

To: Co-operative News letters page

Dear Editor:

The horrendous events in Bolivia reported in Co-operative News (6 September) must have shocked all readers. The president and vice-president of the National Federation of Mining Co-operatives (FENCOMIN) are now in prison after being accused of stoning to death the government vice-minister of the interior, Rodolfo Illanes. Full details of the story are given in a special bulletin (September 2016), published by the Bolivia Information Forum, a reliable news source on Bolivia. See www.boliviainfoforum.org.uk.

Currently in Bolivia, co-operatives may legally deny employees the right to join a trade union. The government has been preparing to bring in a law to give this right to co-operative employees in the utilities sectors – electricity, gas, water and telecommunications. The proposed law would not apply to the mining sector.

Many observers of the so-called co-operative mining sector in Bolivia would have serious doubts that it could make any genuine claim to be “co-operative” in any meaningful sense at all. After privatization of most mining in the 1980s, 22% of the industry became structured as concessions to a co-operative to mine a particular piece of land. A typical mining co-operative might have two or three members. To do the actual extraction, the co-operative employs day-labourers, some of whom are as young as ten years. When mineral prices fall, the day-labourers are laid off. Needless to say, there are no safety measures, even though dynamite is in daily use. The day-labourers are not offered the opportunity to join the co-operative.

Co-operatives in both the utilities and the mining sectors heavily exploit their workforces, and they also have two further advantages: a light taxation regime, and a way to circumvent a law which prohibits Bolivian businesses from ceding control of resources to foreign entities.

The apex body for co-operatives in Bolivia, the Confederation of Bolivian Co-operatives (CONCOBOL), has not condemned the killing, and has only continued to oppose the progressive law change. The International Co-operative Alliance (ICA) must act immediately to defend the reputation of co-operatives.

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