they have agreed to. The company, on the other hand, refutes this thesis and argues that they have held working groups to design the model and the initial phases of cross-functionality.”

This more than anything demonstrates that the unions, which in Chile are dominated by the Stalinist Communist Party (PCCh), the bourgeois Socialist Party (PS) and the pseudo-left Broad Front, operate in the interests of capital and against the working class.

Since the development of capitalist globalization in the 1980s they have been transformed into capitalism’s industrial policemen, enforcing the needs of management.

The retail unions especially epitomize this corporatism and the incestuous relations that exist between them and the business world and the state, today administered by a government headed by the Broad Front’s Gabriel Boric in an alliance with the Socialist and Communist parties.

The SIL union, founded by self-proclaimed socialist Juan Moreno in 2007, received from the Líder company owner, billionaire Nicolas Ibáñez Scott (before he sold it to Walmart in 2008) a “corporate bonus” of 500,000 pesos per month (US\$1,000 in today’s terms) so that the SIL leader could dedicate himself to union activity. According to the Labor Directorate, the income for each of the top seven SIL leaders in 2014 was up to 1.8 million pesos per month (US\$3,000 in today’s terms), nine times the minimum wage most retail workers received, or 200,000 pesos per month (US\$332 at today’s rates).

Shameless opportunist skills abound when there’s money to be gained. In 2014, the half dozen federations representing a whole army of middle-class functionaries sued Walmart for discrimination, demanding to receive the same “corporate bonus”

as the SIL. They lost the case.

The parasitism does not end there. The Stalinist Karen González—the head of the FNTW, who is also president of the Confederation of Trade and Financial Services Unions, as well as the head of the Trade Branch of the CUT—charges each member a designated amount per collective bargaining agreement on top of monthly dues. This is no small sum. In the 2016 collective bargaining agreement members had to pay Carlos Cano (PS), ex-head of the FNTW, 26,000 pesos each, totaling 260 million, US\$400,000 in today’s terms!

Moreover, to this day workers must still pay a consultancy fee to Cano who runs a union consultancy agency with his partner María Fernanda Villegas (PS), former minister of social development in the second government of Michelle Bachelet (PS).

Every other union bureaucracy exists in much the same way, siphoning off the wealth produced by the working class in the interest of capitalism.

The various Morenoite pseudo left groups—the International Workers Movement (MIT), the Revolutionary Workers’ Party (PTR), the Committee for a Workers International (CIT)—who function as satellites of the union bureaucracy while posturing as socialist are doing their utmost to keep workers tied to the reactionary union apparatus and cover up every betrayal.

Representative of these groups is Maria Rivera of the MIT, who on the day the strike began heaped praise on the FNTW. “We are in solidarity with the strike of the Walmart Federation and we are in favor of the total fulfillment of the petition,” said Rivera, who went on to advise the unions to broaden the fight to incorporate all Walmart workers.

But not a word was said on the day of the sellout of the litany of bitter experiences workers have had under the domination of the union bureaucracy, or past sellouts. On this they are all silent.

If they are to go forward, workers must break from these treacherous organizations and their satellites and build independent, democratic and militant rank-and-file committees. Only the *World Socialist Web Site*, published by the International Committee of the Fourth International, is giving guidance to auto, education, industrial, retail, healthcare and other workers in countries around the world on how to form these combative organizations and take up a struggle.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact