

Economic crisis

The crisis of capitalism is used as a pretext to attack collective rights

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The systemic crisis of capitalism puts on the agenda draconian measures which are supposed to make it possible for the capitalists to restore their rate of profit. The counter-reform of pensions in France is just one illustration of this policy. It sums up the economic objectives (to make the workers and the people pay for the crisis) and the social and political objectives (looking for consensus, for ways to get the victims themselves or their representatives to accept such counter-reforms).

Under the whip of the crisis

In the workplaces, the employers have for a long time now been advancing in two directions. On the one hand, they multiply attacks against all the gains that have been won in the course of social struggles throughout the industrialized countries. On the other hand, in the name of the crisis, they try to get accepted, to even make legitimate in the eyes of the workers themselves, these elements of social regression.

Unable to deal with the repeated crises of the system from the end of the 1970s onwards, the bourgeoisie sought ways of re-establishing its profit margins. No tactic was ruled out, depending on the gravity of the situation and the character of national politics in each country. In the Anglo-Saxon countries (the United States, Britain) the choice was for the "strong" manner, the ultraliberal policies of Reagan and Thatcher, with simultaneously privatizations and fierce repression of the trade union movement. Elsewhere it was the presence of social democracy in the government (with alliances more or less red or green) that was used as a Trojan horse, against the European working classes in particular.

Although it is all social gains that are the target of the attacks of the national bourgeoisies, the offensive has concentrated on a policy of restructurations on a world scale as the essential tool to drive down the cost of labour.

The crises of the capitalist system are generally the occasion and the result of a phase of reorganization of production on an increasingly international scale, with as a result a redistribution of sites of production across the world. This can obviously be combined with temporary overproduction in the long term in this or that sector.

The crisis of the iron and steel industry from 1960 to 1980 thus led to the virtual disappearance of the industry in France and in Europe, with specialization and modernization of sites which led to tens of thousands of job losses. The fact that there was a strong trade-union presence and the emblematic character of this industry for organized labour led to great efforts being made to avoid social explosions. The injection of millions of francs, massive subsidies from the European Community and from national governments, the creation of industries capable of at least partially providing a substitute in terms of employment did not, certainly, prevent massive and violent struggles, but it limited the extent of the political consequences. At the end of the day, nationalizations made it possible to respond to the objective of the end of the crisis: nationalization of losses and privatization of profits.

The paradox of the situation lies in the fact that the car industry - then still in full expansion, with the creation of new sites and more jobs - is a sector that is at the heart of the present crisis. This is expressed in the multiplication, over a period of years, of restructurations of the industry, accompanied by closing down sites and laying off workers.

But having had their fingers burnt by the strength of the first reactions to the brutal closure of the Renault factory at Vilvoorde in Belgium, the economic and social strategists of the industry tried to refine their strategy. They are not the only ones to have worked on this question, but the industry is a particularly significant testing ground for the strategies implemented.

For countries like France, which have a relatively autonomous trade union movement, less linked to political parties while being situated within a network of laws and collective agreements that frame social relations, socio-economic consensuses are still largely dependent on the relationships of forces which can be built during powerful confrontations of a local or national nature, at the level of an industry or an enterprise. The mobilizations around the oil refineries last year and in the framework of the movement against pension reform and the many battles against lay-offs and site closures in recent years have been a permanent illustration of this.

In France, legislation has evolved considerably over the years. From 1973 - the beginning of the economic crisis - it was the employee who was recognized as the main victim and the law of July 13, 1973 established the obligation of a "real and serious cause" in order to be able to lay an employee off, whatever the reason for the dismissal, economic or disciplinary. Before this law, it was up to the employee to show that the employer had acted abusively. So it was now up to the employer to provide "evidence" beforehand. The search for higher productivity, better organization, and better management was no longer accepted as a reason. Only serious economic difficulties justified a lay-off. The search for alternative work for the employee was a prerequisite for dismissal, whatever the number of employees laid off and the size of the company. Employers sought to circumvent these obligations by a considerable development of voluntary redundancies and of negotiations which made it possible to escape from the law covering the dismissal of employees.

The Aubry law "legalised" the obligation of seeking alternative employment: the procedure of dismissal is null and void if the social plan does not "correspond to the regulations in force" and any dismissals announced within the application of the plan are also null and void. This "administrative authorisation of dismissal" has since been replaced by control by a judge, in particular in the event of lay-offs.

How to circumvent legislative or conventional rules?

The European and even world dimension of the restructurations that are taking place raises on the same level the strategic questions of the workers' movement. It also permanently opens the

possibility of “contagion” of mobilizations within the same geographical framework. The closure of a factory of 250 workers at Valéo in Korea led to inexhaustible social guerrilla warfare outside the company’s head offices and at its many sites in France, where the head office which directs this gigantic industrial and social game of Monopoly is situated. It is this spectre which nourishes and justifies the employers’ thinking. And their ever more exacerbated and renewed drive to muzzle the workers’ movement. And that is what employers are getting down to with imagination and determination.

So we have seen the birth and the development in recent years of a new tactic by the employers’: consultation of the workers. The ideological gibberish which covers these practices varies. Two ideas are used as justification for their development. The first falls under the logic of the individualization of the relationship between employers and workers. Instead of the work contract being based on collective rights, it is now a question of establishing a relationship of “equality”, an equitable contract between the employer and the employee. When the employer cannot provide the employee with any more work, he can lay them off without any more ado. This is the direction in which all of labour legislation is evolving, with in particular the installation of the procedure of negotiated rupture of contract, which is a considerable “success”, making it possible for employers to avoid any dispute.

The other idea, related to the concept of individualization of the work contract, tends to put the employee in a situation of having to decide in isolation. There is no longer any need to be encumbered with bodies representative of the personnel and even less trade unions which claim to defend collective rights. More especially as in the most favourable cases the employers will also manage to create conflict, sometimes frontal, between trade unions and workers.

Over the last few years powerful and radical workers’ mobilizations, built with the trade unions of the companies concerned, have seemed to push back the employers’ inclinations to get workers and trade-union organizations to share responsibility for social regression. In France, the workers of New Fabris, Continental, Sodimatex and PTPM rediscovered the forms of struggle of those of Cellatex and Metaleurop who, by threatening to pollute a whole region, had obtained from public authorities and/or employers conditions of dismissal or closure of sites which were undoubtedly better than the legal requirements. Even though all these battles could not prevent the closure of the sites, they spread a climate of revolt that was worrying for employers and the government.

To try to avoid these fightbacks, whose coordination or extension could become dangerous, the employers’ strategy evolved further. Progressive closures, spread out in time, announced several months, even years in advance, promises of partial takeovers of sites: it was a question of instilling anxiety and division among workers, to prepare the ground for acceptance of economic “fate”, for renouncement of revolt. So company managements subsequently inaugurated a strategy aimed at winning approval of social regression by the workers themselves, in particular through “direct” consultation of workers or by a referendum.

In another field, the attack conducted by Manuel Valls, mayor of Evry and leading member of the French Socialist Party, against the 35-hour week, illustrates once again the permanent drive of employers to obtain deregulation of working time. For years the daily, weekly and annual limitations on working time have been under discussion between the European Commission, the Parliament and the European Council. Certain governments, in particular that of Britain, seek to get approved on the European level the possibilities of going beyond the present maximum (10 hours a day, 48 hours a week). But faced with the opposition, even timid, of the European Trade Union Confederation, their objective is apparently more modest but quite as dangerous. The idea is to generalize the provision known as “opt out” [\[1\]](#).

The essential problem for national governments remains the possibility of obtaining exemption from the 48-hour weekly maximum in certain delicate sectors, like health or security services. Following the example of a former proposal for revision, which remained a dead letter, a new directive could authorize the member states to evaluate the respect of the 48 hours maximum per week starting from an average calculated over twelve months, and no longer over four months. This new form of annualisation, taking into account the holiday periods, would in practice soften the 48 hours weekly maximum. The employers could thus organize working time according to the peaks of demand in the year.

The Commission is also thinking about an industry by industry approach to working time and workers' safety in order to adapt the legislation in the cases of the professions related to health and civil protection. These possibilities of exemption could be supplemented by the development of the "opt out". This provision, made possible by community legislation, on a contractual basis between the employer and the employee, was obtained by the United Kingdom, where employers fiercely defend its maintenance. This is leading to a real individualization of working time, escaping from all legal frameworks and conventions by "free" agreement between the employer and the employee. The maintenance and the generalization of the "opt-out" would make it possible to increase the weekly maximum work period to 60 hours and would make 48 hours a European norm and not a maximum. The "flexicurity" so highly praised by the European authorities and the national governments could develop at full speed.

Overall, the two pillars of the work contract, which are working time and wages, are right at the centre of the employers' attacks. These attacks are multiform - from the traditional forms of lockout and blackmail through threats of closure - but with a drive to circumvent legality, collective agreements, workers representation and the trade unions, while seeking to get social regression accepted by the workers themselves.

Some examples

1. Bosch.

The first important example in France concerned the Bosch factory in Venissieux, in the suburbs of Lyons, where 820 workers agreed in 2004 to give up the 35-hour week, to lose six days (out of twenty) of extra holidays, without wage compensation, to no longer be paid for the bank holidays of Ascension and Pentecost, to have their wages kept "moderate" for three years, to reduce extra payments for night work. All of this in exchange for the installation of a new production line. Faced with the threat of losing their jobs, 98 per cent of the workers accepted these measures in order for there to be a reduction of 12 per cent of wage costs.

The Bosch group had decided to invest in the manufacture of new pumps in the Puglia region of Italy (where aid from Europe and the Italian government is cumulative) and in Jihlava in the Czech Republic (where labour is cheap). The wages in Venissieux are higher than on the other sites of the group: 1,400 euros net per month. Whereas labour costs are 22 euros per hour in Lyons, they fall to 13 euros per hour in Bari (Puglia) and 4.40 in Jihlava. The president of the board of Bosch, Franz Ferhenbach, then proposed: "Lower your wage costs and become attractive". The blackmail of management concerning the investment was effective, recognized the representative of the CGT who was opposed to the agreement: "The workers really believed that if they did not agree to give up their rights, Bosch would not have the means of maintaining production at the site and they would lose their jobs."

Representing 30 per cent of the personnel, the CGT had a chance to stop the process, since, to be

validated, the agreement signed between the CFDT, the CGC and management had to be approved by more than 50 per cent of the personnel. "We tried to mobilize, but the pressure on the workers was too great" the CGT representative explained. To the collective blackmail over investment there followed individual blackmail, with the threat of dismissal: "whoever did not sign the modification of their contract was to be sacked. They were afraid". In the end, only 18 workers out of 820 rejected the agreement. Twelve of the refusals concerned people close to retirement who had an interest in benefiting from severance pay. Six concerned young people.

2. Nestlé.

In January 2004, the management of Nestlé Waters France announced a plan envisaging the departure via early retirement of workers over 55 between then and April 2007, without corresponding hiring of new workers. This plan was to affect 1,047 workers in France (out of a total workforce of 4,100) including 356 out of 1,650 on the site of Vergèze in the Gard department. It threatened the 540 jobs at La Verrerie de Languedoc and announced the transfer of 250 jobs to other sites. Faced with increasingly strong competition, the logic of the company was to reduce production costs, i.e. to lay off part of the personnel and to modernize the industrial sites in order to be more competitive. At the end of July 2004, Nestlé Waters proposed a brutal plan of redundancies in exchange for the modernization of the Vergèze site. The management of the group then obtained initially the signatures of the CFDT and CFE-CGC unions. But the CGT, the union supported by a big majority of workers in the company (83 per cent of votes in elections for representatives of the personnel), was opposed to it.

The management, supported by all the local elected representatives and by the government, exerted a permanent and violent pressure on the union through the public opinion of the local population and part of the workers. In the middle of September, the management confronted the declared opposition of the CGT to its "rescue plan" and threatened to hold it responsible for the sale of the enterprise, which would mean dismantling the production sites and laying off the entire workforce. The CGT hesitated and asked for "a delay" to give its answer so as to consult its members and to convene a general meeting to decide its position. After a stormy general meeting during which the different unions clashed violently, the CGT withdrew its right of opposition and the workers in fact accepted the plan for early retirement.

3. Opel Poland.

The production of the Zafira model at Gliwice had started in 2005. In 2004, the Solidarnosc trade union, which had the support of the majority of the workforce, had signed an agreement accompanying the launching of the model: freezing wages and limitation of the wages of new recruits. Seven hundred new workers were hired, bringing to nearly 3000 the number of jobs in the factory. "Solidarnosc" had justified the acceptance of the sacrifices in these terms: "We hoped that would help the international competitiveness of our company".

As time went on the workers wanted to get management to accept that the time had come to make up for the wages they had lost. They asked for a monthly bonus of 500 zlotys gross for everyone [the equivalent of 125 euros]. The economic situation of the firm fully justified these claims and the bonus proposed made it possible to increase wages without affecting the agreement signed at the time of the launching of the Zafira. The tough negotiations that followed led twice to strike action. All of a sudden, in 2008, the world economic crisis struck. To maintain the production of the Zafira in the factory, the workers have even had to give up wage increases, including those linked to inflation. The management guaranteed the maintenance of production until July 2011 and on December 11, 2009 it promised, in return for a new wage freeze, that the enterprise would not close. All of this was supported and defended by Solidarnosc.

And in May 2010, the decision of GM to stop the production of the Zafira was brutally announced to the workers. The free trade union "August 80" of GM Gliwice drew the balance sheet of this policy in these terms: "Now they brutally announce to us the end of the production of the Zafira model - the model which has cost us everything, not forgetting our families, so many renouncements."

In the name of the safeguarding of the production of this model, our wages were frozen, our colleagues laid off. If we have decided once more to support so many renouncements, why are they taking away from us this model that is so important for our company? There is a rumour that the production of the Astra IV will be reduced by 30 per cent and there is no new model in sight. What will happen when we get to the same point as the Antwerp factory? Will we be guaranteed redundancy payments of 150,000 euros? At present the German trade unionists are starting to demand the return of the production of the Astra IV to Germany. If that continues we can expect a new loss of jobs and the return to working in two shifts."

4. Continental.

In April 2007, right in the thick of the presidential campaign, the management of the Continental factory in Clairoix seemed to be providing a pioneering example of the application of "working more to earn more" praised by Sarkozy. It proposed, by a referendum, an agreement to move to the 40-hour week, failing which the factory would be threatened with closure. The 1,210 employees, mainly blue-collar workers operating on a three-shift system and therefore working nights one week in three, narrowly rejected the proposal, by a majority of only 16 votes. A few months later, the CFTC, the majority union, signed, along with the CGC, an agreement for a 40-hour week, in exchange for 130 new workers being taken on and the promise that the site would be safe until 2012. And in March 2009 the management decided to close the site.

After several months of a radical struggle conducted through general meetings, the workers won redundancy payments and a process of lay-offs that were considerable better than those guaranteed by common law. Contacts with the workers of the German head office in Hanover led to nothing. The attempts at coordination with the workers of other factories which were involved in struggles at the time (New Fabris, Goodyear, Philips, etc.) remained in an embryonic state.

It was on Monday September 13, 2010 that the 2,500 workers of the German automobile equipment firm were invited to decide for or against the social plan which stipulated a wage freeze in 2011, a cut in the profit-sharing bonus and suppression of two days of extra holiday per annum. On the other hand, the direction of Continental promised to maintain employment in France until 2015. This plan would lead to a reduction of 8 per cent of labour costs in the French factories, according to the management. The enterprise also produces batteries for electric vehicles as well as all sorts of spare parts, which makes it the fifth-ranking supplier of automobile equipment in the world.

The French factories manufacture cases and tyre pressure gauges in Toulouse, petrol and diesel injectors and gear boxes in Foix and sensors in Boussens. Continental employs 135,000 workers in 39 countries. Its management justified the plan by explaining why it anticipated a drop in orders in 2012 and 2013. It confirmed in addition that the company was currently in good health and would end the year with a profit. Last July, Continental announced pre-tax profits for the first six months of 2010 of more than a billion euros, whereas the company had made losses in 2009. Continental, whose head office is in Hanover, Germany, is the fourth-ranking global manufacturer of tyres.

The vote was organized in the three Continental factories of Toulouse, Boussens (Haute-Garonne) and Foix (Ariège), as well as in a small commercial antenna in Rambouillet (Yvelines). The majority unions (CGT and CFDT) had called for a boycott of the consultation. But 83 per cent of the employees chose to take part in the vote, and 52 per cent of those who voted approved the plan. The

two unions failed to convince the workers to boycott the consultation. But they continued to be opposed to the plan. The minority trade unions (CFTC, FO, CFE-CGC) on the other hand agreed to sign up to the plan.

5. General Motors Strasbourg.

It all started in 2008 with a first plan to “save” jobs (PSE), suppression of 168 work stations, at the moment when the American car manufacturer planned to get rid of this site specialized in the manufacture of gear boxes. One year later, General Motors, which was bankrupt, was restructured, with American federal government aid, around two entities: Motors Liquidation (!) Company - an entity for the liquidation of enterprises, to which the factory in Strasbourg was attached - and General Motors Company, which took over Opel in particular.

In September 2009 a new PSE which suppressed 200 more work stations, with a restructuration of the company to prepare it to be sold off by the end of 2010. In February, two potential buyers announced that they were interested and the conditions of the sell-off were put under discussion in the committees of representatives of the personnel. And in June, surprise, GMC resurfaced and proposed to take over the company again, on condition of a reduction of 10 per cent of the wage bill: wages frozen for two years and only increases linked to inflation in the third year, 7 days fewer extra holidays for the shifts working unsocial hours, 15 minutes more working time per day for the “normal” shifts and suppression of the profit-sharing bonus for three years. As counterpart the group promised to maintain “a certain” level of production until 2014, with promises of investments for new production later.

This enterprise agreement had to be subject to the signature of the trade-union organizations after a referendum. The whole thing was to be settled by Wednesday July 21. The only question in the referendum was: “Do you want GMC to repurchase the enterprise?”! All the trade-union organizations (CFDT, CFTC and FO) of the enterprise called for a “Yes” vote, except the CGT whose secretary affirmed: “We will not sign. The role of a trade-union organization is not to negotiate social regression”. After the result of the vote, where 70 per cent of the workers voted in favour of the plan, there began a campaign of intimidation of the CGT at the same time as there was added to the agreement the annualisation of working time, which had not been envisaged in the preliminary discussions.

The indignation and the anger of the workers and the rather tardy hesitations of the unions that had signed made the management back down. But it continued to say that the signature of the CGT was an essential condition for the repurchase of the factory by GMC. Without legal foundation, this demand was aimed only at making the only ones who dared to resist GMC capitulate, so as to discourage any possibility of a later fightback.

To obtain this signature the management, using company executives, some foremen, administrative staff and even some disoriented and anxious workers, organized a demonstration in the factory to the office of the CGT, blocking, jostling, making death threats and attacking activists and elected representatives. At that point the leadership of the CGT Metalworkers’ Federation broke its silence and challenged the Ministry of Labour to put a stop to the pressures exerted on the CGT union at GMC.

Many trade unions in the industry, and even beyond, expressed their support by motions of solidarity and demands for the Ministry of Labour to put an end to the pressures. The UIMM (employers’ federation for the metal industries) called on the CGT Federation to exert pressure on the union at GMC. Everyone got in on the act of exerting pressure (the RG - special branch of the police that keeps an eye on the workers’ movement, the ordinary police, the local press, and political parties

from right to left). Finally the CGT refused until the end to approve the agreement but was forced to sign a text that specified: "The CGT is opposed to the measures of rationalization of labour costs contained in these agreements. That is why it reaffirms that it will not sign them. However (...), it undertakes not to contest, in any form or by any means, the contents and the implementation of these agreements from now until the end of 2013".

The need for an international fightback

If the old slogan, "the workers have no country" still remains valid today, it is urgent to bring it up to date it by the formula "workers' struggles must not stop at borders". Activists have always argued that solidarity is necessary between workers of different countries, that it is necessary to support struggles across borders. But at the time of real globalization, not only of finance and of the exploitation of natural wealth, but of the chains of production of all the big groups, it is almost every day that there is a pressing need to centralise information, to coordinate struggles so as to prevent workers of the same group or of the same industry being put into permanent competition with each other.

Faced with the game of industrial Monopoly that the big groups are engaged in, the workers cannot hope to save jobs, working conditions and now even collective rights without organizing the fightback at the transnational level. Any weakening of rights in a factory, in a country, will necessarily have consequences on all the workers of the group concerned, even the workers of an entire industry.

In spite of more or less critical statements of principle, the leaderships of the international trade unions (European Trade Union Confederation, European Metalworkers' Federation, International Metalworkers' Federation, International Trade Union Confederation, etc.) do not concretely organize the coordination of struggles. They are satisfied with their positions as trade-union bureaucrats in international institutions or in European and even international Works Councils, without being either able or willing to combat the employers' policies. Even on a national level, such coordination is not implemented by the federations concerned. The attempts of the trade unions of Total around the fight against the closing of the site of Dunkirk were quickly put a stop to by the CFDT and CGT confederations.

For all these reasons, it is not only the responsibility of combative and revolutionary activists to deal with these tasks; it is probable that for a long time they will be the only ones to take them on. The danger of nationalism, even of chauvinism, although it does not leave workers unaffected, is firmly anchored in the mentalities of the trade-union bureaucracies. Factors like inertia, the multitude of tasks and the language barrier are not negligible problems. So we have to be determined to organise more and more meetings, at rank-and-file level, between trade-union activists of the same industry, the same group, the same chains of production, and to do it now, and not only on the day when the employers' policies strike a blow against us.

Robert Pelletier

Extract from the letter addressed on January 11, 2011 by John Monks, general secretary of the European Trade Union Confederation, to the European Commission:

“The specific charge is that the Commission officials are ignoring social dialogue and collective bargaining processes and intervening directly in the labour markets of these countries. Diktats are being issued which are designed to lower living standards. Thus proposals are coming from the Commission which are designed to cut minimum wages and reduce wage “rigidities”, cut pension entitlements, make labour markets more flexible and in Ireland’s case, provide for wages to reflect “market conditions” (the words in quotation marks are quotes from correspondence from Mr. Szekely of DG Economic and Financial Affairs).

“I should not have to remind you that this policy of detailed interference in labour markets tramples all over pious Commission statements about the autonomy of the social partners, the importance of social dialogue and the specific exclusion in the EU treaties of a European competence on pay.

“Indeed, it is an attack on Social Europe and is in marked contrast to the relaxed, non-interfering view on rapidly increasing levels of top pay, including bank bonuses.

“It is now clear that this attack is a prime case of Commission-promoted downward pressure on Europe’s social conditions. The proposals on economic governance are likely to generalize these pressures in the euro area and beyond, and not just apply to the countries in difficulties on the world’s bond markets.

“In these circumstances, I request an emergency meeting with you to clarify matters and to warn you that the ETUC will find it impossible to support action by the EU along these lines, or proposals on economic governance, and any new treaty which contains them, which resemble in some aspects the reparation (punishment) provisions of the Treaty of Versailles, and reduce member states to quasi colonial status. ”

P.S.

* Translation International Viewpoint.

* Robert Pelletier is a member of the secretariat of the Commission on Intervention in Workplaces of the New Anticapitalist Party (NPA, France). He has been central union delegate for the CGT at Schindler, organizer of the CGT’s intervention in the elevator industry and secretary of the Committee of the European Group of Schindler, as well as CGT expert on the Council of Orientation on Working Conditions (formerly Council for the Prevention of Occupational Hazards) for the elevator industry.

Footnotes

[1] “Opt out” refers here to article 18 of the European directive 93-104 which made it possible for Britain to derogate from the length of working time fixed in Europe. There were three conditions: the employee was to be “free” to “choose” to work beyond 48 hours per week, an up-to-date record of the hours worked beyond the 48-hour week limit was to be kept by the employer and this category of the workers was to be followed “in a particular way” by the occupational medical services. This provision was to be re-examined in 2003. The enlargement of the EU to countries where legislation protecting workers had already been dismantled made it possible to envisage challenging the 48-hour week limit ... if not in the whole of the EU simultaneously, at least

country by country.