



## **LABOUR LAW REFORM IN CHILE**

### **STATEMENT BY THE TRADE UNION ADVISORY COMMITTEE TO THE OECD**

**SEPTEMBER 25 2015**

Chile is an important member of the OECD and this is reinforced by Chile's role as Chair of the forthcoming OECD Ministerial Council in 2016. Economic growth in Chile over the past decade has been strong, however the fruits of growth have not been equitably shared and as the OECD itself has stated "(Chile) suffers from large social disparities: Income inequality and relative income poverty are amongst the highest in the OECD. Also the labour market is characterized by significant inequalities, with large employment and earnings gaps between men and women, high youth unemployment and many workers in non-regular work arrangements." Strengthening trade union rights has to be a key part of the strategy for reducing inequality in Chile. Although the overall human rights situation in Chile has changed markedly in recent years, many of the Pinochet-era labour remain in force today and continue to substantially restrict the exercise of the right to freedom of association. Chile's labour laws have been criticized, including by the International Labour Organisation and the Inter-American Commission of Human Rights, on numerous occasions. This includes substantial limitations on the right to bargain collectively and to strike.

The TUAC and the International Trade Union Confederation (ITUC) support the process undertaken by the government of President Michele Bachelet, in consultation with the social partners, to reform the law so that it is more consistent with Chile's international obligations, and closer to restoring balance of power between labour and management in industrial relations. While the initial draft law submitted to the National Assembly was not perfect, it signified an important step forward, which was supported by the Chilean Trade Union Confederation – the CUT. The last minute proposals, put forward by the employers, including representatives of the American Chamber of Commerce, and supported by some in the government, if adopted, would mark a substantial retreat by the government on its commitment to human rights and turning the final pages on a dark period in the country's history.

We are particularly alarmed at proposals to continue to allow for the use of replacement workers during strikes. Removing this abuse was one of the core areas of the labour reform. Were this to be undone, it

would be a severe blow to the exercise of this fundamental right. The ILO has specifically requested the government of Chile to prohibit the use of replacement workers.

We are also concerned by the open ended language on essential services, which could result in a requirement to maintain a minimum service in the case of a strike in services far beyond the recognised definition of "essential services". We recall that the ILO is clear that essential public services are those "the interruption of which would endanger the life, personal safety or health of the whole or part of the population."

We are also deeply concerned that groups of workers may submit draft collective agreements to the employer, even when there are unions present, undermining the role of unions as bargaining representative.

We urge the government to move forward with the original bill as introduced at the National Assembly.

TUAC in partnership with the ITUC will support Chilean workers and the Chilean trade union movement in the critical period ahead.