

prol-position news

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Why bother with industrial structures? Most of the current debates on the changing "precarious" work conditions, organizing, networking, terms like "precarity" etc. not only stay on the surface of the actual changes in exploitation, they also cannot describe the connection between the changing material structures within capitalism and the forms of struggles emerging within and against these structures. More than any books, revolutionary programmes and historical accounts, the industrial structures themselves (e.g. the cooperation within a factory or office, the local transport system, the supply chains, the IT-networks, the migration flows) are the active memory of the working class and its struggles. This memory is shaped by the antagonism it contains. Each collective action or undercurrent behaviour which expresses the desire, reluctance, needs, and resistance of workers against the material relation which sucks their life time and energy, change these structures. The changes have ripple effects: a combative factory is dismantled, new people are hired, new machines are developed, parts of the production are sent off-shore, new communication lines and transport links are needed. But where ever capital goes, whatever new terrain is formed, conflict will follow and struggles will come up.

The industrial structure is at the same time organised exploitation (the violent expropriation of human energy) and the basic framework for the struggle against exploitation. It is material base and boundary of struggles: people use their connection at work, the working tools, their knowledge, their ability to interrupt the production of capital in order to fight and are in most cases (up to now) thrown back into the isolation of their particular production unit. Unions and many lefties try to disguise this isolating defeat by talking about the glorious struggle of this and that company or profession - just to underscore the necessity for their own existence.

All efforts which try to avoid or bypass these material problems by creating external organisations (anarcho-sindicalist unions, activist networks, communist organisations) are antiquated the second they are formed, loosing touch with the current forms the class conflict takes. The industrial structure is a hierarchical profit-seeking control apparatus but at the same time

it is the actual way we produce our living and it is the material for our future reproduction. A revolutionary process is a process of creative destruction within and beyond the industrial structure - and when lefty organisations try to 'anticipate' a free cooperation of workers that's just another sign of their backwardness and reactionary nature.

The relation between the concrete form of exploitation and the organisation of struggle is reflected in the concept of 'class composition'. An inspiring text from

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the German mag 'wildcat' has lately been translated into English [http://www.wildcat-www.de/en/wildcat/64_65/w64opera_en.htm]; and an older text might still serve to make the argument clearer [http://www.nadir.org/nadir/initiativ/kolinko/engl/e_klazu.htm].

The first part of this issue deals with the shifting global network of fibreglass-cables and transport supply chains, not from 'technological' reasons, but because they are the materialisation of past and present proletarian unrest, the tangible script of capital's strategies and the possible communication lines of future class struggles. For this newsletter we take a closer look at the global re-location of call centers and publish an article on the transport sector. Because of their rapid development call centers are a good example for the relation between changing composition of capital (new technologies, new work organisation, new regional focus) and proletarian behaviour and demands. Call centers themselves emerged as a new concentration

of work force which proletarianised the 'white-collar-workers', washed away strong-holds of bank-branches and the working standards of office work. Within a few years call centers mushroomed in deprived ex-industrial areas of Europe, the USA and elsewhere. During this boom-time some of us undertook a collective workers' inquiry in some call centers, trying to understand how these new conditions of work are being turned into subversive conditions of struggle. For more details have a look at the 'hotlines'-book website [http://www.nadir.org/nadir/initiativ/kolinko/lebuk/e_lebuk.htm] and/or order a hard-copy there.

Rendezvous with Call Center Workers is the chat of a former call center worker with old work-mates about how things have changed during the last years. Things didn't change for the better. If you want to read more reports from the daily life of call center workers, there are numerous work-blogs all over the place. The article **Engaged Tones** summarises two bigger strikes in call centers in France and Spain in winter 2004/2005. About 50,000 workers took part in the strike in Spain, something that is quite exceptional at least in Europe. In France workers of the call center service-company Ceritex went on a quite heavy strike, confronting riot cops and the division between permanents and temp workers. In both conflicts smaller (base-)unions played major roles. In the telemarketing sector the CGT in Spain and SUD in France came to the fore, with all the dynamics and contradictions of official negotiation partners. The text **Bangalore's Calling** examines the rapid globalization of call centers: from the deprived areas in the EU/USA to India, from the Indian megacities to smaller ones, then to the Philippines, to Pakistan, South Africa and Central America. We even see the loop: Philippine companies re-investing in the USA and call center agents from Glasgow being recruited for jobs in India. The management and its consultants are frank and open about the driving force behind these rapid re-locations: the wage pressure and the high turnover of workers.

The article **Capital Moves: Transport and Logistics** describes the latest developments of the different means of capitalist transport from a global perspective, drawing the following conclusions: "The complexity and geographical spread of supply chains combined with Just In Time and low inventories makes capital vulnerable to attack. The continuing growth in world trade and the developing labour shortages in the logistics industry should put the working class in a strong position to mount such an attack, but it is still on the defensive. In my opinion the particular composition of the class that is starting to become visible within the world of logistics is a harbinger of troubles to come."

The second part of this newsletter contains several

articles on the current workers' struggles in various countries, the threat of redundancies and the possible struggles of workfare-workers.

Comrades from Athens sent us the short report on Greece: **Bank clerks and dockers on month-long strikes**. They discuss these two workers' struggles, the role of the unions and ask why the government starts attacking workers at several fronts at the same time. Are they compelled to do that or do they simply see the workers as weak and unable to respond?

The **Letter from Australia** summarises the recent protests against the labour reform there. The reform would make it easier for the companies and the state to sack people, to shift them to worse contracts, to criminalize strikes. 'In response to these looming attacks on workers the unions organised demonstrations in dozens of cities and larger towns between June 26 and July 1 with a combined attendance of some 300 000 people'.

Two related contributions are the slightly shortened Letter on **Struggles against Redundancies** written by the French group Mouvement Communiste and the text on **Official German Anti-Capitalism and Mass Redundancies**. The first text argues that only heavy workers action are an effective means against the threat and reality of redundancies, bringing in historical examples of struggles in France since the 70s. The second text summarises the recent situation in Germany: the miserable situation of the social-democratic government, the new left populism and examples of (low-intensity) conflicts due to company closures.

After that another **Update on the Car-Industry**, this time featuring the strike of truck drivers in May 2005 which caused production stops at the FIAT car plant in Melfi/Italy (please loop back to the Logistics-article). The 'revolutionary' production-model at the DC plant in Toledo turns out to be rather reformist, re-concentrating the suppliers back at the main plant. Last but not least a short note on a strike at VW in Spain, endangering the production start of the new Polo.

The changes in the German welfare state were already a topic on the first edition of this newsletter (see ppnews #1, 3/2005, pages 14 and 19). In the article **Walks to One-Euro-Jobs in Berlin** the group No Service describes their inquiry into the situation of unemployed workers. After the introduction of a workfare program in January 2005 as part of the Hartz IV-welfare reform, unemployed can be forced to attend certain work schemes, getting paid just 1 or 1,50 Euros an hour on top of their benefit payment. About 180.000 thousand are already doing these jobs, the aim for the end of the year is 600.000. No Service wants to know, who the One-Euro workers are, what they are doing at work, whether there is any resistance.

There are two more articles which both touch the question of struggles and war, though from different perspectives: In the last edition we published the preface of the translators of the German edition of Beverly J. Silver's book "Forces of Labor" (ppnews #2, 5/2005, page 20), a book on the role of workers' struggles for the development of historical capitalism, the different forms of workers' power, the dynamics of labor unrest and war. In early June Beverly J. Silver was in Germany for some book presentations. She gave an overview of her ideas but also clarified some points, especially on the special importance on the current financialization of capital and its impact on weakening workers' struggles, the importance of China, ongoing and future struggles there, and the question of whether the USA, trying to prevent the loss of its hegemonic position, will continue going to war. These questions also turn up in the **Interview with Beverly J. Silver**.

The leaflet **London Bombs and G8-Politics - Terrorist Acts of a System in Crisis** was spontaneously written after the alleged suicide attacks in London and distributed during the G8-counter-summit in Edinburgh. The intro to the leaflet was written under the influence of first undigested impressions from the anti-G8 activities and raises some questions concerning the current stage of the 'anti-capitalist'-movement.

Love and Rage!

rendezvous...

...with Call Center Workers

A few years ago I worked in a call center. It is still existing and is providing a hotline for computers and other electrical items (tv, satellite receiver, etc.). In the meantime there are working roughly 300 call center agents at the welcome desk (first level) and the technical hotline (second level). At the moment the company enlarges its location in Germany and there are rumours about a relocation to the Czech Republic. A few weeks ago I met two of my former colleges, who are still working there. We chatted a little bit, and this interview came out.

Q: Let's talk about the break times first.

A: We have two and a half hours idle a day. But this includes everything, lunch break, smoking breaks, restroom, and re-operation time. It is not allowed to take a break whenever you want. Now, you have to book it before you go.

A: There are certain times when you aren't allowed to

take breaks. At these times, a sign on the phone appears that it isn't possible to take a break.

Q: What does that mean; it is „not possible“? Is it technically not possible or are you not allowed?

A: It is not possible to book a break technically. But of course you can take a break without booking.

A: I did that once, but when I got back the team leader gave me a call and asked, why I didn't book. It was shortly after they came up with it. I just wanted to resist.

A: Some of the new agents got in trouble recently. Team leaders asked why they hadn't booked before, and they answered, „Why? It wasn't possible!“

Q: But then someone must be checking the ACD all the time?

A: Yeah, there is always one of the team leaders only checking our times.

A: He doesn't do anything but ogling that thing all day. Depending how long customers are waiting to get an agent, he decides how many people can have a break.

Q: A few years ago, people took their break whenever they wanted. If there were too many „on idle“, the team leader tried to kick some back to the phones. We were playing shy and looked down and maybe one or two went back. But they could only check the total time, afterwards they couldn't see when you took your breaks. Now they put that problem on your shoulders.

A: Yeah, we always take our stop watch with us for breaks. You need to be correct by seconds. If you are 20 seconds late, you're in trouble. Recently we had to justify 30 seconds break overtime in a 45 minutes meeting with a team leader. They hold a record about it.

A: There's always a stress factor. If you want to have a break, you watch that thing to book it. You don't listen to the customer anymore. It creates a lot of stress.

A: Well, that's a situation when I throw the customer off line.

A: There is another new thing with the calling time. Each phone call of a technician shouldn't be longer than 20 minutes. They invented a back office team, their job is to call customers with difficult technical problems back in between 48 hours. Of course it doesn't work, yesterday I heard that those technicians are working on cases which are two weeks old.

A: Of course back office technicians are now busy with simple cases which were caused by the 20 minutes calling times structure of the other technicians. But it is not their fault. We know how slow people are to find numbers or stuff like that. Again, we are the ones who have to deal with stress.

A: And we have more escalating customers, who wait

and ask for that fucking call back. We are not allowed to connect them with a technician; this would double the cases for the back office technicians.

A: And we can't give it to the team leader, they just don't take them anymore insisting on the call back. They rather discuss 15 minutes with you then taking the call.

A: They don't know anything about technical problems anyway. The boss said that they need to have leadership abilities.

A: But they don't have that either. That's the problem. I don't know why we have team leaders...

A: Only to control us!

A: Now we sit at certain places, and we are not allowed to talk to each other anymore.

Q: Do you have time for talking with each other? Back then there were times when a lot of people called and the lamps at the phones turned red. But this was only at those certain times, when they sold their stuff in selling actions. On normal days, we had roughly two hours with hardly any calls, sometimes even more. We could check for phones of friends when they were taking breaks. And we had talking rounds for everybody who wanted to participate. We got together and had discussions about any topics, like homosexuality, racism or listened to stories from the GDR. And at least once, we solved a problem with a team leader that way.

A: No, that's over! Now the lamp is red always, except on the weekend. Well, the technicians' lamp is always red.

A: It is, of course, also because of the bad work organization. It is all about the first contact. They don't care about how long it takes to call customers back or how long they are in the waiting line. If we have red lamp, the technicians have to do first level, but of course then the line to the technicians is even longer. We can see how long the waiting time will be, so we have to prepare the customer to wait over a certain time.

A: Some people wait an hour, but we have to say that we can't see how long it is exactly.

A: That's totally pissing people off!

Q: Do you tell the people how long it is or do you give them a hint?

A: Well, we do have test-calls. I had one recently. But he told me his name, so I was unsure. I asked him and he told me that he belongs to the call centre. Right after the call was done, the team leader got me for a meeting. I played a little bit funky and kissed her ass. I allowed her to calm me down; she goes for stuff like that. Well, nothing happened. But I thought, this asshole, why didn't he tell me before.

Q: Do you have set time limits, too?

A: Well, no, not really. But we have to stick to certain times, those two and a half hours. But this is organized by the computer...

A: We have to do everything with the computer, not through the phone anymore. You can see everything at the phone display, but you don't touch it anymore.

A: But we still work with the phone. But listen: there is that problem with idle-times. You have to take the call through the keyboard and then different screens are popping up...

A: You have a screen with all the numbers where you can put the call to. Then the customer is gone and you are on „absent without a reason“. You close that window and then it asks you what you want to do: a break or processing work, you close this window, too. And that takes a long time, in principle you have hour glasses. And then you have to put the phone on in order to get the next call.

A: That shit alone and that the program gets stuck all the time. I had 15 minutes idle time one day. If you have a lot processing work to do or you need to go to the toilette more often you are easily at your time limit. And then you have a meeting with the team leader and, of course, they don't care if the 15 minutes idle time were caused by the program. That's why we work with the phone, it is just faster.

A: When I first started to work with the computer my performance data weren't right and they sent me a coach to look over my shoulder. He was hanging around for two hours. Afterwards, I worked again with the phone and they praised me, even the leader did!

Q: Earlier it was possible to talk to one customer while you were working with the data of the former customer. So you could fudge your idle-times a little bit...

A: That's over. With the phone call the data of the customer pops up at your computer, if he is registered. It works over the phone number.

A: The processing work should be only three minutes. So you have to do the entries while you are talking with the customer. I can't do that.

A: I let the customer wait while I make the entries and I also tell him.

A: It is completely stupid, especially if someone has a customer number and wants to talk to a technician. I still have to do all that shit. I tell him I am connecting him but instead put him under mute and finish all this stuff and then connect him.

Q: Obviously, the computers weren't as connected with the phones as they are today. We asked the customer for their number and then put them through to a technician right away, that took 18 seconds. Even faster if you didn't put up the data.

A: That's over. If you do it today the system puts you on idle without reason because you didn't fill out the screens. And that changes your idle time.

Q: How did they get you to agree with the new technical stuff? Did they train you?

A: Yes, we had trainings. It is a part of SAP which fit to the company. It was the idea of a team leader, but you get the impression that he had never worked in a call center. What an idiot and he was a technician himself.

A: And on top it wasn't done. They always said, we're going to do this and that, and this is how it is going to be and so and so...

A: Our old system was much clearer, you could see the stuff right away. When someone asked about a price you typed in that thing and you got a price for it. With the new system you have to register the customer, you have to click around, set the order and then you can tell the price. If the customer doesn't want it you have to cancel everything. And that takes a lot of time, and then the program gets stuck. The customers think we're completely illiterate, they take us for completely loco. They ask about a price and get stuck at the phone for ten minutes.

A: Before my average calling time was maybe one minute, now it's at least two.

Q: How did they switch the programs?

A: They changed it from one day to the other and then we had SAP people running around, who checked if you got around with it. In the beginning, we found it funny because it was something new, but then we realized, what kind of crap this is.

A: During the switch-over, there were always meetings. Actually, we are not naughty. I am working, I show up everyday, I'm even on time. I do my work, I try to help customers and still get in trouble. It is not the point that you work, but you... need to have discipline.

A: This asininity, it makes you completely nuts. You can't do anything against it.

Q: Is it still possible to cheat with this system?

A: No, that's over. You only can put the customer on mute, that's the only thing. They control everything.

Q: So, they gave you the technical stuff and the meetings to set you under pressure?

A: Yeah, and of course, because we thought it is something new and interesting.

A: You don't help the new people anymore, it is all about your time data. You don't know anybody anymore and so you loose the connection. You don't talk anymore with the people at all. And this is all good for them, there are no people anymore who get together and start something against this shit. You just work, that's all you do.

A: And the assessment center! One day, the management had the idea of an internal assessment center. Some didn't pass and got kicked off the hotline and ended up at the goods receiving department.

A: They got lucky, at least they get their former wage.

A: That's shit! Recently, I talked with someone who got moved out. He has had to do overtime for now three or four months, eleven hours per day and every Saturday another six hours. And even with overtime they have less money than we have without overtime.

A: They move packages over a belt and scan 'em. Moving and scanning, moving and scanning, eleven hours.

A: They have a quota they have to achieve.

A: Now we understand when something is scanned wrong. They don't want to check what's inside of a package. They have to make their quota.

A: Man, that's bad! They don't even have a kitchen. In their break-room, they sit on post boxes.

A: He said, in the beginning they felt like being in the third world. As if everything would be illegal, as if they would produce drugs. If the cops would raid the place they would be in.

A: Here you can see nothing fits. That's why we have so many calls.

Q: Well, lets think about other stories, like the one with the two who didn't book their break. About people who could be fellows.

A: Nothing! There's nothing. Our last team meeting was horrible, I tell you! The new people have part time contracts only for three month, they say stuff like: you can listen to my calls, I have nothing to hide, or the smile is in the voice anyway. Such bullshit!

A: And if there are new girls the team leader likes, they're allowed to do everything. Such a young chicken has no clue, but is allowed to do everything.

Q: The big goal of a Call Center Agent is to get rid of the phone and if you do send a fax or e-mails, you got it. So they are not interested about changes?

A: No, they have it nice.

A: And also the old people, they got a better job and talk positively about the company. You can't do anything with such kind of people. I don't know who I should talk to.

A: I want to do something so things are changing, but I don't know what and how.

A: And you don't need to look for another job. It is always like this.

Q: But then it's clear, that you need to do something there.

A: Well, no one can tell me that all of the new like it.

A: No, you're right.

A: But they don't have anybody to talk to, they don't know anybody...

A: We should put something out, maybe hidden, so no one knows who it was. Maybe something would happen.

engaged tones

Strikes in French and Spanish Call Centres Winter 2004/2005

The following is a report summarising the nationwide strike in the Spanish telemarketing sector, December 2004, and the conflict at the French company Ceritex in January 2005. Both struggles were quite exceptional in terms of the number of people involved and the call centres affected. Another parallel is the strong position of 'base unions' which are rather marginal in other sectors.

Strike in Spain, December 2004

In the Spanish telemarketing sector about 50,000 people are employed, of which 82 percent have only fixed-term contracts and/or are employed by temp agencies. The telemarketing sector comprises tele services such as emergency calls for the ambulance or information on train time-tables. Often the work contracts are limited to 15 days, only after the contract runs out will the worker know if she/he will get a new one. About 76 percent work part-time, most of them a six-day week. The average wage in the sector is said to be 750 Euros before taxes, compared to the general average of 1,430 Euros. The stats don't tell us which working hours this average wage is based on. A phone worker who is directly employed by Telefonica gets 2,740 Euros, three times as much as their colleague in the outsourced call centre. According to a survey by the CGT union, most workers mentioned the following main problems: the fact that shifts are only announced one week in advance, the fact that the management increasingly demands multi-tasking (web-cam, fax, different phone projects etc.) and the rising numbers of redundancies due to outsourcing. In recent years the big companies, such as Telefonica, RENFE (national railways) etc., have outsourced their telephone jobs to service companies, sometimes re-located the service abroad, mainly to Morocco and Argentina.

Strike in the Sector

It's about the establishment of a general collective contract within the telemarketing sector, which would not mean all call centre workers. If the main company

belongs to the metal sector, the telephone agents are also officially metal workers. There were some strikes for the collective contract already in June 2004, but they ended without an agreement. In December 2004 the main unions CC.OO, the UGT and the (ex-) anarcho-syndicalist union CGT called for another series of one-day-walk-outs. The following are some of the official demands: higher wages, announcement of the shift schedule one month in advance, at least two days off per week, three weekends off per month, wage equality with similar jobs, no multi-tasking, reduction of temp-contracts to 30 percent of total staff, redundancy pay in case of dismissals due to outsourcing.

First Day of Strike, 7 December 2004: About 50,000 workers take part in the first day of the strike, at least according to union sources. The unions estimate the strike participation at 75 to 87 percent. The bosses talk about 27 percent and are not willing to negotiate. The unions complain that some of the outsourced companies told their workers that there was a legal obligation to provide a minimum service. This is false and the behaviour of the respective management illegal. In Andalusia some of the emergency calls are outsourced to private companies. In Seville the telemarketing sector contains, amongst others, the phone services of the following companies: national railways, regional electricity company, directory inquiries of Telefonica. Apart from Seville, Malaga is another capital city of call centres. The service company Catsa is one of the biggest in town, employing 2,000 call centre agents. On average a single work-place has to answer 450 calls per working day. Clients are mobile phone companies and other bigger corporations, for example Fnac.

Second Day of Strike, 23 December 2004: The unions say that 70 percent heeded the strike call. CC.OO and UGT complain that Telefonica and the temp agency Ranstad put pressure on the bosses' union not to accept the contract, on which the majority of employers had already agreed. This supposedly has resulted in the fact that the strike day ended without an agreement.

Recalled Third Day of Strike, 30 December 2004: During the week before the third day of the strike the CC.OO agrees on a compromise and together with the UGT renounces the strike call. The CGT follows, but calls for two hours of company assemblies on the day concerned, in order to discuss and decide about the future of the conflict. The CGT reproaches the CC.OO with putting militant workers in a legal catch-22 situation by renouncing the official call for strike. They say that in a lot of companies the militants of the CC.OO and UGT distributed a leaflet from the union headquarters, perhaps without having read it thoughtfully, which announced that an agreement had been achieved and that the conflict was over. The leaflet doesn't say

anything about the actual content of the agreement, neither was any information published later on. The CGT claims that the main incentive for this agreement is the exemption of fourteen CC.OO/UGT officials from normal duties for their work in the collective contract commission. The main demand concerning redundancies and outsourcing hasn't been fulfilled. The agreement also provides a loophole for the bosses to push further flexibilisation of working time: working time is laid down in the collective contract, but exceptions can be negotiated with the collective contract commission.

The CGT acts very rank-and-file orientated, calls for assemblies in order to 'decide about the direction of the strike'. They also distributed questionnaires on problems, needs and demands of the workers. Of course, in the end they have to behave like any other union, trying to secure stable conditions in their sector: "We still have to change a lot in order to turn telemarketing into a sector of the future". Some details on the questionnaire action: it went out to about 20,000 workers, but the CGT does not say how many were returned. The twenty questions mainly refer to the demands of the collective contract and the possible strike, they can be answered with 'yes' or 'no' and there is little space for comments. Unfortunately the conclusion mixes general stats and stats on the answered questionnaires. They claim that about 90 percent agree on the demands, that 76 percent are ready to strike, that 50 percent would go on an indefinite strike. The strike reports of the CGT don't say anything about the actual atmosphere, discussions or dynamics in the different companies and their assemblies.

Fourth Day of Strike, 27 January 2005: On the 25th of January, the CC.OO and UGT publish an official statement accusing the employers association of treason. Their agreement, which was signed by them behind closed doors is not only not accepted by the workers (the CGT calls for more strikes), but the bosses also withdraw their signature. The main unions receive a letter from the bosses saying that they want to revise certain points, such as the redundancy payments. The strike called by the CGT alone was followed by 40-45 percent according to CGT estimations, by 1,73 percent if we believe the bosses' declarations.

Extracts from a leaflet distributed during the strike in Malaga:

"Good evening, you are talking to a precarious worker, how can I help you?"

"We are not what we are told to say we are! We are not Movistar, Telefonica, Vodafone! We are someone else. We have to lie in order to make ends meet, in order to pay the rent or the mortgage of a house that will

never be our own. Our life is not our own, but owned by the company which hired us this month. We are polyvalent workers. Today I answer your call, having a qualification in bakery, tomorrow I am the woman from Ecuador who cleans your house, or the student with a law degree, who will serve your beer. We are the contortionists of flexibilisation. We have seen the name of our company disappearing from the front of its building, re-appearing in another town, with new workers who haven't got their own voice either, just like us. If you call us today, it will be engaged, because we will talk, on strike, and discover our voice. This time we will speak the truth."

Strikes at Ceritex in France Winter 2004/2005

There have been strikes against the relocation of call centres at Timing and Wanadoo in late summer 2004. In October 2004 workers at Teleperformance, a subcontractor of France Telecom and Wanadoo went out. About 70 percent of the employees have temp-contracts which are prolonged each week, or not. Despite this significant number of temp workers, the strike participation was surprisingly high. The base union SUD estimates it at 90 percent. One of the main reasons for the conflict were the long working hours of 44 hours per week. Teleperformance has relocated parts of the service to Tunisia. Apart from Tunisia, Morocco is the other main country for French call centres to be shifted to. Timing relocated their night and weekend shifts to Morocco. It is said to be 40 percent cheaper to open a call centre in Morocco, where the average wage is about 400 Euros, compared to 1,100 in France. There are 60 call centres in Morocco phoning for the French market, employing 7,000 workers. In France 205,000 people graft in call centres. In 2003 there was an increase of 10,000 jobs in French tele-companies of which only 5 percent were created abroad. Last December 300 agents of Wanadoo struck against the consequences of a rashly introduced telephone-internet service: excessive extra stress because of annoyed clients which the management tried to burden the staff with.

The Strike at Ceritex

The following chronology is based on information of the base union SUD. Although the different positions amongst the workers are more or less excluded, it provides a good general overview.

24 January 2005: The strike kicks off at four different locations of the call centre service company Ceritex B2S, the second biggest in France. After three years without any wage increase the base union SUD now demands a 5 percent pay rise. In leaflets distributed amongst the workers the SUD admits that the eco-

conomic situation of Ceritex is not a booming one, but due to sales of company owned real estate the management has got the money to grant the pay rise. They also admit that the demand for a wage increase of 5 percent won't cover the real wage loss of the previous three years. The SUD announces that the strike participation ranges according to location between 60 and 85 percent and that mainly management people, people with temp contracts and from temp agencies are scabbing. At a general assembly on 24th of January the workers decide not to start work again on the same day, which was planned, but to continue the strike until the assembly on the following day.

25 January 2005: The call centre in Strasbourg starts working again. In Chalon the assembly decides to carry on striking, but the division between strikers and workers with temp contracts becomes ever more clear. According to SUD sources the management declared on various occasions that the strike would endanger contracts with the clients and that therefore work contracts might not be prolonged. This has allegedly led to a situation where managers and temp workers together shouted slogans against the strikers. The FO union is accused of having taken part in the denunciation of the strikers as well. In Maison Alfort the staff votes for a strike too, and a delegation is sent to the management. The bosses refuse to talk to the elected delegation but finally agree to receive two officials from the SUD. The management's response concerning the demands was negative, as was expected.

26 January 2005: The call centre in Chalon is receiving calls again. The remaining strikers hand out leaflets to the temps in order to undermine management propaganda. In Maison Alfort the strike is still on and the management is still spreading rumours, without any strong impact. The strikers try to make the dispute known to the public, e.g. by distributing leaflets in the neighbouring shopping malls. In Le Mans the conflict continues as well. The management calls the bailiff because the picket is allegedly using the reception area to warm themselves up and to use the toilets. Other workers spread the news in shopping streets and on access roads next to the call centre.

27 January 2005: The workers in Maison Alfort decide to stop the strike and to continue the struggle by other means which do not result in loss of wages. Despite, or maybe because of, the bosses' repressive policy the assembly in Le Mans votes for the continuation of the walk out till next Monday.

28 January 2005: The strike in Le Mans continues, supporters deliver wood and meat for barbecues. Continuous visits by bailiffs do not spoil the good atmosphere.

29 January 2005: The bosses send security guards to the picket-line in Le Mans and the Ceritex chairman blathers in an interview that all strikers can look for new jobs if they are unhappy with their present ones.

31 January 2005: People in Le Mans and Maison Alfort are pissed off by the comments of the companies' chairman. In Le Mans about half of the staff vote for going back to work. There are supposed to be 'sudden and surprising strikes' in the future. A company-wide assembly is meant to be organised in order to decide about the future of the conflict.

During the following week there are various spontaneous walk-outs in Le Mans, Maison Alfort and Strasbourg. The FO officially announces that it doesn't support the actions. The SUD accuses the FO of negotiating behind the back of the workers about preferential treatment and privileges for the strike-breakers. The national assembly of all Ceritex workers is planned for the 7th of February. Workers who were active in the strike have to put up with severe disciplinary measures at work, e.g. their phone conversations are monitored much more frequently than usual.

7 February 2005: About a hundred workers gather in front of the company's headquarters in Gennevilliers and demand negotiations. The bosses refuse and call the cops. Three lines of riot cops block the entrance of the building and the workers form chains and try to push the cops out of the way. The management agrees to receive six delegates. Six workers from different locations are elected. The management asks the cops to provide a list of names of the delegates. Two workers on the list are not accepted and the scuffle continues. Finally the delegation is accepted, but the bosses have nothing more to say than that a pay rise is out of the question. Parallel to these actions the workers in Maison Alfort and Le Mans start a spontaneous strike in order to put more pressure on the bosses. In the late afternoon the assembly in Gennevilliers is declared over, people have a long way back home. Some waste bins are emptied in front of the building. A union rep claims that the action in Gennevilliers helped to facilitate the communication between workers from different locations and that the attitude of the bosses only strengthened the combativeness for the disputes which followed.

Official info from the SUD and pictures of call centre workers and riot cops can be found on:

[<http://membres.lycos.fr/sudceritex/greve%20%e0%20B2S%20Ceritex.htm#0702siege>]

bangalore calling

Global Re-Location of Call Centre Jobs

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- 2) The situation in countries of origin: USA, UK, Australia
- 3) General situation in destination countries: India
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Intro

The following should provide a general overview of the global re-location of call centre jobs. So far most of the (union) initiatives and answers to the question of re-location were constrained to protectionist and/or nationalist campaigns for the 'defence of our jobs'. We can recall the 'Pink Elephant' campaign of the English CWO (Communication Workers' Union) when British Telecom made an announcement to slash jobs in the UK in order to shift them to India. There are several racist campaigns in the USA calling for abusive behaviour when talking to an Indian or Philippine call centre agent. We don't criticise the fact that workers fight against redundancies and threats of relocation, like at Wanadoo in France, when the management planned to shift work to Morocco (see article on call centre struggles in France). But it is all together a different thing if unions try to conjure up nationalist sentiments, talk about 'British quality' and similar stuff, as part of a populist campaign which didn't hurt the bosses at all. There have only been a few campaigns where activists tried to break down the national perspective of their unions, e.g. when a US-delegation of unionists visited colleagues in India or campaigns of Spanish and Argentinean activists, when Telefonica tried to play workers off against each other.

The rapid development of the call centre relocations means that they also serve as proletarian case studies on how the conditions change in the country of origin and in the destination country, how capital adapts to different situations, and how workers find new ways to struggle as well. As we will see, within a short period capital had to face up to the same basic problems in Indian call centres as it had to in the UK: a high turnover of staff, increasing pressure on wages from below, first (violent) reactions of workers against the undignified working conditions. Capital's reaction shows its intrinsic limitations, as it further migrates from the big cities to smaller ones, from India to Pakistan and the Philippines, in order to start the same cycle again, but at a higher pace.

The situation in the countries of origin: USA, UK, Australia

Since the late 90s, as a result of the crisis in the IT and financial sector, a lot of companies cut jobs and/or relocated them abroad. This process still continues. Following some recent examples of companies who shifted their call centre work to India or the Philippines:

* *Datamonitor predicts that more firms are set to follow the likes of British Airways, Citibank, General Electric and HSBC, all of which have spun off a part or all of their operations to India.* [Datamonitor - 21st of March 2005]

* *350 call center jobs to go at British Gas: British Gas workers in Oldham have been told 350 of them will lose their jobs because a new £430 million computer system can do their work better. The clerical, administrative and data processing jobs at the Higginshaw Lane site will be shed in the next 12 – 18 months because workers have been made obsolete by the new technology. The company is considering transferring any remaining clerical work that cannot be done by the computer to workers in India.* [www.oldhamadvertiser.co.uk/news/s/202/202016_350_jobs_to_go_at_british_gas.html - 21st of July 2005]

* *British Gas goes India: Recent reports that British Gas (BG) plans to axe 2,000 jobs in the Kingdom, out of which about a 1,000 including "back office" jobs, would move to India, have spread panic among workers, especially in Manchester, where four BG offices are located, according to newspaper reports there. Interestingly, in their anger against offshoring jobs to India, trade unions are making much ado over the data protection issue. Though not overt, the reference surely is to the recent Indian call centre case where a British reporter was said to have got hold of classified data by offering money to an Indian employee. According to Unison, British Gas plans to move backroom work to India where the company claims they can make a 400% saving in operation costs.* [www.financialexpress.com/fe_full_story.php?content_id=97009 - 21st of July 2005]

* *IBM shifts jobs from USA to India: Even as it proceeds with layoffs of up to 13,000 workers in Europe and the United States, IBM plans to increase its payroll in India this year by more than 14,000 workers, according to an internal company document.* [The New York Times - 8th of July 2005]

* *NAB shifts call center jobs: NAB outlined the plans to axe 4,200 jobs from its Australian and UK operations as it revealed its half-year financial results. This would affect 10 per cent of its global workforce. Yesterday, Abbey's new Spanish owner said it would cut 4,000 UK jobs following its acquisition of the bank, rather than 3,000 as first envisaged. It said the staff affected by today's job losses were "victims of offshoring by proxy". The claim was denied*

by Lloyds TSB, which announced last year it intended to have 2,500 staff in India by the end of this year. [The Times - 12th of May 2005]

* *Dell adds 2,000 more staff in India: Dell plans to increase the number of staff at its Indian call centre and software development operations to 10,000 by the end of the year, the company's president and chief executive officer (CEO) said Friday. Dell currently employs about 7,000 to 8,000 staff in India, Dell President and CEO Kevin Rollins told reporters during a visit to Bangalore.* [IDG News Service - 2nd of May 2005]

* *Call centre operator Sykes Enterprises shrank its U.S. operations and last year added close to 10,000 call centre workstations in Costa Rica and the Philippines.* [Times Business - 2nd of May 2005]

It's obvious how capital uses and creates patches of regional (under-)development, in order to recompose the conditions of exploitation. The call centres in the USA, the UK or other western countries had been praised as the alternative mass employment for de-industrialised regions, such as Leeds, the Ruhr area, the mining regions in the US. Low wages due to high unemployment and a work-force shaken by years of crisis attracted the call centre companies. The following summary of a Los Angeles Times article shows clearly the political content of capitalist (under-)development:

Clintwood, Va. - This remote Appalachian town doesn't get many visitors, but every day it sends thousands of travellers on their way. If you buy an airline ticket off the Travelocity website and need to call with a change or a question, the phone rings here. The Travelocity call centre brought 250 jobs to a community wounded by the decline of coal mining, its mainstay for a century. It plugged the town's 1,500 residents into the global high-tech economy, offering the prospect of a secure future. That illusion crumbled last month when Travelocity fired Clintwood, saying it would close the call centre by year-end and move all the jobs to India. (...) Opened fewer than three years ago, the centre is the largest private employer in the county. (...) The call centre clerks in Clintwood start at \$8 an hour. In India, their replacements will earn less than a quarter of that. (...). More than a quarter of the 2.25 million call-centre jobs in the U.S. are expected to go offshore. (...) Until recently, Appalachian towns such as Clintwood were an outsourcing destination, not a victim. Companies that wanted to cut costs could hardly find a cheaper place in America. With that salary of \$8 an hour plus benefits - something almost unknown in these parts for entry-level jobs - Travelocity had no trouble attracting employees. (...) In a financial document announcing the call centre's closing, the company said it had been trying to cut costs but "attrition levels" were a big reason it wasn't successful. "It was \$4,000 in training every time we

hired someone new," Peluso said. "Many people made the economics tougher by choosing not to stay with Travelocity." Did Clintwood, then, fail Travelocity? The call-centre workers acknowledge that many new hires worked briefly and quit, unable to endure the cranky customers and strict regimen. Suddenly, \$8 an hour didn't look that good. (...) The joke among the town's citizens is that the only secure jobs are at the new state prison, because they're not going to be shipping the convicts to India anytime soon. There are several new lockups around the county, which a lot of people have mixed feelings about. "It's not quite as bad as being a nuclear waste dump site," said John Clay Stanley, director of the Dickenson County Chamber of Commerce (news - web sites). (...) Fifteen years ago, the primary employer in Dickenson County was Pittston Coal. Like Travelocity, it was losing money. So Pittston cut benefits for retired miners and their widows. The miners responded by walking out. Hundreds were arrested for civil disobedience. Violence flared as the strikers punctured tires on coal trucks. The strike lasted nearly a year, the bitterness far longer. "The situation with Pittston was physical," said Will Mullins, 22, a Travelocity operations manager. "We could block the roads and block the trucks, and there was no way they could get the coal out. But there's no way to block the Internet. If we tried to do a strike, they'd just ignore us. [Los Angeles Times - 28th of March 2004]

That the practical difficulties of fighting company closures and the nationalist perspective of most of the unions result in the ugliest forms of workers' response is documented in the following note from the net:

*I made an Indian woman cry and promise to quit her job in 60 seconds. You can do it too! I have inside knowledge of call centres, having worked in several. It's crucial that the agents be efficient. Barraging them with 60-second calls will ruin their stats and also lower their morale. Eventually, they'll start thinking 'another damn rude American a*****' every time a call comes up. All of this will have a cumulative effect. If 100 people across the US would commit to spending 10 minutes a day, we could cripple them, and bring those jobs back to the US.*

This is only a random (and printable) selection from the thousands of messages in cyberspace calling for a campaign to harass Indian call centre operators, to put an end to the offshoring of jobs. In the last few months, and particularly since the US presidential elections, people working in call centres in the country say that they are receiving more abusive and racist phone calls than ever before.

Earlier, people would get abusive if we didn't answer their questions satisfactorily. Now, I get calls-on some days up to five a shift-from people who are calling only to abuse," says Shalini J, a 22-year-old engineering graduate who works in a major call centre in Malad.' [www.callcentres.net/callcentrive/e.get?SITE.HOME]

Facing that kind of response it is wonderful to know that even working class racism can be turned into profitable business. Advert on the net:

American English Accent. Hello, we specialize in training in American English accents. We are based in San Francisco, USA. Our trainers are licensed speech pathologists with a Master's Degree or Ph.D. Our trainers will come to your call centre! Over 20 years of experience, with companies and call centres in the Philippines, Korea, and South America.

Examples of cross-border activities are rare, but even high up in the union bureaucracy the more clever functionaries can see the necessity of understanding the situation in the destination countries. Although we can expect that the union rep's comments on the situation in Indian call centres is partly due to the selective policies of the Indian companies inviting him and the populist attitude of union officials, it nevertheless indicates a global standardisation of working conditions:

Call centre professionals in India are well taken care of by the employers, compared to the US, where the workers were treated as a "commodity", said an official of Communication Workers of America (CWA), the largest workers union in the US. "The call centre environment in India is much better. In the US, the employers are not considerate about the workers. They treat people as a commodity," Steve Tirza, President, CWA, who was in Chennai along with other members to have a first-hand understanding of the call centre and IT industry in India, said. In the US, about 8 per cent of the people in call centres report sick, per day, Hicks said. [The Hindu - 23rd of June 2004]

Another, probably rather symbolic cross-border action took place during the recent strike at the HSBC-bank. Nevertheless the action has got some significance given that HSBC has been in the news due to its plans to relocate work to India:

Thousands of HSBC workers will stage a nationwide 24-hour strike tomorrow in a dispute over pay, the biggest industrial action against a leading bank for more than eight years. The bank said around 10,500 of its 55,000 workers belonged to Amicus so it expected most of its employees to be in work. The union claimed that 10% of staff will receive no pay rise this year and a further 45% will be given an increase below the rate of inflation. Amicus claimed that HSBC workers in India staged a protest today in support of the UK workers. [news.scotsman.com/latest.cfm?id=4608387 - 27th of May 2005]

Situation in the countries of destination: Canada, India

A main destination of outsourcing US-companies is Canada, where the call centre sector was still booming during recent years, unlike in the US or Europe.

The StasCan report's main finding is that Canadian business support services registered "unparalleled growth" between 1987 and 2004, driven by the adoption of new information and telecommunications technologies during the past two decades. Business support services workers, who mostly work in call centres, numbered 112,000 in 2004, up from 20,000 in 1987, according to the report, entitled, "Who's calling at dinner time?" The sub-sector's growth rate of 447 per cent well outstripped that of the service sector (37 per cent) and the overall rise in employment in Canada (29 per cent), over the period studied. Wages in the industry were also lower than in comparable service industries, contributing to above-average turnover. In 2004, the average pay was \$12.45 an hour, compared with the service sector average of \$18.10, and the overall average of \$18.50, the study found. Some 85 per cent of workers left their jobs after five years or less, compared with 55 per cent for all service industries and 53 per cent for all industries combined. [www.cbc.ca/story/canada/national/2005/05/25/call-centres050525.html - 25th of May 2005]

The other main target country for US call centre services is India. In India call centre work and work in the IT sector in general is done by a comparatively tiny fraction of the total work force; to be exact, by about 0.2 percent. In most cases the people working in these jobs have a middleclass background and they went to university. In a country with half of the population still malnourished and illiterate, and with only about four per cent of its households with telephones, these jobs can be sold as a privilege, as a present from the developed world. The call centre companies praise the advantages of India for the international outsourcing process:

** India is the largest English-speaking population after the USA, has a vast educated workforce, the manpower cost is approximately one-tenth of what it is overseas. Per agent cost in USA is approximately \$40,000 while in India it is only \$5,000. ['Outsourcing' - 7th of February 2004]*

** Average call centre salaries in the UK are about £12,500 (\$22,000) a year, compared with £1,200 (\$2,100) in India. [BBC - 11th of December 2003]*

** In India, the influx of jobs has produced a community of young, single Indians who have traded the frugal lifestyle of their parents for extravagance. Sadhana Pasricha, a business and sociology professor at Goldey-Beacom College in Pike Creek, Del., recently visited India and said she was surprised by the trendy shops and bars in big cities, as well as the young people she met. Leaving home for a better life is no longer necessary. "In one generation, they've become a global generation," Pasricha said. [www.tucsoncitizen.com/index.php?page=business&story_id=061305d1_callcenter - 14th of June 2005]*

We haven't found much material on the actual working conditions in Indian call centres. The following study is likely to be very biased, given the particular interests of the client, the British bosses and unions. Both are eager to show the 'special quality' of the British call centre performance. Nevertheless the survey might provide some hints:

The research carried out by ContactBabel on behalf of the DTI (Department of Trade and Industry) found that UK workers answered 25 per cent more calls than Indian staff and resolved 17 per cent more queries first time. While Indian workers answer the phones more quickly, researchers found their calls last longer, possibly because of language or cultural difficulties. Moreover staff turnover at Indian call centres is worse than at UK operations, with Indian graduates only willing to stay in a job for an average of 11 months, compared with three years in the UK. But the report also revealed that overseas call centres are cheaper to run as Indian workers are paid less than 12pc of a typical salary of their UK counterparts. The report said the average starting salary for a worker in India is just £1,500 a year, compared with £13,000 a year in the UK. Steve Morrell, author of the report, said the difference was a "shock," especially as Indian staff typically worked six hours a week longer than those in Britain. "We already know the answer to any survey that the government has commissioned and so do the British consumers," said David Fleming, the national secretary of Amicus. "Services will suffer, cost savings will not be transferred to the consumer, poor business decisions will be made in pursuit of short-term cost savings and company brands will be damaged by outsourcing." [BBC - 12th of February 2005]

In India the first public criticism of the call centre jobs emerged, declaring that the jobs aren't steps towards development, but rather an extension of the sweat-shop policies in a different form.

** About 85 per cent of Indian BPO work is handling calls, but this category accounts for less than 10 per cent of work outsourced globally. So you can't build a sustainable future on such a narrow global base.* [The Telegraph - 20th of April, 2005]

** The huge growth in India's call centre industry was highlighted again last week, as British company Norwich Union announced they would be cutting 2,350 UK jobs and relocating them. But author Praful Bidwai said that in effect the centres reduced the young Indian undergraduates to "cyber-coolies." "They work extremely long hours badly paid, in extremely stressful conditions, and most have absolutely no opportunities for any kind of advancement in their careers," Mr Bidwai told BBC World Service's One Planet programme. "It's a dead end, it's a complete cul-de-sac. It's a perfect sweatshop scenario, except that you're working with computers and electronic*

equipment rather than looms or whatever." [BBC - 11th of December 2003]

And of course it is possible for the British to get their jobs back, they just have to relocate themselves:

In a new twist to the outsourcing of call centres saga, UK graduates and backpackers are being employed by UK firms to work in offshore Indian call centres on Indian salaries. These backpackers can work in call centres in India supporting UK customer service operations and earn between Rs 11,000 (200 Euros) a month at entry level to Rs 40,000 (720 Euros) a month as team leaders. One such agency Launch Offshore, has signed a deal for a pilot of six travellers to work for HSBC at its offices in Bangalore, Hyderabad and Colombo in Sri Lanka. [BBC - 29th of April 2005]

If a report in the Sun is anything to go by, up to 40,000 Britishers could end up working in metros like Mumbai or Bangalore in the near future. Quoting industry experts, the tabloid said that sectors like insurance, banking and phone firms had in the last year shifted their operations offshore to inexpensive countries like India as a wage-cutting measure. Last year, 14,000 jobs were lost. According to the experts, the call centre employees from Britain could expect to earn between £1,800 and £4,500 annually. [www.siliconindia.com/shownewsdata.asp?newsno=28495&newscat=Technology - 17th of June 2005]

Wage pressure and Turn-Over

It is interesting to see that parallel to the acceleration of capital's movements the workers' response also speeds up. For example, the relocation in the car industry from western countries to the new developing countries such as Brazil, South Korea, South Africa didn't take place much earlier than the 1980s. And it took a while before workers created a wage pressure similar to the one in the countries of origin. With call centres we can see a similar pattern, but due to their very nature there is an acceleration of the whole process. The following news items question the picture of contented and industrious Asian workers who are supposed to happily welcome any old low-waged job from western companies.

** An annual attrition rate of 50 per cent plus is par for the course and a company that boasts of an attrition rate of 30 per cent struts about like a prima donna. So the situation is somewhat like what prevailed in the software industry during the period of the tech bubble - more orders than what you know how to cope with. The attrition is forcing BPO companies to pay more. Wages have risen so quickly in India that it's not much cheaper than Canada as an offshoring location.* [The Telegraph - 20th of April 2005]

* *Indian call centre attrition nears UK levels: The Financial Services Authority (FSA) has found that the staff turnover (staff attrition) at Indian call centres was approaching that in the UK, and that managers were demanding comparable wages to their UK counterparts. The study, conducted by the FSA into the impact of the increasing numbers of financial companies that have moved call to lower-cost economies, primarily India, says that the growing number of UK companies setting up centres in cities such as Mumbai and Bangalore was creating intense competition for staff, making them unlikely to stay with a company for more than a few months and forcing up wages. [The Times - 9th of May 2005]*

* *Indian back-office firms face a growing challenge holding on to employees, even as they hire tens of thousands every quarter. Staff tend to account for half of a back-office operation's costs, according to research firm Evaluateserve, and the battle for talent has led to a 10-15% rise in employee salaries. Recruitment and training makes up 3% of the overall per-employee cost of about \$13,000 per year, including administration and telecoms costs, according to Evaluateserve. But the really damaging cost is the lost business for companies which cannot fill key jobs quickly enough. Many face a shortage of mid-level manpower to manage their rapid growth as they lure clients with promises of 40% to 50% cost savings. As the industry clocks up 50%-plus growth, demand for quality personnel is outstripping supply. Employees often hop to new jobs for slightly more money, and many do not view back-office work as a career. Companies provide free transport, subsidised meals and housing to retain staff, and try to enliven the environment with musical entertainment, yoga classes and costume contests. [The Hindu - 08th of July 2004]*

As a consequence of wage pressure, soaring real estate prices and labour shortages, capital keeps on moving further abroad and/or towards the smaller cities in India.

"Because of the fact that the demand for call centre executives is increasing day by day, the supply from Delhi is getting lower and lower," "What we have done is to... move into smaller towns. Over the last three months, almost 60% of our total hiring has been done through these outstation offices." [BBC - 11th of December 2003]

Apart from relocation as an answer to rising wages, we also read more and more about technological experiments in India itself to substitute the work-force with high tech.

From low-end call centres to high-end software development, Indian companies are seeking innovations to help them combat the threat of new entrants to the market in countries like the Philippines. One approach has been to offer higher-value services, like business consulting or providing for a company's full range of software needs. Less

well-publicized is a determined attempt to retain low-end operations, even while expanding beyond them. The strategy is to transform operations like call centres from labour-intensive, cost-cutting shops into technology-intensive operations offering speed and quality. At a Tata Consultancy research centre in the western city of Pune, researchers are developing artificial intelligence software that, once perfected, would be able to sift through a company's millions of e-mail messages, memos and other documents to detect and formalize knowledge that the company may not know it possesses. Tata Consultancy Services says such software could drastically reduce technical-support calls by automatically gleaning from call transcripts which problem keywords correlate with which solutions. "We can transform the whole call centre - the way it looks today," said Subramanian Ramadorai, chief executive of Tata Consultancy. With "automated software engineering tools," he said, "if you're deploying 1,000-people voice-activated call centres, tomorrow you may say you can do the same thing with 10 people." [www.iht.com/articles/2005/05/26/business/tata.php - 27th of May 2005]

All in all various sources already speak about the end of the call center boom in India:

The End of Call Center Entrepreneurship in India: Gartner Inc. released an astonishing report that said, "As many as 70% of the top 15 Indian business process outsourcing start-ups will cease to exist in the coming months." Gartner added scathingly that, "despite the hype, only a small fraction of customer service outsourcing will be done at offshore locations." Margins in the call center sector have declined steadily over the past couple of years, as customers demand lower bill rates and agents insist on higher salaries. The result has been a squeezing out of the smaller (and often newer) operators, which are unable to spread their fixed costs over a larger base of revenue producing agents. Throughout India and the Philippines, there has already been significant rationalization (i.e. closings, buy-outs, mergers, etc.) in the call center industry, and Gartner is probably right to say that more are to come. [www.indiadaily.com/editorial/3500.asp - 8th of July 2005]

Further Relocations

Indian companies only managed for a very short period of two or three years to establish themselves as low wage alternatives for international capital. The workers' response quickly crushed this image. As a reaction countries like the Philippines, Pakistan, South Africa enter the agenda. Often cheap explanations are brought up in order to disguise the fact that these countries are only interesting for capital because of the 'virginity' and low wages of their workers. The Philippines and partly Pakistan are declared to be more interesting because of the 'Americanised' culture and foreign policies. This

argument refutes itself, given that jobs are already re-located from Manila towards the countryside, due to lower rent and wages.

The Philippines

A recent survey by the Singapore-based ACA Research and Michigan-based Fortune 500 staffing firm Kelly Services, seems to say that the Filipinos are steadily progressing in the BPO business and may outsmart the Indians soon. While an Indian BPO agent is likely to remain sick for 15 days every year, Filipinos manage with only 8 sick leaves per annum. They are also more loyal. While your next door BPO guy spends less than a year (11 months) at a BPO, his Filipino counterpart spends 19 months on an average in a company. The Philippines is the third largest English-speaking country in the world. About 72 per cent of the population is fluent in English. The Philippines has one of the highest literacy rates (94 percent) in the world. The US military rule had also laid a strong base to the country's telecom infrastructure. The country was under the US rule from 1898 until 1935. It's interesting that in the case of India also the British rule had helped in giving a huge popularity to the English language. Canada and Ireland are also benefiting from their language skills to advance their outsourcing business. Mexico, which was under Spanish rule from 1521 to 1810, has bagged a huge chunk of Spanish voice processes from US. In the Philippines, similarity in legal and tax framework with the US has eased the administrative bottlenecks for the American firms setting captive BPOs there. Chevron Texaco, AOL, P&G, Accenture and Dell have set up centres there. Major BPO hubs in the Philippines are Manila and Cebu City. Currently, there are about 100 call centres in the country. Companies such as HSBC, Dell, AIG and UPS have all outsourced their business to the Philippines. [www.call-centersindia.com - March 2005]

Apart from the more or less interesting info, we also liked the headline of the following article, which clearly confirms our thesis:

** Philippine call centre boom spreads beyond capital: Faced with rising wage costs as the pool of qualified candidates in Manila and central Cebu empties, outsourcing firms are moving to parts of the country that are still rich in English-speaking graduates willing to work for 12,000 pesos (\$220) a month. In Baguio, 120 miles north of Manila, more than a third of the 300,000 population are students. So far there is only one call centre, run by Client-Logic Corp., a unit of Canadian firm Onex Corp. "It's a gold mine," said Ramon Dimacali, head of industry group Outsource Philippines, who sees benefits beyond pay rates that are a third lower than Manila's for the same caliber of graduate. "There's definitely higher loyalty, less attrition, less churn," he said. But there are signs the boom, a rare bright spot for the indebted economy in recent years,*

could soon start to run up against the shortcomings of an underfunded education system, poor infrastructure and a limited labour supply. Bangalore in India alone churns out nearly as many graduates each year as the 400,000 produced by the whole Philippines. "We're facing a hiring crunch," said Carol Dominguez, president of recruitment firm John Clements Consultants. "You're losing more people than you can hire. Call centres have to figure out a retention strategy." In 2001, there were only about six countries seen as serious competitors for the outsourcing dollar. Now there are about 30, with eastern Europe, China and South Africa among them. London-based research firm Datamonitor said in a February report that the Philippines was a strong competitor to India for the nearly 250,000 new call centre jobs expected to be created in the two countries through 2009. The Philippines now has around 60,000 outsourcing jobs, compared to 245,000 in India, according to Datamonitor. [Reuters - 12th of May 2005]

** The Philippines has a bright spot in the call centre industry that generated jobs for more Filipinos. From 1,500 seats in 2000, the industry is growing by 20,000 a year and is expected to reach 60,000 by the end of 2005 with almost \$1 billion in revenues. But we still have to do a lot of work to catch up with India's 150,000 seats. [www.mb.com.ph/INFO2005052335259.html - 22nd of May 2005]*

** British bank HSBC opened a 2,000-seat global centre for backroom service in Manila's Alabang suburb. The 185,000-square-foot facility at the Northgate Cyberzone will be the permanent site for HSBC's eighth global centre. The bank operates similar hubs in China, India, Malaysia and Sri Lanka. The HSBC hub employs 1,300 people and is expected to hire 2,000 this year. It handles call centre operations, mostly credit card customer care services for the bank's clients in the United Kingdom and United States. It will soon serve the HSBC group's desktop publishing requirements. Jebson said it was more expensive to put up such a facility in India than in the Philippines, but less expensive than in China. The average investment for call centres in the Philippines ranges from \$3,000 to \$6,000 per seat. [money.inq7.net/announcements/view_announcements.php?yyyy=2005&mon=06&dd=14&file=1 - 15th of June 2005]*

** Philippines: National Labor Code changes to boost call-center sector: To boost the country's thriving business process outsourcing industry, a senior member of Congress has sought the immediate repeal of an old-fashioned Labor Code provision that bans the employment of women at night. "The absolute legal prohibition against night work for women has become totally obsolete, irrelevant and inapplicable," Rep. Eduardo Gullas of Cebu said. At present, Gullas said local BPO service providers, including call centers that employ mostly women, cope with the pro-*

hibition through the tedious process of seeking an express exemption from the Department of Labor and Employment. Since they have to deal with clients in various time zones, local call centers have to operate in up to three shifts 24 hours a day. [news.balita.ph/html/public_html/article.php?story=20050709181851697 - 30th of June 2005]

* *Do the Loop: Philippine call center company outsources to the USA: The Philippine company that acquired Scottsdale-based Phase 2 Solutions last year has opened another call center in the Valley and is hiring up to 800 new employees. According to the company's Web site, most of the agent positions start at \$9 an hour with opportunities for performance-based bonuses. ETelecare Global Solutions, which is a contract call center, now has three call centers in the Valley employing about 1,600 workers. Because some of the 800 new jobs have already been filled, the total employment in the Valley by eTelecare will eventually range from 2,200 to 2,400, making it one of the largest call center employers in the Valley.* [The Arizona Republic - 30th of June 2005]

Pakistan

Pakistan is trying to copy India's success in luring IT work, but it's slow going: Think software and services outsourcing, and places like Bangalore, Manila, and perhaps Budapest spring to mind. But Lahore or Karachi? The country, after all, shares India's British colonial history and has some 17 million English speakers. It has a huge community of émigrés with experience in technology. And like India, it has a culture that values education and hard work. Wages, meanwhile, stand at about the same level as in India, with call centre workers earning about \$12 per day and starting software engineers pulling in \$5,000 or so annually. Lower-level operations such as call centres are expected to grow even faster: Some 120 centres have opened in Pakistan in the past two years. Today they employ 3,500 people, and that number is expected to grow by 60% a year. Arwen Tech, a Karachi company that runs a 600-seat centre, saw its sales double last year, to \$10 million, serving clients such as Pakistan International Airlines and the local franchisee for KFC Corp. (YUM!). [www.blogsource.org/india/index.html - 25th of May 2004]

South Africa

* *Africa: another English-speaking nation moves ahead to challenge India in call centre market. An initiative supported by the national and provincial governments in South Africa to lure call centres of multinationals to this coastal city could impact on India's huge role in this field. One of the main reasons that could see South Africa getting an edge over India was the stability of the communication network in South Africa. He said India sometimes*

had communication breakdowns that left multinationals with a concern over downtime. Supported by the Western Cape provincial government as well as the national ministry of trade of industry, the call centre industry in Cape Town is expected to grow exponentially with the number of jobs created expected to increase to more than 1,000 within the next three months from just 60 two years ago. [BBC - 17th March 2005]

* *South Africa has "many of the same assets as India," Bell says. It has an English language heritage; high quality education; relatively low wages and excellent political and business infrastructure. More than 200 call centres operate in Cape Town alone.* [www.informit.com/articles/article.asp?p=393271&seqNum= - 17th of June 2005]

Latin America

* *Research from independent market analysis firm Datamonitor (DTM.L) concludes that the fear of job losses from the US to Latin America is much ado about nothing. "According to Datamonitor, the Latin American call centre market is the fastest growing region in the world, spearheaded by Brazil, Mexico and Argentina. Currently it has over 336,000 agent positions in 5,100 call centres.* [TMCnet.com - May 25, 2004]

* *Despite having a population of just 4 million people, a recent outsourcing contract through Hewlett-Packard has elevated Costa Rica's role as a central figure among Central American and Caribbean outsourcing nations. While the nation's outsourcing ventures are still stymied by bureaucratic complications like ICE, Costa Rica's telecommunications monopoly, some managers are starting to view the nation as a growing centre for alternative outsourcing. InformationWeek Reports: While the country has the obligatory call centres and tech-support operations, it has begun to carry out some imaginative tasks, too. Costa Rica is the land of coffee--they call it "grains of gold." Appropriately, a local IT company has developed a computerized solution for sorting the precious beans. The firm, Xeltron, is now working to develop the solution to sort rice and it sees a potential global market therein.* [FT - 23th of April 2005]

Israel

Jerusalem becoming call center capital: When American entrepreneur and philanthropist Howard Jonas visited Jerusalem during the peak of the intifada he was overwhelmed by how many unemployed people there were, even among the most highly educated. He decided to go beyond charitable donations and in the summer of 2002, launched IDT Global (formerly CSM), a Jerusalem subsidiary of his Fortune 1000 company, IDT, the fourth largest telecom provider in the US. He found 20 Jerusalemites formerly from the US who grew up amid American culture and manners, and put them to work. The call center serving the US, Canada and western Europe grew

rapidly from 20 to 650 employees - skilled and educated workers - and word got out around the immigrant community that having a mother tongue in a language aside from Hebrew in Israel did not have to be a professional handicap. "There's no doubt that Jerusalem is the optimal place for American and European companies to outsource their work. There's a huge brain resource here from North American and European immigrants that provides unequaled source of manpower," he told ISRAEL21c. "We've drawn people from all manners of experience and professional lifestyles, not to mention the multilingual capabilities that are available." A selling point of SUJ to potential foreign investors, as documented by the report, is that labor costs in Jerusalem are 40-60 percent lower than in the US or UK, for example, but services are skilled, unlike India, where labor is cheap but low-tech. Other advantages include an unusual labor force, with mother-tongue fluency in a vast number of languages, including English, Arabic, French, Spanish, Russian and German. SUJ is also manned on staff and board by Jews and Arabs from around Jerusalem. "Arabic plays a strong role," says Khazdan. "Egypt is not going to outsource in Israel, of course, but Europe has a growing number of Arabic speakers." "First of all, there's an abundance of North American and European professionals in and around Jerusalem who have decided to make Israel their home. Seventy five percent of these immigrants are college graduates - it's a well-educated workforce and a huge resource for us," said Barnett. "Israel ranks better in terms of political stability than India, the Philippines, South Africa, Mexico, China, Brazil and Romania. We have big companies like Intel and IDT, and the political situation doesn't affect them at all... I think [even] Catalyst was not expecting to find that Jerusalem was so suitable for 'world class' business outsourcing, in terms of the standards of technology, infrastructure, management and labor force." [www.israel21c.org/bin/en.jsp?enDispWho=Articles%5E1037&enPage=BlankPage&enDisplay=view&enDispWhat=object&enVersion=0&enZone=Technology - 10th of July 2005]

Eastern Europe and Others

* The calling centres are on their way out in India, Friedman (New York Times columnist) maintained. "They are going to move to Mauritius, they're going to move to Egypt, where they have a call centre of 1,000 people now that works for Microsoft. That's a call centre that would have gone to Bangalore five years ago; now it's in Cairo. So the low end is going to migrate." [news.pacificnews.org/news/view_article.html?article_id=bc7dc9e185d5e821dcafc409da6e7691 - 6th of June 2005]

* The trend is toward "more offshore activity in countries besides India, such as some of the smaller players like the Czech Republic and Malaysia," Pau notes. Moreover, she

adds, there is likely to be a farther eastward push within Eastern Europe, to countries such as Romania and Bulgaria, as work spills over from places such as the Czech Republic and Hungary. In the ebb and flow of the BPO sector, one country - Ireland - appears to be ebbing. Ireland, host to call centres in Dublin, has become saturated and is seeing wage and other cost increases. That may not be the case in Northern Ireland, where India's HCL Technologies BPO Services recently says it was adding 400 jobs to a call centre it operates in Belfast serving European clients. HCL acquired the call centre from British Telecom in 2001 and already employs 1,100 people there. An HCL official cited Northern Ireland's favorable "cost base" as one factor in his company's decision to expand the call centre. One BPO contender in Europe that is taking direct aim at Ireland is the Czech Republic. CzechInvest, an arm of the Czech Ministry of Industry and Trade, notes that the average salary in shared-service centres in the Czech Republic is less than one-third the salary for comparable positions in Ireland. Overall costs in Prague are less than half of those in Ireland. [www.informit.com/articles/article.asp?p=393271&seqNum= - 17th of June 2005]

Sex and Violence

Last, but hopefully not least, some good news concerning the fundamental driving forces of society:

* 3 cops injured in Mumbai call centre violence: The ongoing dispute between the employees' union and management of a call centre in Mumbai turned violent on Monday with three police constables being injured in the resultant stone-pelting. According to police sources, the employees' union and management of Hope India Ltd., a call centre in Saki Vihar in suburban Powai, were at loggerheads with each other and about 400 employees were on strike for the last few days. The dispute took a violent turn today as the management allegedly manhandled the employees. Fearing the situation worsening, a local resident called in the police. As soon as the police came to the spot to intervene stones were allegedly pelted on them from inside the office premises. Three police constables were injured in the stone-pelting. The extent and seriousness of the injuries are not yet known. Heavy police bandobast has been ordered in the area and the situation is under control, the sources said. Senior police officials have rushed to the spot to supervise operations. [UNI - Mumbai, 7th of May 2005]

'Kaam' in Hindi means both, 'work' and 'sex', and a lot of call centre boys and girls seem to prefer the latter interpretation:

Hidden cameras show enormous on the job sex by BPO gals and guys at night. Indian BPO corporations have started monitoring their employee activities at night. The call centre guys and gals at night are having sex with each

other and these are getting into secretly placed video cameras watching them. The sex epidemic in India especially among call centre gals and guys is rising at astronomical heights. According to some think tanks, these guys and gals in early twenties get the sexual freedom at night working together. The sex activities take place during and after work hours in different places. Many companies take disciplinary actions. Mostly they fire those employees who engage in sex at work. But the number of employees engaged in lesbian and straight sex has skyrocketed recently. [www.indiadaily.com/editorial/3076.asp - 8th of June 2005]

capital moves

We edited a long article written by a comrade from the UK about the transport sector. The author concludes: "The complexity and geographical spread of supply chains combined with JIT and low inventories makes capital vulnerable to attack. The continuing growth in world trade and the developing labour shortages in the logistics industry should put the working class in a strong position to mount such an attack, but it is still on the back foot. In my opinion the particular composition of the class that is starting to become visible within the world of logistics is a harbinger of troubles to come." If you want to get hold of the whole text or if you have comments and questions, you can write the author (t.ashton@merseymail.com). Here is a link to the truckers strike in Canada, which after five weeks was still on at the end of July. In the course of the conflict scabbing trucks were gun-shot, others were vandalised: [http://www.canada.com/vancouver/vancouver/news/story.html?id=fcfc033b-868a-4a08-b66f-fc47a2d1b2e7]

Transport and Logistics

A couple of people asked me about the logistics industry; this is an attempt to answer their questions. The last ten years or so has seen a tremendous growth in the size of the logistics industry and the emergence of giant logistical companies. Logistics is, according to the Council of Logistics Management, 'the process of planning implementing, and controlling the efficient, effective flow and storage of raw materials, process inventory, finished goods, services and related information from the point of extraction/production to the point of consumption.' Logistics is a vital element of the supply chain.

One of the biggest companies in the world with more than 340,000 employees UPS describes its strategy thus: '...Moving forward, UPS will be able to offer customers a single point of accountability. For exam-

ple, a customer will be able to manufacture products anywhere in the world and through UPS move those goods by any mode of transport across any border.'

Just-in-time production (the method of supplying what is needed, when it is needed and in the quantity required) has increased the need for tight control of the logistical process. When you buy something at WalMart or Tesco and the bar code is scanned the information is transmitted to all those along the supply chain and the process is put in motion. Of course, millions of pieces of such info are flowing through the supply chain computer system at any one time. The bar code is currently being supplemented by a system using radio frequency identification tags (RFID). Some people believe that the tag will replace the bar code system while others hold that eventually both will find their niche in the global tracking systems of capital. The tag consists of a transmitter/receiver and a microchip. These are labour saving devices that do away with the need to physically scan products; they can be attached to a product, a pallet load of components or a container load of goods. Put simply, the system works by transmitting information from the microchip attached to the minute radio transmitter/ receiver. At the moment the cost of an individual RFID is about 40 cents, so in terms of low cost items, like a tin of beans, the tag would be attached to the pallet load rather than the individual tin, but with the cost forecasted to fall to three cents per tag just about any commodity could be tagged. Those who see a continuing job for bar codes believe that the tags will not be used on low cost individual items. The demand for this system is driven by WalMart, with other major retailers joining the push. Computer company Dell is also committed to RFID. The system was developed by the Massachusetts Institute of Technology in conjunction with Cambridge University and Adelaide University at the Auto-ID Centre in Massachusetts. The Centre works closely with some one hundred companies. Allied to satellite communication systems RFID will enable companies to track their products in real time wherever they are. The implications for workers along the supply chain have not yet been identified but will certainly involve tighter control of their work

Example of Road-Transport in Car Supplier Industry

A look at the logistical needs of a company might prove useful at this point. This is an extract from a document entitled 'Transport Policies for the Euro-Mediterranean Region – An Agenda for Multimodal Transport Reform in the Southern Mediterranean'. It was published in 2002.

As the subsidiary of a large German car part supplier, Leoni Tunisia S.A. produces cable and electronic components for Daimler Chrysler and other European car

manufacturers. It was established 25 years ago, employs 2400 employees (including 170 in research and development), and invests about 3.5 million euros a year in facilities and training each year. The just-in-time supply chains put extremely high demands on logistics systems. Leoni has outsourced all logistics needs to an international forwarder, which has a local subsidiary in Tunisia. As an example of the long-term relationship with its logistics provider, Leoni has developed a tailor-made stacking system that is specifically fitted to the trucks of the forwarder and permits for a capacity utilization of between 95 and 98 percent.

A full production and logistics cycle lasts about nine days and looks as follows...Raw materials and intermediate products are sourced from across Europe, Asia and the United States. They are consolidated at Leoni's headquarters in Germany and shipped to about a dozen different factory locations in various countries. Seven trucks leave Germany for Tunisia each week. The trailers are cleared and sealed by German customs on the firm's premises, where they are picked up by the logistics provider who then drives the trailers to Genoa or Marseilles (2-2.5 days for this land leg), places them without driver on a roll on roll off ferry (20-24 hours for the sea leg), picks them up at Rades port, and delivers them to the factory in Sousse (2-3 hours for this leg). The next day the finished components have been assembled and are cleared by Tunisian customs on the premises before they are sent on their return journey. Eight trucks with 320-350 tons of finished products leave Tunisia each week. The company considers the chain both efficient and reliable. As a major exporter, Leoni has offshore status in terms of tariffs and customs, and receives favourable treatment in Tunisia's ports.

Nonetheless, the JIT demands of the industry are so high that they are now posing a threat to Tunisia as a production base. Instead of the current cycle of nine days, clients increasingly demand cycles of six days. Internal production processes have been streamlined so far (incoming orders are produced within 24 hours) that any additional time savings must come from logistics. Leoni Tunisie recently lost a company-internal competition for a completely new factory with 1,700 jobs and 12 million euros worth of investment to Leoni's Romanian subsidiary. The reasons were not wages or the investment environment – where companies regard Tunisia as very competitive – but primarily Eastern Europe's logistics advantage. The land journey between Romania and Germany takes one day less in each direction, saving 1000 euros per trailer load. According to the CEO of Leoni Tunisie, who sits on the board of the Tunisian-German Chamber of Commerce (TGCC), Tunisia will need cheaper and better air cargo

connections or high-speed ferries to Europe if it wants to remain competitive in time-sensitive industries...'

Rail-Transport

The Trans-Siberian Railway (TSR), which provides an overland freight corridor between Asia and Europe, has seen major investments in track and IT technologies. Today, the TSR is a high capacity freight corridor, double tracked and electrified throughout. It has benefited from the latest advances in automation and IT technologies, including the most up-to-date optic fibre communications network. The process of crossing borders has been speeded up; the waiting time at customs stations has been cut from 3 or 4 days to just a few hours. The speed up of freight movements is reliant on the optic fibre technology, this covers 45 000 kilometres of track. Wagons are monitored automatically using programmes known as DISPARK and DISKON that pinpoint the location of every container in real time. To speed up the flow of traffic express trains running to special timetables have been introduced. These have reduced the quoted delivery times for Europe-bound single containers to just 15 days, which is significantly faster than the trans-oceanic shipping route. In fact, average journey time for goods from Asia to Europe by sea is 45 days. The major objective in the next few years is to create a direct link between the TSR and the ports of South Korea. This would offer a much shorter sea crossing to southern Japan. A major benefit will be that freight will be able to travel more than 12000 km covered by a single set of transport regulations. The cost of this expansion east will run to \$ 5 or 6 billion. A proposal to set up an international consortium to rebuild and run the Trans-Korean Railway is also being considered. This would involve North Korea, and it is, perhaps, that countries ability to block the flow of trade rather than its nuclear developments that is upsetting capitalism. Allied to the changes and developments outlined here there are major developments taking place across Russia to speed up the transit of raw materials and commodities, these include a project to link up northern Europe with India through Russia and Iran. This would link the Baltic coast with the Indian Ocean. All of the developments mentioned involve state organisations, private companies and employers coordinating bodies such as the International Co-ordinating Council for the Trans-Siberian Railway. (ICCTSR) This particular body includes representatives from railways in other countries, shipping companies, port operators and forwarding companies. In 2003 the ICCTSR agreed through tariffs for foreign trade moving in containers between the Asia-Pacific region and Western Europe via European border stations and Russian ports on the Baltic. The rail develop-

ments taking place in Russia will put pressure on the European Union to speed up the liberalization of its railways. And the sheer cost of modernising the railways of the new member states of the EU will be a major financial burden for years to come; while being kept in reasonably good condition during the Soviet era they have been allowed to deteriorate since. The journey from Berlin to Tallinn takes about sixty hours due to the condition of the rolling stock and the tracks. But change will come, although not without conflict with the workers.

Air Cargo

Air cargo is another section of the logistics industry that is seeing radical change being brought about by the JIT demands of capitalism. Airfreight is used to move high value and time sensitive commodities. The amount and value of goods being moved by air is growing, Boeing predicts that cargo volumes will grow at an average of 6.4 per cent per year for the next twenty years. That would make air freight the fastest growing sector in the logistical field. In terms of the value of goods JFK airport moves more than the Port of Los Angeles.

The driving forces behind changes in the air cargo industry are the major passenger airlines and the logistical giants like UPS, DHL, TNT and Federal Express (FedEx). The big airlines are forming alliances amongst themselves to expand their cargo business at the same time as developing cooperation agreements with logistics integrators like UPS and DHL. In a relatively short time the integrators have become very large airlines. FedEx owns 640 planes and UPS runs 622. By 2019 it is estimated the integrators will control 44% of the airfreight business. In anticipation of this trend Airbus has started to develop a new super air freighter, the A380F, to enter service in 2008.

Airports in many countries are being privatised and some of them are looking to become regional cargo hubs. This means that they are investing in warehousing and logistics facilities in order to become intermodal centres. That is a place where a container can be swapped from one transport mode to another quickly. Amsterdam's Schiphol airport aims to become a 'mainport' juncture of European air, road and rail freight traffic. Montreal aims to become 'the logistics centre for both maritime and air cargo logistics.' Huge investments in cargo and logistics facilities are being made at almost every international airport in the world.

The growth in air cargo combined with increasing reliance on air transport by global manufacturers has led to the development of special logistics airports: Liege and Ostend in Belgium, Lyon and Chateauroux in France and Nashville in Tennessee. Ex military air

bases are also being converted into specialist freight airports. These airports have encouraged logistics companies to set up their hubs at their sites. When TNT Express Worldwide chose Liege as its European hub cargo traffic at the airport shot up from 35,000 tonnes to 280,000 in three years. In the USA the Southern California Logistics Airport (SCLA) is one of the new airports exclusively geared to logistics. It is a 5,000 acre multi-modal complex which integrates manufacturing and office uses with a dedicated international air cargo airport, a rail service and a trucking hub. This model is being followed elsewhere. The Beijing Airport Logistics Zone was opened in 2002.

SCLA has become a major hub for SwissGlobal Cargo, which is a joint venture between Panalpina, a container shipping line, and SairLogistics, the cargo subsidiary of Sair Group. This company flies in tonnes of electronic goods and garments from China for redistribution to global manufacturing corporations in North America and Europe.

Ports

Before looking at technological and organisational changes in the ports industry I will outline the political pressures for port reform. Such reforms are often a requirement of the Structural Adjustment Programmes demanded by the International Monetary Fund (IMF) and the World Bank when they lend money to developing countries. By 1997 the World Bank had imposed reform on 230 ports in 24 developing and Eastern European countries. And the World Trade Organisation (WTO) is under pressure from global companies such as Hutchison Whampoa and APM Terminals, who between them have a 22.8 percent market share in the world's ports industry, to eliminate restrictions on foreign ownership and management in ports. And the US Federal Maritime Commission has been applying pressure on the Japanese and Brazilian governments to change working practises on their waterfronts. And in the European Union (EU) in recent years there have been moves to open up ports to market access, this has been strongly resisted by dockers across the EU. The matter will not go away though and port workers must be ready for further attacks by the state, be that as the EU or the WTO. I will look at this particular struggle later in the document.

As I said above one of the drivers for changes in the ports industry is Hutchison Whampoa, which is a Chinese company. A brief description of their business will give some idea of the spread of the global terminal operators. They have a 13.3 percent share of the market and move some 36.7 million containers a year. They have 175 berths in 31 ports in 15 countries: Argentine, Bahamas, Britain, Burma, China (Hong Kong), Indo-

nesia, Korea, Malaysia, Mexico, The Netherlands, Pakistan, Panama, Saudi Arabia, Tanzania and Thailand. It is estimated that by 2008 the top four companies, of which Hutchison Whampoa is the biggest, will control over one third of the world's container port capacity. The big four are already active in over 90 ports in 37 countries. The gap between them and the rest is widening.

The key used by the state to allow private companies access to the ports industry is privatisation. On the docks the four main port models are:

Public Service: The government continues to own the infrastructure (berths, wharfs, waterways, channels and roads) and the superstructure (cranes, warehouses, cargo handling equipment, office buildings and communications network) and to employ the port labour.

Tool Port: All the port administration, infrastructure, buildings and equipment remain in public hands. Some services, especially cargo handling, are concessioned to the private sector to run and employ the necessary labour.

Landlord Port: The government, through the Port Authority, owns the land and other infrastructure and runs the port administration. The superstructure with the employment of labour is taken over by the private sector. At least 88 of the world's top container terminals follow this model.

Fully Privatised Port: The government sells all assets including land, berths and basins to the private sector and retains no controlling interest. This form of privatisation is rare, only occurring at some ports in Britain, Greece and New Zealand. Liverpool is an example.

Container ships are measured in TEUs (twenty foot equivalent unit). This means that a 6000 TEU ship can carry the equivalent of 6000 twenty-foot containers, although its actual load may be made up of containers of various sizes. The size of container ships can have an impact on the business of ports. In 1998, Maersk-SeaLand, one of the largest container shipping consortia in the world, revealed its intention to consolidate its East Coast of North America trade in one hub. It invited a number of ports to bid for this business, a traffic in excess of 700,000 TEUs per year, more than the total container shipments of all but a few of the largest ports in the world. This prize was dangled before the port administrations of Baltimore, Boston, Hampton Roads, Halifax, New York-New Jersey, Philadelphia, and Quonset Point (RI). Maersk-SeaLand expected the bidders to meet certain conditions that if met would require unprecedented concessions from the port authorities just to remain in contention. Of the three ports short-listed by Maersk-SeaLand in December 1998, two made significant efforts to win the business, Baltimore and Halifax. Halifax lined up several hun-

dred million dollars in capital to help defray the costs of providing Maersk with dedicated berth and rail access. Baltimore got the state of Maryland to dredge the access channel to the port as well as offering the company 335 acres of the 550 acre Dundalk container terminal. The Maersk bidding approach resulted in most of the competing ports making significant concessions. Other shipping consortia have applied similar pressures on port authorities. The port of Seattle has recently invested some \$72 million on a dedicated terminal for a Chinese shipping company, this investment will guarantee that the company continues to use the port for the next ten years. Seattle, by the way, is the main port for Chinese imports. And it sometimes works the other way around; the Chinese shipping company Cosco is considering investing \$664.3 million in developing a container terminal in Hamburg, which handles more cargo from China than any other European port. This would follow on from a major investment in the port of Antwerp, Belgium by the shipping company.

Container ships are getting bigger, 8000 TEU vessels are in production, and there is talk of 10,000 and 12,000 TEU constructions. These giant ships are effecting changes in the ports industry, producing hub and spoke systems. Due to the size of these ships (a recent design for an 8000 TEU ship measured 338 metres in length and had a breath of more than 46 metres) only certain ports can accommodate them. For example, Rotterdam would be a hub port and other European ports would be spoke ports, which means that when a 8000 TEU ship arrives at Rotterdam smaller ships will come from other ports bringing containers to be loaded on it and, if necessary, take containers from it back to the smaller ports. The hub and spoke system demands a high level of synchronization between the ports and the various vessels. In Europe Bremerhaven and Hamburg have installed giant cranes with the reach to unload ships with a breath of 46 metres so they can become hub ports. This sort of investment does not guarantee that ports will win such business, though. The giant logistics companies and shipping consortiums will not be tied to old loyalties, just because a shipping line has always traded between Liverpool and New York it doesn't mean it will continue to do so. If a logistics company controlling a supply chain can save money and/or time by shipping from Bristol instead of Liverpool it will do so. Its only loyalty is to its shareholders.

Impact of Information Technology

The impact of Information Technology (IT) upon logistics and supply chains is immense and I will now try to outline how it works. The most successful companies use IT systems that allow all the participants

in a supply chain to access the information needed to keep flows moving along the supply chain. An example is the information hub model, this instantly processes and forwards all relevant information to all appropriate parties. The hub is a node in the data network where multiple organizations interact in pursuit of supply chain integration. It has the capabilities of data storage, information processing and push/pull publishing. The overall network forms a hub and spoke system with the participants internal information systems being the spokes. An analogue to the information hub in the physical logistics world is 'cross docking', a process in which products from multiple supply sources arriving at a logistics hub are sorted in accordance to the needs of destination points. They are then delivered to the destination points without being stored at the hub. In a similar fashion, the information hub allows critical supply and demand data to be 'cross-docked' and seamlessly forwarded to the right partners at the right time. These global companies to control their costs and revenues have developed in-house banking systems and payment factories. According to a report by Killen and Associates, a company with \$1 billion in revenues can waste as much as \$32 million annually through inefficient working capital and processing functions. It is not surprising therefore, that businesses are increasingly focusing on reducing idle cash and rationalising processes. These financial set-ups operate like a hub and spoke system as I understand it, but I don't understand them well enough to go into detail. I'm still trying to get my head around it.

Cross docking is a warehouse management technique that can significantly reduce storage and handling costs; a study of the food service supply industry in 2000 estimated that cross docking could save the industry \$830 million. In cross docking, incoming goods are identified at receiving and immediately routed for outbound shipping, without being placed into warehouse storage. Cross docking does not work if materials can't be identified quickly and accurately, making bar code and RFID use essential for the operation. Mobile bar code label printers are especially valuable for the process. Shipping and receiving workers equipped with mobile computers, bar code scanners and label printers can receive inbound shipments, log them into the host warehouse or inventory control system with the mobile computer, then immediately generate a bar code shipping label with the required cross dock information using the mobile printer, which may be mounted to a forklift truck or worn on a belt or shoulder strap. Some mobile printers can also connect directly to wireless LANs to manage communication between the host system and the warehouse worker.

RFID can also facilitate efficient cross docking, in-

coming pallets or cartons with smart labels can be automatically routed for cross docking or delivery directly to the manufacturing line because the fast reading capabilities enable instant identification of the shipping container plus all the of the individual items inside. For shipping on, RFID readers can help packers quickly locate and aggregate all the items needed to complete the load. Cross docking combines receiving, putaway and shipping operations to minimize product handling. Each of these traditional steps can also benefit by identifying materials with bar code or RFID. For traditional receiving applications, a bar code label on incoming shipments can be scanned to record the item's arrival. Manifest data or information from an Advance Ship Notice (ASN) electronic data interchange message can be included on the label in a 2-D barcode or smart label to provide more detailed shipping information. Shipment identification information can be forwarded to the warehouse management system, typically over a wireless LAN, which records the arrival, updates inventory records and provides putaway instructions to the receiving worker. In this way all materials are tracked automatically and accurately. And so are the workers. UPS has just announced the introduction of a new generation of driver hand held computers to 'aid efficiency and fuel consumption.'

Conclusion

To conclude; the complexity and geographical spread of supply chains combined with JIT and low inventories makes capital vulnerable to attack. The continuing growth in world trade and the developing labour shortages in the logistics industry should put the working class in a strong position to mount such an attack, but it is still on the back foot. In my opinion the particular composition of the class that is starting to become visible within the world of logistics is a harbinger of troubles to come. In the past the distinction between blue collar and white collar workers in the industry was clear, but today that is changing as the discipline of the production line is imposed throughout the supply chain and IT allows workers to carry out functions that were previously the business of the office staff. And it is IT that can be the vehicle for organising throughout the industry. The open ended communication systems being developed to coordinate supply chain integration offer opportunities to workers for cross company and cross border dialogue. And studies indicate that workers are not slow to take the opportunity. A study by UCLA found that 60.7% of employees visit the web for personal use and one by International Data Corporation estimated that 30% to 40% of employee internet use is not work related. And it is estimated that 60% of hacking attacks against a company origi-

nate within the organisation. Furthermore, a survey of 15,000 workplace computers found that 20% had file-sharing software installed illicitly. Just as the mass worker of the Fordist production system learned to use the factory's technology against the imposition of work the logistics worker will, I believe, do the same. But what will be the response to the struggles that spring forth? When I worked at Fords in the seventies groups like Big Flame leafleted regularly, in fact, when there was a struggle going on they would be there daily. Their leaflets were a source of information to counteract the company's propaganda. In a factory of 14,000 workers operating three different shift systems they helped us to find out what was going on. Now I know it is a little bit difficult to leaflet trucks as they hurtle down highways and the same goes for air and rail freight too, but, in my opinion, we do need to engage with the world of supply chains. That is why I feel there is a need for a workers inquiry, a need for those of us within the movement to engage with workers in the largest industry in the world.

greece

Bank Clerks and Dockers on Month-Long Strikes

The strike at the banks lasted for 24 days, from the 7th until the 30th of June. The participation was not low, however the bank clerks who took part at the two rallies organized by OTOE (Federation of Bank Clerk Unions of Greece) - during the general strikes called by GSEE (General Confederation of Workers of Greece) on the 16th and 24th of June - were too few. On the other hand, the public sector's employees' participation in those GSEE strikes was also low, as it was the case with the dockers' demos, although their participation in the strike reached 100 percent. The major weaknesses of the banks strike were as follows:

- * No general assemblies took place; the struggle was organized by an unreliable union leadership that just three years ago had agreed with the bankers to a pension reform law.

- * There were no pickets, especially on a workplace where bosses' violence is high (this is the case particularly at private banks: Eurobank, Alpha Bank - at the latter there is a union set up by the bosses). The Initiative for a Common Action of Bank Workers and Pensioners against the Pension Reform in Athens was an exception. They managed to shut off some big bank branches downtown and turned scabs away - but that was all they were able to do.

- * The leadership of OTOE called strikers to work, although they had agreed with the bankers for less bank clerks to work as security personnel. So, the cost of the strike for the bankers was not high.

- * There was a certain reluctance to coordinate actions with other strikers, such as the dockers.

- * There was a lack of imagination and propagandist activities on the strikers' side about the consequences the new pensions law would have on the proletarians in general. By that we mean that the pensions reform of the bank clerks paves the way for a generalised attack on the pensions status. By placing the up to now independent but deficit supplementary bank insurance funds under the auspices of IKA (the main Social Security Foundation), the government is trying to make it bankrupt. Then "reconsidering" an all-out pension reform will appear as a "logical" step.

However, we should note that the battle is not over yet, as far as the banks are concerned. On the 12th and 13th of July the bank clerk union at the Bank of Attica called a 2-day strike that blocked temporarily the management resolution to make use of the new law and abolish the employees' Pension Account.

The dockers' strike coincided with the bank clerks' strike. On the 5th of July, after a month's strike, their case was brought to an arbitration court, to the relief of the union leadership: all the workers took part in the strike but they refused to take part in the mock demos organized by the leadership. It is a closed union not easily manipulated by political parties. Their point of reference is IDF (International Dockers Federation) rather than GSEE. They are all permanent workers. There has not been any new hiring since 1988 and the last temporary worker was hired in the beginning of the 70s!

Their high wages are due to a combination of reasons: it's a closed shop where the union still has the exclusive right to negotiate over tariffs on merchandise loaded and unloaded at the port of Piraeus; the union is very well organised; if we consider that the only container relocation station in Greece is at the port of Piraeus, then we may understand their excellent negotiation position which has also allowed them to get paid for fictitious overtime work all these years. Besides, the surplus value created at sea trade is very big and so are the ship owners' profits, thus the dockers' good negotiation position is very profitable, too.

The management effort to employ temp workers sparked off the strike, which was managed by a small team of unionists. There was no rank-and-file mobilization, no propaganda of their positions to the people of Piraeus, no leaflets. The union leadership had the only say. The strike had no effect whatsoever because the government aims at the devaluation of the port.

In the years to come things will change as there is a restructuring process going on at big ports in Greece and a new container relocation station on the island of Gavdos is under plan.

In recent years a method undertaken by the neoliberal state officials (with ELTA -Greek Post Office- and Olympic Airways being the most recent examples) has become very usual: let state companies run with swollen debts and then, under the debt pressure, we will come to “restructure” them. Sometimes it works, sometimes it doesn’t, at least not immediately. In this concrete case, the OLP (Port of Piraeus Company) management and, by extension, the Ministry of Merchant Marine, didn’t hurry to stop the strike (which they could do, if they, i.e., had called the riot police, the public prosecutor, declaring quickly the strike to be illegal and undue) precisely to let the OLP deficits inflate. Then they could appear as the “saviours of the port”.

What we should take into consideration is why the government is giving battles on all fronts at the same time. Are they compelled to do that? Certainly, the competitiveness of the Greek economy is very low and they have to take emergency measures, even if they risk bringing different sections of the working class together against the same attack they are under, after having realized how common their interests are! The reactions of the DAKE members (Right Wing Union Organization) point to this possibility. They verbally condemn the measures, because “they will lead us to extreme social conditions”.

TPTG and friends

australia

Letter from Australia by comrades from ‘Treason’ (<http://treason.metadns.cx>)

Industrial Relations Reform in Australia and the Campaign Against It

In 1996 The Liberal Party (analogous to the UK Conservatives) led by John Howard in coalition with the National Party (the farmers party) won control of the federal government after 13 years of Labor government. In October 2004 Howard won his fourth term in office and for the first a time since the early 1980s an Australian government has a majority in the upper house of Parliament, the Senate. In the first three terms of the Howard government they were forced to negotiate with independent, Greens or Australian Democrats (a small centrist party) senators to pass their legislation. So with this Senate majority the government has returned to its austerity agenda which largely stalled in 2000-01. The centrepiece of this agenda is an attack on wages and conditions by changing the laws governing employment. The legislation will not come before Parliament until September and has not yet been made public but according to the government the following changes will be included in the reform package:

Unfair dismissal protection for workers in companies with less than 100 employees will be removed. This will leave 5 million workers or two-thirds of the workforce with no recourse to the unfair dismissal laws. Larger companies are also expected to take advantage of this situation by splitting their businesses so that no single legal entity employs more than 100 people. This will obviously give the bosses much greater power in the workplace with the possibility of instant dismissal hanging over most workers if they step out of line.

The Australian Industrial Relations Commission (AIRC), the court which currently sets minimum wages, will be replaced with a Fair Pay Commission whose members will have no security of tenure and thus be easily replaceable by the government if they don’t set the wages the government wants. The Workplace Relations minister, Kevin Andrews, has stated that minimum wage workers are overpaid by \$70/week.

It will be much easier for workers to be shifted onto individual contracts known as Australian Workplace Agreements (AWAs). Currently only 5% of workers are on AWAs with the rest employed either under state or federal awards, which are negotiated before the AIRC between the unions and employer bodies for an entire industry or Enterprise Bargaining Agreements (EBAs) that are also usually negotiated by unions.

AWAs will only have to include provisions covering holiday leave, personal leave, parental leave and maximum hours. Employers will no longer be required to pay overtime, weekend and public holiday loadings or make redundancy payments. Under AWAs employers will be able to forcibly pay out up to two weeks of the standard four weeks annual leave. Secret ballots run by the Australian Electoral Commission will have to be held before industrial action can legally be taken. These ballots can take up to 10 days to organise, so they are designed to stop industrial action. Any "third party" that claims to have been affected by industrial action will be able to apply to the AIRC to have it stopped. There will be more severe penalties against individual workers and unions for engaging in "illegal" industrial action. The government business practices watchdog, the Australian Competition and Consumer Commission, will be able to interfere in disputes and take legal action against a union even when the employer doesn't want to pursue legal action.

In response to these looming attacks on workers the unions organised demonstrations in dozens of cities and larger towns between June 26 and July 1 with a combined attendance of some 300 000 people. Many workers effectively went on strike for at least part of the day to attend the protests. Australia Post and pharmaceutical company Glaxo Smith Kline obtained injunctions from the AIRC to stop their workers attending. 185 posties have had disciplinary action begun against them for attending the rallies.

Australia's second largest city, Melbourne, had the largest protest with perhaps 150 000 attending. A comrade who was there said that the demonstration was 70% male, predominantly blue collar and organised by workplace.

In the state of New South Wales the unions didn't originally intend to hold demonstrations instead organising a state-wide mass meeting linked by satellite TV. However the desire of workers to take action forced the unions in NSW to organise protests. However in Australia's largest city, Sydney, the unions split the demonstrations up with 20,000 marching in the CBD and smaller rallies in various suburbs.

Here in Canberra only 500 turned up at the Hyatt Hotel to protest against the Liberal Party meeting being held there but it was a Sunday morning. I heard one construction worker ask another "are we going to storm the joint?" This was probably a reference to the events of August 19 1996 when a few thousand people left a union rally against the Howard government's first budget and attempted to storm Parliament House. Those events still haunt the unions and the current campaign is the first time since then that unions have mobilised workers in a political campaign against the govern-

ment. Given an outlet to express their frustrations with the worsening standard of living in Australia workers attended the protests in large numbers. This was more despite the unions than because of them. The unions spent \$8 million on TV ads attacking the changes yet the ads didn't advertise the demonstrations.

If AWAs become the norm there will be little role for unions as institutionalised mediators. The unions are thus mobilising workers to try and convince employers and the government that unions are still needed to control workers antagonism. Despite the widespread desire to strike against the reforms the unions have no intention of organising strikes and are instead hoping to influence Liberal or National senators to break with the government they are part of and vote down the legislation.

Workers in Australia sadly have little recent tradition of autonomous action and there do not appear to be any moves to organise opposition to the changes separately from the unions. There is another round of demonstrations planned for August and September but if no serious antagonism is expressed then the changes will no doubt go through.

To be continued...

Further Reading

* "Australia: mass protests against industrial relations legislation" World Socialist Website, 2 July 2005, <http://www.wsws.org/articles/2005/jul2005/irpr-j02.shtml>

* Bolton, Sue. "Howard's lies on industrial relations 'reforms'", Green Left Weekly July 20 2005, www.greenleft.org.au/back/2005/634/634p9.htm

* Deer, Luke. "Precisely because it was the seat of government: The Parliament House riot of 1996", <http://www.anu.edu.au/polsci/marx/interventions/riot.htm>

* Head, Mike. "Australia: New workplace laws to slash pay and conditions", World Socialist Website, 14 June 2005, <http://www.wsws.org/articles/2005/jun2005/laws-j14.shtml>

struggles.france

This is an edited version of the Letter No. 17 from the French group Mouvement Communiste. The text was published in March 2005. It summarises some general arguments concerning redundancies and some historical experiences of struggles against them. The full pamphlet can be found on: [www.mouvement-communiste.com]

How and Why Should We Fight Against Redundancies?

The question of what to do when faced with redundancies and company closures regularly returns as the order of the day in the preoccupations of comrades. Why should we be surprised? It's not that relocations are that much more numerous than they were in the past. Only those who only want to remember things on the scale of one generation can think in this way, because it has always been the case across industrial sectors, and not just during the last five or ten years. From the textile industry to iron and coal mining, from shoemaking to steel... Capital always reorganises its production, closing here and transferring there, abandoning technologies which have become obsolete so as to rush into new markets which become out-dated in their turn.

This is the very nature of capitalism, its principal means of ensuring its survival throughout the cycles of development. There is no miracle. While capitalism dominates, it will be like this. And yet, despite this, tens of thousands of workers, hundreds of thousands at certain points, are confronted with problems of closure or displacement of their place of exploitation, and each time the same question is asked: what do we do to defend ourselves? [...]

Why struggle?

But there begins the real problem for workers. It is not the end, it is the beginning! Often the employees are distraught at the announcement of enterprise closures. Time and time again over the last few years we have seen men and women of our class really crying in front of the TV cameras which, no doubt, thoroughly enjoy the spectacle of proletarians in despair. This is the worst thing that can happen to us: not the closure of businesses, but proletarians who sink into despair. In this case, alas there isn't much to do. As always, if proletarians don't raise their heads, they are sunk. But there are also plenty of other situations in which our class brothers and sisters want to find a way out of the sorry situation they find themselves in.

And in this kind of situation, conscious[1] workers must not make any mistake about the objective. We

won't see the end of business closures and redundancies without fighting against the capitalist mode of production, obviously! But when workers confronting this sort of situation want to take the bit between their teeth it would be a grave error to content ourselves with harping on about how there is no solution within the framework of capitalist society. Because here proletarians are not concerned with fighting to kill the system of exploitation, but with saving their skins. And they are right. If the struggle of proletarians commits itself resolutely against the closure of businesses, as communists we are resolutely on their side, and without reservations. But also without demagoguery.

It is not a question of snivelling like the trade unionist leftists[2] of all persuasions about "the capacities of our firm, which is in a perfect condition to produce" or "our skills which will be lost" or other nonsense which we unfortunately hear too often. The most important strength of the working class is its collective consciousness. In the first place, the understanding that, from the moment when the boss, in his permanent search for productivity gains, has made the choice to sacrifice this or that sector of production, this site of manufacturing, it means that it has nothing to do with "our competence" or with the fact that the site he has chosen to close is in a perfect condition; he really doesn't give a toss about that. He has worked it out and made his decisions. Our know-how, our skills, our past efforts... he doesn't give a damn. The skills of workers, the know-how, the perfect condition of the installation, or worse, the historic cradle of the firm, all that, the boss tells us by his actions, does not count in the making of the decision. And to be able to defend ourselves effectively after the blow of the closure decision has fallen, we have to learn the reasons of capital well, not to accept them but to be better able to fight against their concrete consequences.

As elsewhere, where the boss wants to transfer his production, there are skills, there is know-how, there are installations which are or will be at the height of technological innovation. To believe that we are irreplaceable here because we are the best is a stupid vanity which can only lead us to a dead end because it is to accept the game of competition between workers which the boss wants to trap us in. Those who travel this road want to prove that they are the best, that they are better than the others, that "our workplace" performs best, etc., and they are beaten before they begin. We have already seen this hundreds of times.

No, in the case where workers react angrily to closure, it is not these arguments which have to be put forward. They condemn us in advance. On the contrary, conscious workers have a duty to defend arguments which are both true and perfectly convincing. [...]

Some examples

In the examples which follow, we will see “the unions” cited as actors in the struggle. The idea that the unions can be, once again, organs of struggle created and run by the workers is a long way from our point of view.[3] But in considering the type of struggle, it often turns out that the union militants in a workplace (including the union delegates) participate, even launching the struggle against redundancies while defending the idea and the practice of selling their skin more expensively, to the great displeasure of those who think that trade unionism is “all black” or “all white” without seeing the infinite shades of grey which arise during a struggle.

There is no point in hiding the fact that, in France, whatever may be the workers’ will to struggle (and whether the nature of the struggle is offensive or defensive), there have not been examples (apart from the Renault strike in April-May 1947 or a few workplaces in May-June 1968 and then only for a limited time) of the creation of workers regroupments doing something other than “honest”, base trade unionism, and transforming themselves into political committees capable of thinking of the struggle before during and after as going beyond the horizon of capital and putting into practice the necessity of revolution. And in this situation, the “revolutionary” militants, by refusing to put forward this perspective, and by restricting themselves to the false alternative of base unionism today and councils (or the party, according to their ideology) the day after tomorrow, bear an important part of the responsibility.

Let’s return to the examples, certainly few in number, during the last thirty or forty years, where the workers set out resolutely on the road of struggle against redundancies. From memory, we can cite Rateau at La Courneuve, near Paris. The bosses had announced in the years after May ‘68 that they wanted to close the place but they backed down in the face of the real threat of a conflict which would shake the whole of the Saint-Denis Seine. We should remember that at that time, in that district, as in the whole belt around Paris, there was a tremendous concentration of factories. The threat of the CGT-PCF replying to an eventual closure of Rateau by a conflict across the whole region had pushed back the bosses who knew that the Stalinist apparatus, at that time, possessed the means to carry out its policy. Rateau did not close. The bosses set about it in another way by taking decades to gradually remove the workforce and the production. Up until last year, when there was still a burst of activity at Rateau (now Alsthom) in La Courneuve. Finally, the bosses have achieved the objective. But that, as long as capitalism survives is inevitable.[4] Another example of a workers

battle of this type is that of La Chapelle Darblay, a paper mill in Normandy that the bosses had decided to close in the 1980s. For months the workers and the CGT union had conducted a guerrilla campaign: blocking roads, massive demonstrations, battles with the cops... That lasted two years without a break. The business was technologically obsolete but the proletarians did not accept being sacked. It was the French state which finally decided that it had to stop the waste of time. To preserve 1000 jobs, there was a billion Francs of investment. A million Francs per job preserved. There were some job losses, early retirements and negotiated departures. But a good part of the workers kept their places.

And still today, after many restructurations, buyouts, etc., the firm still has around 500 workers and produces a third of the paper for newspapers made in France. Even there, as long as capitalist society functions more or less long term, proletarians will not be able to prevent the search for gains in productivity.

The workers are not bound to be beaten when the bosses decide to close such or such a firm. They have to understand well that it is difficult, that the outcome is uncertain, that they can’t scrimp on struggle, but, finally, for the worker it is a case of: are we ready to put the same energy into defending our means of existence that we put all year (and even decade) long into the service of the bosses in the process of exploitation? It is first of all and above all this question that we have to respond to. And if we are ready to respond in the affirmative, then, there is always a perspective. [...]

Alsthom, 1972

From this perspective, that of proletarians obtaining the least bad conditions possible, there are plenty of examples available. In the aftermath of 1968, an average firm like Delle-Alsthom, in Saint-Ouen[5], was the talk of the town when workers’ struggles were at a high level. In 1972, the bosses announced that the D.A. site of Saint-Ouen would close. There were 530 employees, and at that time redundancy payments were symbolic: one twentieth of a month per year worked. In that place there was a young and combative working class. It was so badly paid that while the young changed bosses as soon as they could find something better, the old, most often hired after the war, only aspired to retire, and as soon as possible. At that time it was at age 65.

They launched the strike with an occupation to get some money. The demand from that time appears today to be incredibly modest: they wanted three months wages for everyone by way of redundancy money. It was the CFDT which ran the operations in this factory where the PCF was nevertheless hegemonic. A team of combative militants, excluded from the CGT

in 1967, took refuge in the CFDT and acted in some ways almost as if they were an autonomous workers' committee.

A leaflet distributed all over Saint-Ouen at the beginning of the battle, signed by the secretary of the CFDT said: "...we cannot be certain that we are going to win, because the outcome of a struggle is always uncertain, but we are going to make them pay for their dirty tricks, etc." At least it was clear.

The strike was total, with workshops and offices occupied. And victorious. By a whisker they got the three month payments, and the old, for one of the very first times in France, saw themselves offered the possibility of ceasing waged activity at the age of fifty seven and a half. Officially, the possibility of retirement at 60 came to be instituted, and with 30 months on ASSEDIC (paid at 80 %), that made 57 and a half years. There were also not bad redeployments for volunteers (there was very little unemployment at that time). And yet this place was part of the CGE trust which prided itself on never giving in to strikers. But this strike took place at exactly the same time as that of Joint Français at Saint-Brieuc which was also an affiliate of CGE, and which made the front pages of the newspapers for having resisted an intervention by the CRS.

And when, at the end of 15 days of striking, demonstrations, sabotage operations (notably against the CGE stand at the electrical components fair), the situation was still blocked, a squad of strikers seized the PA system of the factory to announce that the strikers of DA would that very afternoon go down to the workshops of the other Alsthom de Saint-Ouen factory, la Savoisiennne, where there were 1400 workers, to launch the strike. The bosses knew it was no joke and chose the very next morning to put forward proposals which led to results. The end of the strike was voted on with 80% of the workers present. It was unanimous less one vote and one abstention. The atmosphere and the results were such that the boys said "if they finally announce that it won't close, we'll go back on strike for it to close".

If the bosses no longer wanted that factory, the mass of workers couldn't stand the sight of it either. And during the months after the strike, the aggression of the workers waiting to be laid off knew no bounds. They had to move equipment, tons of archives and plans to the other factories in the group, and they managed to sell it instead. It was moved, but it wouldn't really be true say it was reused.

Steel Industry, 1979

Not so far back, and on a larger scale, was the fight of the steel workers of the North and East of France in 1979. Within the framework of the general reorganisa-

tion of steel production in Europe, the French bosses announced the closure of a good part of the steelworks, also including (which is nothing new) some brand new production sites.

For several months there were more or less violent demonstrations. During the rising in Paris, on 23 March 1979, the lads rolled tens of tons of rolled up sheet metal into the street. On another occasion, the Longwy police station was attacked with a bulldozer following fighting on a demonstration.

For sure, in parallel, the unions, political parties, mayors, priests and similar organised "dead town" days, which caused a striker to say on television: "when are we going to replace the 'dead town' days by town in revolt weeks, and minutes of silence by appeals to struggle?". This expressed the ambiance very well.

In the end, steel industry proletarians obtained guarantees never seen before, retirement at 49 etc. They did not stop the closure of steelworks – they couldn't do that and it wasn't their objective. This was put forward by the unions, but not by the workers.

Chausson, 1995

Even nearer to our time is an episode of the same kind which occurred when Renault and Peugeot decided to liquidate their common affiliate, the Chausson factory of Creil in the Oise district.[6] Over the years there had been repeated planned redundancy schemes which had reduced the work force from more than 7000 to less than 1500. Finally there was the announcement of closure, with the resulting apoplexy of the comrades.

Much has been written about this closure, drawing out one or other aspect of it, but what interests us as militant workers, is the struggle. The fight only got going right at the end of the process of liquidation, and it took a lot of time for the workers to finally be convinced that they had to do it, because if they didn't they were going to be thrown out with just a few crumbs.

There was a mixture of radical trade unionism and rank and file worker reactions, with all the unions, but also with a more or less independent strike committee, with workers taking initiatives without going through the unions. The comrades did some pretty good actions: from taking the stage of the 8 o'clock television news on TF1 to often turbulent demonstrations in the region, from invading the Renault Flins factory and running in chain formation (with some bailiffs almost being stripped naked), to several occasions when glass was broken at the trade disputes court etc. We can remember the games of hide and seek with the CRS when the lads left Creil for some operations with false meeting places, bogus trips to disperse the cops, etc.

In short, the comrades did not sink into tearful petitions. This was left to the dead town unions (on the de-

partment or federal level) and co. The comrades didn't do too badly and anyway did much better than was expected at the start of the liquidation. Workers retired at 50 and even 49 for some (at a time when it was normally more than 60) with compensation which, while not extraordinary, was far superior to previous planned redundancies, and reasonable redeployment to other factories, Renault amongst others, although the geographical location of the factories was a real problem in this case because they had to move to another region.

We could cite a number of other examples. But for us communists who are concerned with the independence of proletarians vis-à-vis unions and all the channels by which the state tries to make workers' contestation go away, these are the interesting ones because, on various levels, they involved the appearance of real forms of workers' autonomy, where the militants refused the siren songs of reformism.

Because there lies the trap for militants. Whatever is the objective workers fix when they enter into struggle, a choice immediately imposes itself: support committee or workers' committee and strike committee.

Support committee or workers' committee and strike committee

The more or less combative trade unionists (there's no question there) and now almost all the militants who call themselves extreme left are creating or getting involved in support committees. Integrated as they are into the very heart of the state, their first preoccupation is to unite the various components : unions, political parties, MPs, mayors, regional councillors, priests and bishops if possible, so as to constitute a committee of support, claiming that it is to support the struggle of the workers, but always with the result that this is pushed into the background.

Unilever, 2000-2001

Here is another exemplary case. A Lever firm, at Haubourdin close to Lille, went through several restructuring plans which reduced the workforce from more than 2000 to 453 employees in a few years. It was a firm belonging to the agro-food giant Unilever, which was engaged in a global battle against Nestlé and Danone and which confronted Procter & Gamble with its washing powder and cleaning products. Unilever had to restructure its use of production and rid itself of obsolete factories like the one at Haubourdin.

In April 2000, they announced the phased closure of the site for December 2000. The reaction of the workers started out rather half-heartedly behind the CGT-CFDT-FO inter-union group, and began by looking for the support of political or trade union professionals.

Then a demonstration in Rotterdam, on 2 May 2000, to protest against the 25,000 redundancies across the world announced by the group was simply clubbed down by the Dutch police. From then on the nature of the struggle changed. The workers decided to intervene in all the public events of the Lille region (the Lille fair, various Inaugurations, etc.) so as to appeal to the good memories of the Socialist Party politicians (Aubry, Mauroy, etc.) and then made systematic visits to all the local firms, starting with those on strike, then all the others to explain the reasons for the struggle, and demonstrations at the French headquarters of Unilever in June 2000, at the Belgian headquarters in Waterloo in October 2000, etc.

Finally, rather than snivelling, as the trade unionists of Danone were to do later by appealing for a boycott of Danone products, the workers took over the supermarkets of the region and distributed the Unilever products free to the customers. They even got into the Auchan hypermarket at Vélizy in the Paris region at one point.

During the struggle, between actions, the workers continued to work and thus got their pay, which reinforced cohesion. The majority participated in the strike or in actions, and even if the inter-union group was to the fore, the workers had the feeling of leading their own strike.

The result of events in April 2001: the redundancy payments were considerably increased (to around 250,000 Francs) and 189 employees kept their jobs, the factory resuming work.[7] Even if demands like "stop redundancies in firms that make a profit" were put forward by the political militants, this struggle showed that, providing they display imagination and collective strength, workers can sell their skin dearly.

Danone, 2001

The best example that we can cite in this matter is what happened at the Lu factory of the Danone group in Ris Orangis[8] when the management announced that it would liquidate the factory. Here are the facts. The closure project was revealed by the newspaper *Le Monde* of 11 January 2001. On 12 January in the morning an inter-union leaflet[9] dated the 12th and signed by all the unions in the factory announced: A meeting took place at 11.00 between the Mayor of Ris, Mr. Mandon and the factory unions.

A coordination of mayors of the municipalities containing the Lu factories was created on the initiative of Mr. Mandon and some members of the general council. A first meeting of this coordination took place in the offices of the general assembly. The aim is to meet the Minister of Labour. He has assured all the Lu employees of his most total support.

A round table will be organised by the Prefect of Evry during the next week. A meeting of staff representatives of the Europe group on Wednesday 17 January. A meeting of staff representatives at the EU Commission on 18 January.

Thus, 24 hours after the announcement of the closure project everything is stitched up. All the meetings were fixed with the mayors, the Prefect, the Minister, councillors... The workers in the factory (which in this particular case were mostly women labourers) hadn't been given a single word in the matter.

The leftist trade unionists in the factory had made the choice not to organise the workers' response, not to involve the workers in decisions to defend themselves directly but to look for help from the state institutions. And everything which happened subsequently around Lu Danone, that is to say not a lot, was predetermined by this political choice to betray the workers' interests.

Because in this matter, the trade unionists had led the workers from demonstrations to rallies, had hammed it up in front of the media, had held "speak outs" as they called them, but at no point did they have the will to rely on the potential combativity of the workers. On the day of the EU Commission meeting, at the Danone headquarters, the anger was obvious amongst the workers who'd turned out in large numbers. The unionists went into meetings with the bosses lasting hours, leaving everyone in the street in the bitter cold, without bringing back even the slightest bit of information. Obviously, little by little, the participants in the gathering disappeared into the nearby cafés. And this choice was deliberate. It's a trick used time and time again by trade unionists to disperse gatherings without saying so, so as not to base themselves on the strength of the workers.[10] Two months later a demonstration was organised at Château-Thierry where there is another factory in the same group. At the rally in front of the (Socialist Party) town hall, there was not a single discordant note. The mayor and the puppets in sashes, with the factory delegates repeating exactly the same discourse of resignation with the leftists not even wanting to intervene, surrendering their place directly to the state apparatus. This whole little world appealing to the Left to pass a law against redundancies in firms that make a profit.

Because let's recall the situation: Danone, whose MD, Franck Riboud, is a personage classified as "on the left". The government was left-wing, Jospin. The PCF was in the government. The MP for Ris Orangis, Mandon, was in the Socialist Party. The general council had a left majority. Etc. And the whole little circle of leftist trade unionists ceaselessly drained the independence of the working class even before it had the slightest chance to show itself.

In the end, there was no struggle of the workers of Lu Danone, apart from a little strike at Calais. If the workers didn't do too badly from the point of view of redeployments and compensation, no one can say that it was the result of the non-existent struggle, but because Danone had called some of these places "social", and paid for peace. The MD effectively declared: "it's better to get on with closing sites now that the firm has the means to compensate the staff rather than wait because then it perhaps won't be possible any more".

By way of a conclusion

The attitude of conscious militants in the examples cited above has been very varied. At Chausson Creil, during the months and months before the closure, the mass of workers did not believe it and did not feel ready to fight. In this case the best political militants can't do much. Then, as time passed, the workers became conscious of what had to happen. During all that time the most conscious militants did not abandon the perspective of struggle. They did not walk into that treason of support committees with various components of the state, and when struggle became possible they did not do something else.

As for Alsthom Delle at the time, the Trotskyists had launched a support committee in Saint-Ouen with the secondary school students and some political hacks. But the worker militants, who were then in Lutte Ouvrière[11], had been clear from the announcement of the closure that they would never participate.

And yet, there as well, the mass of the workers took some time to convince themselves that struggle was the only way out. Paradoxically, while this was a factory where the workers had a reputation for often being on strike, when the bosses announced that the factory was going to close, it took several months before the strike became possible.

And this fundamental difference between the advocates of support committees and the partisans of workers' and strike committees is as old as opportunism. A comrade who lived through the 1947 strike at Renault, told us how one day, at that time, when the strike committee ran things in the two departments on strike, a Trotskyist from another workshop, who was invited to the meetings of the strike committee, proposed the creation of... a support committee. The response of the comrades was clear and definite: "no way. The strikers themselves must remain the masters of how their strike is conducted". It's enough to say that this opposition between revolutionary workers' politics and opportunism on the question didn't begin yesterday.

Nothing is certain in this world, the situation of the wage worker along with the rest. Today you have a permanent contract, tomorrow, perhaps in three or six

months or in three years, you'll find yourself laid off. And it will always be like that as long as we haven't put paid to the capitalist system. Fear doesn't save the worker from this danger! On the contrary, it weakens him and makes the threat seem more dreadful and concrete. It's all a question of the morale of the working class in the struggle against capital. Even when it is very pressing, the worst thing for the women and men of our class is not poverty, it is despair. Comrade worker, in the face of the bosses' blows, don't give in, fight back, it's your only hope. [*Brussels-Paris, 26 March 2005*]

For all correspondence write (*without adding anything else to the address*) to: BP 1666, Centre Monnaie 1000, Bruxelles 1, Belgium.

Footnotes:

- [1] Of their class interests for sure!
- [2] They are not the only mourners but they are the most significant example of them.
- [3] See MC Letter no. 11 "Trade unions and political struggle".
- [4] As always it is but a single generation of workers who have protected their jobs.
- [5] A city close to Paris.
- [6] 50 km north of Paris
- [7] In May 2003, when a buyer failed to appear, the 189 workers found themselves on the streets and began a desperate but still pugnacious struggle, at the same time as the movement against the pension reform.
- [8] 25 km south-east of Paris.
- [9] We have this text available. See also: Bulletin Ouvrier n°2.
- [10] Translator's Note – you might say "the cops use baton charges, the Left use MPs and union leaders".
- [11] Translator's Note - Lutte Ouvrière is an organisation (and a paper) similar to the SWP in Britain. It is a large, extremely populist and opportunist Trotskyist party. The only difference is that it has a tradition of being more critical of the unions than the SWP.

struggles.germany

Locusts, 'Anticapitalism', Kirgisian Lessons and Governmental Crisis

Germany, spring/summer 2005: The German social-democratic government is finished, or at least that's what it looks like in July 2005. After years of restructuring the welfare state, the government is caught between two frontlines: an increasing discontent among its traditional membership on the one hand, and the lack of employment creating investments of the employers on the other. The enormous defeat of the SPD (Social Democrats) in its remaining strong-hold, North-Rhein-Westfalia, during the federal elections in May 2005 was the final straw: the government declared early national elections for the coming autumn and all surveys are sure that the SPD will lose them. The decadence accelerated in July: The 'social democratic' car-maker VW (Schroeder was a member of the supervisory board, his main economic consultant Hartz was the leading VW manager) was involved in a major corruption scandal, shadow companies have been set up and the works council has been bribed with expensive trips and prostitutes. Manager Hartz, strategist of the main welfare-state reform of the SPD government, has to go.

A reaction to the governmental crisis has been the re-emergence of the populist wing of social-democracy: the left-wing of the SPD started the so-called 'anti-capitalism debate' in early spring, comparing (mainly foreign) investors with locusts, and after the elections in North-Rhein-Westfalia the PDS (Party of Democratic Socialism) and the WASG (Election Alternative for Social Justice) joined under the re-emerged leaders Oscar Lafontaine, who recently left the SPD, and Gregor Gysi. The (probably) future governmental party CDU (Christ Democrats) seems everything but united and prepared for the reigning position it will be pushed in.

The 'anti-capitalist'-debate instigated by the left-wing of the SPD is not only mere populism. The state has the real problem that although it pushes the limits of possible welfare and wage cuts the investment climat didn't change. We would have to analyse the actual re-composition of capital and the different strategies of the (political) management to attract and encourage more productive investments, e.g. lower taxation for companies, the new German-Chinese links, the outsourcing towards the east, the tendency to create Franco-German 'european' companies etc.. The official focus when trying to explain the dilemma was on only one of these different developments: The SPD government's strategy to attract foreign capital, mainly from the US,

failed. US companies did invest, but only on a short-term basis, often dismantling the existing companies and selling the profitable parts. As a powerless reaction the left-wing of the SPD set up a so-called black-list of investors, such as Blackstone, KKR, Carlyle, Lone Star, Terra Firma, Apax, Cinven, Investcorp, Permira. 'Capitalist' in the social-democratic sense means that the profits of these companies are not combined with creation of durable jobs, rather result in vast redundancies at 'German companies', e.g. Siemens-Nixdorf, Telenorma, MTU, Gerresheimer Glas, Dynamit Nobel, Rodenstock, Celanese, Minimax, Demag, ATU Autoteile Unger, Debitel, Tank & Rast, Duales System.

The reaction to the 'anti-capitalism'-debate isn't surprising. The liberal forces and official spokes-persons of the employers use 'lefty' arguments in order to defend their market ideology: they state that the comparison of 'capitalists' with 'locusts' resembles anti-semitic propaganda, is truly anti-american and will isolate Germany further from possible investors. The official left (within the unions, in the various communist parties and splinter groups) seems to be trapped given that they more or less share the 'vulgar anti-capitalism' which demands employment from investments.

We want to summarise some recent conflicts that were kicked off by the redundancies, closures and re-locations. In May/June 2005 there were several companies affected at the same time. We can't statistically say if there is an upturn in actual re-locations and closures (see the article *Going East* in ppnews #2, 5/2005, page 3), but the social atmosphere at least seems to be more and more characterised by these kinds of conflicts. In July 2005 the media publishes that the total number of 'regular jobs' (social security, pension contribution etc.) shrank by 10 percent during the last twelve years, by 25 percent in the east. So far, the workers involved rarely go beyond the usual symbolic reactions of demonstrations, petitions and united fronts against the redundancies, although there have been a few strike actions as well. In this aspect, the critique of 'solidarity initiatives' in the text of Mouvement Communiste (see page 25 in this issue) is adequate. We think that two factors could become more interesting in the future: in most cases, initiatives against the threat of closure develop on the shop-floor level, with workers often organising their own websites, meetings, etc. There are also attempts to coordinate these initiatives, although this hasn't really happened yet. The other factor is the international dimension. Different from e.g. the closures of the coal mines, ship yards and steel works in the 70s and 80s this time the closures happen in a tighter net of international production. Often the bosses threaten with re-locations to the Czech Republic or Poland, which isn't

actually that far away, and often several locations are effected at the same time, e.g. Alstom in France and Germany, Samsung in Germany, Spain and the UK. Let's bear in mind that this economic and political situation isn't confined to Germany: under the crisis the EU as a whole seems to be desintegrating politically, unable to fulfill its stability pacts or to agree on a common way out of the dilemma (symbolic expression: the constitution debacle).

That the situation are potentially explosive isn't only an illusive product of our communist principle of hope. In May 2005, in the inofficial German organ of capital, the daily FAZ, the SPD-strategist Glotz asked an interesting question: 'What kind of means of mediation can Germany count on in case of wider social unrest?' Following a quotation:

'A fact is: German discipline and peace could turn out to be deceptive. A new RAF (Red Army Faction) is not within view. But if 200 workers, sacked even though their company was profitable, went on a rampage and destroyed everything, this single violent eruption could lead to an extensive fire like the unpolitical attempt to kill Rudi Dutschke on Easter 1968. This is the 'Kirgisian Lesson'. The resistance in Kirgisia is the reaction to the resistance in Ukraine, which will be the trigger of several more revolutions in Eastern Europe. Germany is not Kirgisia, Germany is a constitutional state with a functioning state machinery and a good police force. But will all this be sufficient?'

Below, we look at some of these potential Kirgisian sparks. We have to admit that most of the information we have is taken from the media and union sources and we only managed to visit the protest at Kone. The following short summaries remain therefore somewhat superficial, but nevertheless they should give an impression of the recent atmosphere. At the moment we can only state the absolute non-existence of any international debate or practice arising from these attacks from a revolutionary/communist perspective, something which will surely turn out to be a fatal mistake.

Alstom/Mannheim

The French multi-national company is officially in crisis, and made a 400 million euro loss in the financial year 2004/2005, which adds to its total debt of 3.9 billion euros. A year ago the company would have had to declare bankruptcy if the French state hadn't jumped in with a 3.2 billion euro financial aid package. The European Union only agreed to that inofficial subsidy under the condition that Alstom sells certain branches of the company. Siemens is one of the potential buyers. The whole deal would result in severe job losses, and not just in France. There are rumours of relocations to China, India and Mexico.

In May 2005, workers in Mannheim/Germany started their protests against the 900 planned job cuts -- the whole plant (generators, turbines) employs 2,000 people. In Stuttgart another 150 to 200 jobs are at stake. The reaction in Mannheim was to organise a series of 'company assemblies' or 'information meetings'. Given that strikes would be illegal, the works council called instead for such info-meetings. On the 29th of May, after five days of 'strike', the management succeeded in banning the 'information meeting' via a labour court. The works council gave in and agreed to reduce the numbers of 'meetings' to one for the whole next six months. Demonstrations in the town centre continued after the declaration of the labour court. On the 30th of May delegations from Alstom Kassel, Stuttgart and Berlin took part in the demonstrations, making a total of about 2,000 workers. In the leaflets the union IG Metal argues against job cuts, basing its arguments on local know-how, the quality, the profitability and the formerly signed job security contracts. The French CGT distributed similar leaflets at Areva (former Alstom) in Le Petit Quevilly. On the 29th of June the demonstrations and short walk-out continued. [Solidarity Web-site: www.alstom.resistance-online.com/]

Bosch-Siemens/Berlin

The plant in Berlin mainly produces washing machines and other household devices. Officially this branch of Bosch/Siemens was able to increase revenue by 8.4 percent in 2004. Shortly after the announcement of these numbers, the management made public that the plant in Berlin will be shut by the end of 2006. About 700 workers will lose their jobs, with only 400 jobs in the research and development department remaining. The main argument of the management is that most of the devices are sold abroad and that sales in Germany shrank by 3.6 percent. In 2004 the number of people employed by Bosch/Siemens Hausgeräte in Germany decreased by 500 to 14,000. Out of the 42 factories, only seven remain in Germany.

At the end of May 2005, about 2,000 workers from various factories in Berlin/Siemensstadt (Osram, DaimlerChrysler, BMW, CNH, Schleicher and Alstom Power) organised a demonstration in solidarity with the workers from Bosch/Siemens. As at Alstom, there have been 'info-meetings' at Bosch/Siemens as well. The management promised to invest 90 million euros for a new washing machine model produced in the nearby plant in Nauen. Nauen was always the plant which the management used to put the Berlin staff under pressure. The staff in Berlin was known to be combative as a lot of Turkish left organisations are/were present within the factory, and there are more or less well-established links to staff in factories abroad.

Nauen was opened after the re-unification, and thanks to high local unemployment, the management managed to enforce much lower standards and working conditions. 600 people lost their jobs in Nauen during 2004, as well, which somehow shed a different light on the management's investment promises. In the summer-edition of 'wildcat' there is a longer analysis of the factories history and an interview with an active worker, which we will try to translate for the next pro-position news. [Solidarity contact: bsh-soli@gmx.de]

AEG-Electrolux/Nürnberg

Another washing-machine producing factory was supposed to be closed. On the 12th of July 750 workers of two shifts walk out and protest against the announced job cuts. At the same time the assembly-lines at the plant in Rothenburg were also laid idle. The closure in Nürnberg would effect 1750 workers plus thousands in the supplying industries. The Minister for Economy Clement traveled to the Electrolux headquarter in Sweden in order to 'intervene for the jobs in Germany'.

Siemens/Kamp-Lintfort

During the last five years a rapid process of centralisation and internationalisation within the mobile phone sector took place. Productivity increased, valorisation shrank, few medium-size factories supply the global market with cell phones, often producing for different brands (see interview with 'Solectron' worker in ppnews #2, 5/2005, page 18). In Germany the Siemens mobile phone plant in Kamp-Lintfort became the symbol of the big break-through of the bosses in 2004, after the workers agreed on longer working hours and wage reduction in exchange for job security. How 'secure' the jobs actually are shows only a year later: in early June 2005 the Taiwanese company BenQ was given 350 million euros by Siemens for the takeover of the factory. BenQ won't accept the negotiated job deal, the job guarantee for the 6,000 Siemens mobile-phone workers world-wide will run out in 2006. A short look at the recent development of this plant proves that 'social-partnership' and 'wage abstention' won't secure jobs.

* 10th of April 2001: Siemens announces 2,000 job cuts in the mobile phone branch, production in Bocholt and Leipzig will cease and the mobile phone branch will be concentrated in Kamp-Lintfort. In 2000/2001 Siemens wanted to produce 50 Million phones, but sales are difficult.

* 10th of December 2002: Siemens announces 1,000 job cuts in Kamp-Lintfort, 320 permanent staff and 700 temps are supposed to go; Siemens threatens to re-re-locate some of the jobs back to Leipzig; in Kamp-Lintfort about 2,700 workers are employed; the Sie-

mens management negates plans to sell the branch.

* 2nd of April 2004: Protests against management plans to re-locate production to Hungary; the management demands 30 percent wage reduction and return to the 40 hour week.

* 26th of June 2004: The union IG Metal proudly announces that it agreed on the demanded wage reductions and longer working hours and that in exchange the re-location to Hungary is postponed for at least two years.

* 7th of June 2005: Siemens sells the branch to BenQ and the negotiated job security for the remaining 2,000 workers remains valid till 2006.

After all this, the union and works council still have the guts to blame 'management failure' for the current situation, and they've already started moaning about BenQ 'share-holder' capitalism. A more combative response to management plans and against the official union strategy was given by Siemens workers in Milano/Italy.[1]

Kone/Hattingen

Kone in Hattingen produces escalators. The Finnish headquarters decided to shut the plant in Hattingen and to shift production to China and to Keighley in the UK. 325 jobs would be cut, a Kone plant in Italy might be affected, too. On the 17th of May 2005, the union organised a demonstration with about 500 workers and supporters in the local town centre. Nothing really surprising happened: there were some delegations from other factories, a unionist from Italy and Finland, speeches from local politicians. It was interesting that the big boss of IG Metall made his way to this minor event, so did some bigger fish of the SPD, which was due to the still ongoing election campaign. At least the SPD guy didn't get any applause. The most radical speech was performed by the local protestant priest. It was astonishing how often the word 'capitalism' was used, something that reflects the public debate. The whole event reveals its symbolic nature even more if we take into account that the work in the plant still continues. At the beginning of June some people of the Kone-Solidarity-Initiative called for a meeting of various effected companies in the 'protest tent' on the Kone premise. The union and works council drew-up an 'alternative'- concept, which would result in 22 percent cost cuts and would only keep some of the more specialised production in Hattingen. The management refused the 'alternative'. On the 14th of July it became public that the factory will actually be closed. The workers reacted with a spontaneous walk out, due to holiday and a high sick rate only half of the staff was actually at work anyway. [Solidarity Website: www.solikreis-kone.de]

Grohe/Hemer, Lahr and Herzberg

Grohe produces bathroom fittings and employs about 5,800 people in Germany. In 2004 the US investors Texas Pacific Group and CSFB Private Equity took over the total shares. In early 2005 the management announced that in the course of cost reduction measures 1,500 to 3,000 jobs would be made redundant. There is already a production unit in Shanghai, but about 80 percent of the output is still produced in Germany (although only a fifth of the products are sold there). The plant in Herzberg/East Germany is supposed to close down completely, which would slash 300 jobs and increase the local unemployment rate from 23 to 30 percent. The staff organised two demos at the other factories in West Germany. A planned protest demonstration in Hemer was cancelled by the works council and IG Metall, which pissed off some of the more active workers. The main site of the company is in Hemer and the local works council and union want to secure the jobs for 'their' locations, at least that is the explanation by some. Some workers then went to the demo in Lahr, where 3,000 protested on the 21st of May 2005. On the 3rd of June a 'Solidarity Initiative' was founded by active unionists in Hemer. About 30 people came to the first meeting, which consisted mainly of debating the situation within the company. Another topic was the question of why the solidarity web-site was taken off the net. There were rumors that the management and works council put pressure on the internet provider claiming that there were 'death threats' on the site. The organisers of the web-site said that within three days the site became very popular, that about 580 people posted stuff and that someone might have called for 'hanging the managers'. Another debate was if the staff would have to accept the economic condition of the company, given that even the works council proposed a 'rescue package' which would 'only' cut 1,000 jobs. Finally works council and management agreed on a plan to cut 1240 jobs within the next three years. On the 12th of June there was another demo with 2,000 people in Lahr. A report on indymedia describes the demonstration as 'a collective election campaign of all political parties', all trying to flatter the workers by referring to the quality of their products and by condemning the US turbo-capitalists. On the 25th of June the management announces 360 job cuts for the plant in Lahr. [Defunct Solidarity Web-Site: www.rettet-grohe.de]

Siemens-VDO/Würzburg

Most of the Siemens plants are threatened by redundancies and/or relocations, being it the cell phone production in Kamp-Lintfort or the semi-conductor plant near Hamburg. In Würzburg, a car parts produc-

ing unit, the protests against announced cuts of 1,600 workers started in April 2005, with about 1,000 people organising some symbolic activities like encircling the factory with a human chain, etc. Siemens wants to shift production to Ostrava in the Czech Republic. In mid June 2005 the workers reps made a deal with the management: longer working hours and less money in exchange for a job guarantee for 1,400 workers till 2010. The relocation to Ostrava will still take place.

Danaher-Neff/Wolfschlugen, Waldenbuch

The US company Danaher announced that it will shut the plant in Waldenbuch at the end of 2005. The factory, which formerly belonged to Neff, produces automation and driving technology. The production was meant to be shifted to Brno in the Czech Republic. Danaher planned the same thing at the other location in Wolfschlugen, formerly Warner Electric, employing 100 workers, but, following the works council, the production unit in Brno 'is not ready yet'. Nevertheless, the works council and union agreed to longer working hours (5 hours per week), wage reductions and job cuts in exchange for three years of guaranteed employment for the rest of the staff. This 'success' has as a consequence that the location in Waldenbuch will now definitely be shut and 100 jobs slashed. A solidarity party is planned for the 4th of June, but the call repeats the usual defensive moaning: we identify with the jobs and the company, etc. [Solidarity website: www.arbeitnehmer-danaher.de]

Denison Hydraulics/Hilden

In mid 2003, the US company Parker-Hannifin bought Denison Hydraulics for about 200 million euros. The economic situation of Denison was said to be stable. About 200 people were employed and were even awarded a bonus in 2004 for a successful year. In February 2005, the management announced the closure of the plant for 2006. They claimed the plant was unproductive and unprofitable. So far we have only heard of the usual petition and demonstrations against this closure (some workers visited the Kone demo in Hattingen, some local school students re-located their lessons to the factory, etc), but most of these actions are organised by active workers from the shop-floor rather than the regional union office. [Solidarity website: www.Denison-lebt.de]

Mahle/Stuttgart

The car supplier in Stuttgart announced in May 2005 that it was to cut 600 jobs and demanded additional wage cuts of 15 percent. About 600 workers took part in some union-organised protests.

Schefenacker/Geislingen

The car supplier wanted to relocate production, which would have threatened the 1,350 jobs in Germany. The unions reacted with some limited actions: in February 2005 the production in Geislingen stopped for several days. Audi, BMW, Daimler and Opel sent managers to the site, because the car plants started to lack rear lights, which Schefenacker produces. After negotiations the union succeeded in postponing this decision. In May 2005 the company had to admit that it bought an area within an industrial estate in Serbia and obtained a permission for building a factory there. In July the union announced that 'the jobs are safe' in exchange for cuts in holiday pay etc.

Agfa/Leverkusen

Early in June 2005, the photo-film producer Agfa in Leverkusen had to announce insolvency. Production had already stopped due to lack of material from the suppliers. About 870 jobs are at stake in Leverkusen, about 1,800 in the whole company. After a rapid financial aid package of 50 million euros, production was taken up again in order to fulfill outstanding orders. Solidarity website: [www.mitarbeiternetzwerkbeiagfa-photo.de/soli.htm]

Linde/Mainz, Cologne

The Linde branch for refrigerating technologies was sold to the US company UTC in 2004. A year after the take-over the management announced 1,300 job cuts, half of the total staff. A return to the 42 hours week without wage compensation plus cut of the holiday pay which was offered by the unions, but this wasn't enough to convince UTC to stop its re-location to the Czech Republic and France.

Owens/Düsseldorf

After years of down-sizing, the glass manufacturer in Düsseldorf is finally closing, with the remaining 260 jobs being lost. The US company Owens, which took over the traditional glass manufacturer, announced the closure due to unprofitability. Last demonstrations in June 2005.

Footnote:

[1] Strike at Siemens mobile phone plant in Milano/Italy: This strike is a quite unknown conflict, although it's already been going on for about seven months now. The workers of the mobile phone plant Cassina dei Pecchi refuse to work from 9 p.m. to 2 a.m., fighting against the management's plan to enforce an extension of night shifts. The factory employs 900

workers, 300 of them in mobile phone production, of which 120 would immediately be affected by the night shift schedule. The workers claim that night shifts are unhealthy and destroy social life. Although they don't get strike money, they are keeping up the struggle, supported by other workers of the plant who are not affected and employees of other companies. In September 2004, 181 workers voted against the night shift schedule, 114 decided in favour. 305 of 361 workers took part in the ballot. At that time the big unions FIM, FIOM and UILM supported the management plan. The striking workers organised their own strike funds (Cassa di resistenza), something that the unions often talk about but haven't accomplished yet. On April the 28th the management offers a 'harmonisation' of the working time in all Siemens plants in Italy, based on a 37.3 hours week, but still demands a flexibilisation of the shift system. [Solidarity-Phone-Line: 0039 / 3386083973]

workfare.germany

Written by the group no service from Berlin for Wildcat #74, summer 2005. See also the articles in ppnews #1, 3/2005, pages 14 and 19.

find out, get involved... instigate

Walks to One-Euro-Jobs in Berlin

For about half a year we have been organizing bi-weekly walks to the agencies and worksites of One-Euro workers in Berlin/Germany. Our aim is to talk to those workers and get involved. Contrary to the isolated and anonymous encounters at the state-offices, at the One-Euro-Job people come together and see each every day. We wanted to know whether it would work to put masses of people into these jobs without any problems? Or does it stir up resistance? Does it produce an explosive mixture of former social welfare-recipients, academics, black (illicit), home- and casual workers? Or is it rather the people who still have regular jobs and see them in danger who start struggling?

One-Euro-Jobs in Berlin

With 19.7 percent Berlin is one of the regions with a very high unemployment rate. Since the beginning of the nineties there has been a vigorous deindustrialization with job cuts in production and the end of the boom in construction. At the end of May 2005 nearly 325.000 people were registered unemployed, two thirds of them are getting the "Unemployment Benefit 2" (Arbeitslosengeld 2, Alg2) [1]. While in Berlin and

the whole of Germany regular jobs with social benefits are being reduced further, petty employment – like small-scale self-employment (Ich-AG), "Mini"-jobs and One-Euro-Job [2] – has been expanding continuously, for the first time leading to a slightly lower unemployment rate in May 2005 compared to the month before. Currently there are 17.200 One-Euro-Job in Berlin. The city-government wants to bring it up to 45.000 by the end of the year. Employment- and educational contractors (gsub, KUBUS e.V., Lowtec, BUF, KEBAB, Internationaler Bund, Goldnetz, pro futura e.V. and more) [3] make a fortune with the One-Euro-Job and expand.

The Context of the Hartz IV-Attack

The media present the One-Euro-Job as a new chance to enter the primary labor market. [4] But they do not hide the fact that the basic aim is to reduce the wages and the expenses for social benefits in Germany. What stands behind the current attacks, the Hartz IV-welfare reform and the One-Euro-Job in particular?

1. **Massive uncertainty:** Already before the coming into effect of Hartz IV a threatening scenario was created to pressure workers with "regular" jobs. Workers at Siemens, DaimlerChrysler, Karstadt, the Vivantes hospitals in Berlin and many smaller companies were confronted with wage-cuts and the extension of working hours. [5] Hartz IV means one year of "Unemployment Benefit 1" (Alg1) – the amount depends on the last income. After that comes living on the level of social welfare (Alg2) and possibly the humiliation of a One-Euro-Job. Workers in the companies have realised that; the one-week wildcat strike at Opel Bochum showed it. [6]

2. **Deterioration of the work- and living-conditions:** Alg2 lowers the level of public social welfare. The aim is to force workers to accept jobs with lower wages. For many people One-Euro-Job are unacceptable because they consider them humiliating. Others are being excluded from welfare payments because they live together with people with an income. [7] In order to get by they need to work a low wage job. The low wage sector is being extended further. But the development also has its contradictions: Alg2 plus rent plus One-Euro-Job might add up to 850 Euros, the equivalent of a 1.000 Euro job (before tax). [8]

3. **Cuts of regular jobs:** The introduction of One-Euro-Job is an indirect subsidy to local governments. Over the past years the reduction of financial resources and job cuts have torn holes in the public infrastructure, holes the One-Euro workers are supposed to fill: in gardening and landscaping, maintenance, renovation and cleaning-jobs, in social assistance, education, culture and care-taking. In reality the "additional" ac-

tivities of the One-Euro-Job are often compulsory local government tasks, and the worker's skills are used on purpose. [9] At the same time private crafts enterprises get less contracts and have to cut jobs or go bankrupt.

4. **Ideological impact:** The aim is to show young people once and for all that life without work is unthinkable and that the times are over where people could relax on the "social hammock" [10]. It is about a new definition of what can be seen as "normal" conditions of work and reproduction and about scaling down any perceptions of entitlement.

5. **Disciplining and controlling the unemployed:** Unemployed people with a One-Euro-Job are supposed to prove that they can get up early in the morning and adapt to a work rhythm. The 30-hour-week of a One-Euro-Job makes it hard to continue doing black (illicit) work. If one goes on sick-leave for more than two weeks the One-Euro-Job gets terminated and the stress with the unemployment agency starts all over again. In general, the One-Euro-Job allow greater control over the time of the unemployed, prevent them from travelling and doing other enjoyable things.

Find Out, Get Involved... Instigate

Last year an surprisingly high number of people took the streets in a self-organized way for several weeks during the Monday-demonstrations (especially in the Eastern part of Germany), all protesting the implementation of the Hartz IV laws. [11] At the same time we found a new and broad openness for discussions about work conditions and exploitation. The discontent was obvious. We wanted to find out how the people acted and get a picture – beyond the sensational media reports – of the actual situation in One-Euro-Job. That led us to the idea with the walks. Since early January we are on the streets every two weeks to research and discuss. The walks are based on small forms of breaking the rules: We do not ask for appointments or permission and reject the mediation of superiors. We want to discuss with the people directly at their work places. When we show up we are nearly always met with openness and interest, and it is not uncommon that we have exciting debates. We found that many people (like ourselves) swing back and forth between unemployment, training schemes and casual work. The walks are an attempt to break the isolation and division into separate work places and to share people's experiences with others.

Explosive Mixture?

We met a large number of people who do the One-Euro-Job "willingly". But talking to them, this "willingness" was quickly put into perspective. People not

only give in to the increasing pressure and harassment of the unemployment agency, the few Euros more are also important as an additional income. People think about it carefully, and a One-Euro-Job might in fact be the better alternative. The official wage of a bakery sales-clerk is 5,52 Euros, about the equivalent of Alg2 plus One-Euro-Job, but the work pace is higher and the working hours are longer and more awkward.

Many people say they are happy "to get outside for once". They have found nice colleagues through the One-Euro-Job (or ABM [12]) and/or the job is fairly interesting. That clearly shows what a grueling experience unemployment can be for some people.

In past months though more and more people were forced into working the One-Euro-Job. They are already dissatisfied because this axes their own plans. A (One-Euro)"janitor" told us he could not work his black (illicit) job in construction any more. That is how he had made his living for years. A man working in a (One-Euro) metal-shop got to the point: "We are held unemployed and being controlled here so we cannot do black (illicit) work on the side." Others hate the One-Euro-Job because they have an appropriate skill but cannot find a regular job with the right wage.

Whatever, whether "voluntary" or "forced", nearly all of those we talked to are unhappy about the fact that they do not get paid the extra-cash for the One-Euro-Job when sick or on holiday. It is not possible any more to take days off (by claiming to be sick) and get paid. There is also a fundamental critique of the forced character of the jobs. Few people expect to get a job on the primary labor market [13] by working a One-Euro-Job. But how can this critique become more radical?

Difficulties...

The predominant conditions in One-Euro-Job make it difficult to develop collective forms of resistance:

- * The One-Euro workers often work isolated or together with just a few others, so they do not get to know much about each other.
- * Since they work together for just a short period – the One-Euro-Job are limited to nine months – no common perspective can evolve.
- * Since the people are employed according to their skills it is only partly true that people with different experiences are getting together.
- * Since those who (still) have regular jobs and One-Euro workers work separated from each other (for instance in crafts and gardening enterprises at One-Euro-contractors) their anger does not often combine in everyday situations. It might also be the case that the cuts of regular jobs have already taken place in past years, like at schools or kindergardens.

... and chances for resistance

Still, over and over again we have met people who try to oppose the conditions. Many avoid disciplinary action by repeatedly calling in sick for a few days and returning each time in order to avoid the sack. Working slowly, extending breaks, “organized loitering” are part of the everyday work situation of One-Euro workers. In some cases they get the support of regular workers. “They pay you less, so work less accordingly.” – the attitude of a (regularly employed) janitor towards his One-Euro “helper”.

With the walks our own questions changed too. After our first visit of the workshops of a contractor in Berlin-Neukoelln [14] we had the impression that the people there would actually stir up some trouble. So we went back several times and tried to discuss the possibility of a strike. But the fear of cuts in Alg2 dominated their thoughts. They had no perception of their own power.

How can we (collectively) break that feeling of powerlessness? Where are weak points, where can resistance be effective?

One-Euro-Job are currently being discussed everywhere. A strike of One-Euro workers would not paralyse any important production process, but it would attract broad public attention. If One-Euro workers openly fought for better conditions that would not only neutralize the intimidating and humiliating effect of the One-Euro-Job. The protest could be supported from many sides and become politically relevant. Taking the broad discontent and frustration around Hartz IV it could spread to other areas. Direct pressure could be exercised on the contractors since their One-Euro-Job often do not fulfil the official criteria (additional jobs, job training...), but the contractors do depend on the cash inflow bound to these jobs.

Open Process

Meanwhile, we have found out a lot and recorded that in reports that were published for instance on labournet.de and wildcat-www.de. Nevertheless, it is very difficult to establish ongoing contact with One-Euro workers. We do not know much about what they discuss further amongst each other, about what we investigate when we turn up. But here is a possible effect of our walks: We are thinking of being more direct, of throwing more ideas and concrete considerations into the discussion – for instance in a leaflet on “Strikes in One-Euro-Job”. We will focus on sites where many people get together and where it is possible to collectively discuss the raised questions.

Other left-wing groups have picked up the idea of the walks to One-Euro-Job (for instance in Cologne).

We hope that this practical activity will go beyond the common left-wing habit of political campaigns. Furthermore, we discuss how to extend the single focus on One-Euro-Job. It would be possible to organize walks to other places where people have to do lousy jobs... [Berlin, June 2005]

no service is a group from Berlin with about 10 people, most of them unemployed, with or without black (illicit) jobs. Some have regular jobs, for instance in care-taking or computing. We have had meetings for two years and deal with subjects around work and reproduction, the function of the welfare state, war and the struggles against it. We organized a series of events on the topic “Precarious – the regular employment as an exception?” with something on the “nuisance of (unpaid) traineeships” in Berlin, students as precarious workers and the struggle of migrant workers on a construction site in Berlin... We also try to become active and intervene ourselves, for instance during the conflicts at the Vivantes hospitals in spring 2004. In January 2005 we started organizing the walks to One-Euro-Job. You can reach no service under *noservice@gmx.de*

Additional information on One-Euro-Jobs

1. One-Euro-Job – the official term for it is MAE (Mehraufwandsentschädigung, compensation for additional effort). Recipients of Alg2 can be forced to do these jobs; a rejection is followed by payment cuts (first by 30 percent, for repeaters down to just rent plus food stamps). In Berlin, One-Euro workers get 1,50 Euro an hour (some just 1,20 Euro). Usually they work 30 hours per week. So they earn about 180 Euros MAE on top of Alg2 plus rent. The One-Euro agencies or contractors get 500 Euros per month for each MAE job (for management expenses and qualification efforts). By law the One-Euro-Job need to be “additional”, i.e. they should not put regular jobs at risk.

One-Euro-Job do not constitute an employment contract so employment rights (like sick pay, holiday pay or the right to go on strike) do not apply. In Germany a total of 176.000 MAE jobs has been created up till now (6/2005); the predicted number for the end of 2005 is 600.000. In contrast, the number of retaining and education programs sponsored by the unemployment agency has decreased – within a few months – by 67 percent (even 80 percent in Berlin). The One-Euro-Job are designed not just for Alg2-recipients but also for people without work permits like those seeking political asylum and refugees with a toleration status (war refugees...).

2. The following article from the newspaper *Berliner Zeitung* (4th of June 2005) shows how the service union Verdi tries to follow the implementation of One-Euro-Job by adding legal regulations: Twenty Complaints due to One-Euro-Job. Fraud, economic subsidy fraud and deception in connection with the use of One-Euro-Job – those are the charges. According to the main staff council the public prosecutor has already handled 20 legal complaints and charges against employment contractors dealing with One-Euro-Job for possibly destroying regular jobs. Seventeen times private firms have filed charges with the support of the Chamber of Crafts, three charges come from Verdi. The outcome of these cases is open. There are also civil law suits against One-Euro-Job. These civil-law-suits are currently about six One-Euro workers at the Bruno-Taut-school and nine unemployed at the Regenbogen-school, both in Berlin-Neukölln. A staff council member reported that last autumn 18 jobs in secondary school-libraries were declared redundant. The employees are now part of a job pool. [15] Their places were taken by “library assistants” with the same work tasks. At a school in Berlin-Tempelhof/Schöneberg a janitor was allegedly sacked; two One-Euro workers took over his tasks. Meanwhile the job placement rate from the job pool dropped to 10 percent. Another example: Out of formerly 306 jobs at the department taking care of public parks in Berlin-Lichtenberg only 150 are left. Seventy-three gardening-employees in the job pool were made redundant. At the same time the town district has asked for 235 One-Euro workers for taking care of public parks. The authorities let the “redundant” gardeners get retraining for other jobs.

3. Under the headline *Hundreds of Youths do not feel like Working* the newspaper *Berliner Zeitung* (1st of April 2005) reported that in Berlin-Neukölln alone 6.377 youths are unemployed. “Many of them do not want to hear anything about job offers or qualifications. About 4.000 young unemployed got a letter from the job center. Just about 1.500 reported back.” The job center has already reduced the Alg2 of 300 unemployed youths under 25 years or cut it completely.

4. One employment contractor has workshops and work groups in many districts in Berlin, also in Berlin-Neukölln. We have met many people there who are sick of their ABM or One-Euro-Job. The mixture of work that is considered tedious (e.g. taking the insulation of copper cables or the knitting of small and ugly puppets) and lousy work conditions (rigid break rules, whoever comes late gets hours taken off, listening to radios is not allowed, poorly equipped workshops and a tiny room for taking breaks) stirs up discontent. So far 120 people were employed in these workshops – meanwhile, the employment contractor reconstructed

and expanded. From June onwards there are 400 One-Euro workers. Besides the completely filled jobs in the workshops (wood, metal and sewing workshops) there are several work groups deployed for gardening in city parks and for waste disposal. The qualifying measures for which the contractor gets additional funding are a joke: job application training, instructions on the usage of fire extinguishers (without a fire extinguisher) or even the introduction into painting small wooden pieces for children’s toys. At the same time the people are deliberately utilized according to their skills and work experiences as sewers, mechanics and builders. Most people there consider their job there simply shitty and show a corresponding attitude (from the usual dilly-dally to going on successive sick leave to openly refusing to work).

5. Five to six thousand One-Euro workers work at schools in Berlin. In the district Berlin-Neukölln one out of four employed at schools or kindergardens is a One-Euro worker. Some schools just function through these job-schemes. In March we visited a primary school with more than 30 people working as ABM or One-Euro workers, among them school leavers, academics, craft workers, long-term unemployed and former housewives. They are responsible for janitorial, renovating, taking care of children at the school station [16], support for individual cases, maintenance and support in the computer room, work in the school canteen... Two regular educator’s jobs were slashed already five years ago and are being filled by One-Euro workers now. Apparently, the only regular workers are the teachers.

Translator’s Footnotes:

- [1] As part of the Hartz IV-welfare reform the “social security” and part of the old unemployment benefit were put together in the “Arbeitslosengeld 2”. The paid amount is about the same as the old social security (345 Euros plus rent, a bit less in former East Germany). See also ppnews #1, 3/2005, page 19.
- [2] The Hartz IV-reform introduced new forms of small-scale self-employment, the so-called “Ich-AG”. For a year the state pays 600 Euros per month to newly self-employed, for another year 300 Euros. “Mini” jobs – currently up to a monthly income of 400 Euros have existed for years; they have simplified and lower taxes; the unemployed can work them and keep up to 60 Euros which is going to be changed to about 160 Euros.
- [3] Many of these contractors are agencies who get a contract for a certain number of One-Euro workers and pass them on to smaller actual “employers”, taking part of the 500 Euro per One-Euro worker

the unemployment office pays; some have been involved in dealing with training and exploiting the unemployed before, using one or more of the several government schemes for the unemployed: some have their own schools, workshops, etc.

[4] The primary labor market is the “regular” one with private and public enterprises as employers; the secondary labor market is the one created by government funds to “employ” unemployed through various schemes.

[5] In all of these companies – and many more – the workers were forced to accept lower wages and worse conditions threatened by layoffs or closures... met by resistance in some places.

[6] See the article on the wildcat at Opel/Bochum in ppnews #2, 5/2005, page 3; the reason for the strike was the plan to lay-off thousands and close factories but the introduction of Hartz IV and the perspective of maybe having to live on 345 Euros plus rent played a role in the worker’s considerations.

[7] Hartz IV uses the term “Bedarfsgemeinschaft” (roughly: need based relationship); husbands, wives, children, partners are part of this as long as they live together; they will get reduced unemployment benefits. After the introduction of Hartz IV the number of single households grew rapidly because people “separated” or changed apartments (or claimed to). Even bourgeois newspapers published articles how to present yourself to the unemployment office in order not to be considered as “Bedarfsgemeinschaft”.

[8] That is more than many people earn in regular low wage jobs, especially women.

[9] According to the Hartz IV-laws the One-Euro-Job need to be “additional”, and it is not allowed to cut jobs and substitute “regular” ones with One-Euro-Job – which is a common practice now. One-Euro workers are also supposed to be trained to improve their chances on the labor market; but now One-Euro painters are painting public offices, One-Euro computer workers are teaching in schools etc.

[10] A term used by politicians to blame lazy people for using the welfare system in order to avoid work; also used by lazy people to describe how the welfare system can be used to avoid work.

[11] See the article in ppnews #1, 3/2005, page 14.

[12] Arbeitsbeschaffungsmassnahme, ABM (job-creation measure), other state-run job scheme but with wages that correspond to those in the private sector. Currently, many ABM-jobs are replaced with One-Euro-Job.

[13] See footnote 4.

[14] See report on this contractor below.

[15] Public employees whose jobs have been declared redundant, are put into the “job pool”, a kind of

temp agency for public servants. They have to do other – often unqualified, temporary – jobs in public services. The job pool was created because the government – not just in Berlin – wants to drastically reduce the number of public servants but cannot lay off many of them because they have contracts ending with retirement.

[16] The school station is where children can go to discuss problems, get support, etc.

update.car-industry

Short up-dates on strike of lorry drivers which stopped production at FIAT plant in Melfi/Italy, a strike note from VW in Navarra/Spain and news on ‘revolutionary’ production relations between assembly plant and suppliers at DC in Toledo/USA. All this against the background of the aggravating crisis of the global car industry (see also the article on the GM strike in ppnews #1, 3/2005, page 3). At the beginning of June 2005 GM announced the closing of plants in the USA, which would result in the loss of 25,000 jobs in addition to the 12,000 jobs cut in Europe. In the first quarter of 2005 GM lost 1.1 Billion US-Dollars, the worst result in 13 years. A detailed article on the crisis of VW after the corruption scandal on wsus-website <http://www.wsus.org/articles/2005/jul2005/volk-j27.shtml>.

FIAT, Melfi/Italy

The factory in Melfi became well-known in April/May 2004 after an unexpected strike by its workers. Melfi was supposed to be FIAT’s role-model factory. It is a ten year old greenfield plant in the south of Italy with a young, inexperienced work-force on low wages and an extensive net of suppliers. Melfi was said to be the most productive car plant in Europe after GM Opel in Rüsselsheim. In the core plant about 5,000 workers were employed plus 3,500 from the nearby suppliers.

The strike started when workers of TNT-Arvil, the company which is responsible for the internal transport and the transport between suppliers and the core plant, went on strike, demanding the same wages as in other FIAT plants, the abolishment of the severe shift schedules and disciplinary measures. Within a few hours all the workers within the productive net of Melfi joined the action. The strike lasted 20 days with the production of 35,000 cars lost by FIAT. The workers blocked the gates and had to defend the picket against the riot squads.

The strike was ‘successful’ in the sense that some demands concerning working time and wages were met, but also in the sense that it showed the weakness of

the 'new' production model based on tight links between core plant and suppliers (see news on DC/USA below). Recently Melfi was shaken again, this time by lorry drivers whose struggle affected production in the plant.

A strike by lorry drivers has impeded the delivery of new cars by the Italian car manufacturer FIAT in the last three weeks. The company informed the public yesterday that the strike has caused serious economic damage. FIAT was now using up its full storage capacity, the company said. FIAT stopped production in its biggest car plant, because parking lots are already filled by new cars awaiting delivery. The strike has obstructed delivery since the 26th of April. FIAT is now moaning about not only its own economic damage, but also that of customers and traders. Some car factories will also be hit by the strike today. A company spokes-person named Mirafiori, Melfi and Cassino. A plant in Iveco di Suzzera was running on lower capacity, he said. The drivers are protesting against transport companies, not against FIAT. Unions and employers have already been holding talks in Rome in order to stop the strike. FIAT boss Sergio Marchionne said last week that the company's loss because of the strike was 350,000 Euro until then. The company is trying to deliver cars by train and by ships. The company has not given any figures since then, but newspapers have spoken of losses of more than half a million Euro. The company, which is trying to make its core activity of cars profitable again, has warned it will take legal measures against the strike.' [<http://www.orf.at/ticker/182448.html> - 23rd of May 2005]

VW, Navarra/Spain

The introduction of the new collective contract resulted in an unexpected combative reaction from the workers. Since the introduction the numbers of cars produced has decreased by 2,500, due to several interruptions of production. Company management and the works council have met four times since then in order to resolve the dispute. The workers' delegates demand wage increases, early retirement schemes and reduction of over-time. The management refuses the demands, saying that the wage rise would increase the total wages bill within the company by 27 percent. In times when VW tries to cut costs by Europeanwide programmes like ForMotion wage increases are something impossible, at least following the management's opinion. The four strikes which took place since the 22nd of April hit a weak spot, given that the start of production of the new generation Polo is planned for early May. On the 13th of May 6,000 workers of VW Navarra and the supplying companies protested in the streets of Pamplona, asking the management to 'lift the veil from the future of the plant' and to announce the production volume of the coming years. The VW

spokesperson claimed that the protest doesn't 'give a positive image to the plant', which might effect future contracts with VW. Not only VW is in trouble, workers at Renault Commercial Cars plan strikes for the 27th, 30th and 31st of May. For five months management and unions have been negotiating a collective contract without results. [Cinco Dias: 23rd of May 2005]

DC, Haden-Toledo/USA

In the following short article on the 'revolutionary' new production organisation at DC it reveals itself that the car industry isn't really able to 'revolutionize' its mode of production. What they call 'revolution' is the re-centralisation of assembly work and supplying industries. After the de-centralisation in the 80s, the dismantling of the integrated factories, the suppliers are now returning to the main plant. De-centralisation was an answer to the exercise of workers' power in the big industrial complexes, but in the end proved to be less productive.

After two decades of down-sizing and outsourcing the automobile companies seem to trust the enforced peace and are re-concentrating the forces of labour – thereby counting on the willing cooperation of the unions.

The Auburn Hills-based automaker has named two general contractors to head up the construction of its supplier facilities within its Toledo North Assembly complex. Three suppliers will be located within the "footprint" of the plant, allowing for a revolutionary partnership. The three supplier buildings will be located on the north side of the plant, adjacent to the final assembly facility. Bodies and chassis will travel on conveyor belts between facilities, eliminating costly transit. DaimlerChrysler estimates this system will save the company more than \$300 million, which will be redirected into product development. Sterling Heights-based Kuka Group will be responsible for body work, while Auburn Hills-based Haden will take care of painting. Chassis operations will be completed by the Ohio Module Manufacturing Co. The DeMattia Group, a Plymouth-based construction firm, has been selected as the general contractor for the 460,000-square-foot Haden facility. The partnership between the two companies began in September 2004, with construction beginning two months later. According to DaimlerChrysler officials, the Toledo facility is the first of its kind in the North American automotive market. Many in the industry feel that this plant will soon set the standard for OEM/supplier relationships.

A landmark agreement with UAW Local 12, which represents workers at the Toledo plant, is one of the main reasons why the project is on track, Lindland said. "The UAW certainly has to be involved in these kind of situations, and they really need to work to support these kinds of cost-saving measures that the Big Three so desperately

need,” Lindland said. Although the supplier facilities will handle many of the tasks previously conducted by DaimlerChrysler workers, no jobs will be lost as a result of the plant’s transition. Workers at the automaker’s Parkway Annex facility in downtown Toledo, which is planned to close in 2006, will be offered first dibs on the new jobs created by the suppliers. As many as 15 suppliers could eventually be a part of this revolutionary partnership, however, DaimlerChrysler officials have not yet commented on which ones, or if they too would be located within the plant’s vicinity. The \$2.1-million project is slated to be completed by the end of the year, with the first vehicles rolling off the line by early 2006.’ [http://www.detroit-autoscene.com/ - May 2005]

forces of labor

In the last issue we published the translators’ preface for the German edition of Beverly J. Silver’s book “Forces of Labor”[1]. The author came to Germany in early June 2005 to present the book. This is an interview for the German magazine “Analyse + Kritik” [http://www.akweb.de]

Interview with Beverly J. Silver

Q: In your book Forces of Labor you put a certain emphasis on the perspective that labor unrest is a kind of driving force of the development of capitalism. That bears a specific resemblance to an approach in Europe called workerism or autonomist Marxism. Are there any direct connections with that kind of thought or is this resemblance accidental?

BS: The emphasis on labor unrest as something that is continuously transforming capitalism in part comes out of US traditions. I grew up in Detroit in the 1960s, and there was in the general understanding of the 1930’s sit-down struggles in Detroit this idea of the structural strength of workers - that is, the idea that workers’ gains came in large part through their strategic position at the point of production. This is something that has been developed in US labor history and industrial sociology. One of the major influences on my work is the writings of Piven and Cloward.[2] There are several arguments that they use at the national level in terms of discussing the history of poor people’s movements in the US, that reoccur in FoL, but brought to a global scale. There is the idea of major advances or transformations coming through upsurges that come only periodically, that these upsurges are themselves not the result of efforts by organizers or political parties, but that they come out of structural conditions that allow for certain kinds of movements. And, in particular, in the understanding of the 1930s’

labor unrest they emphasize the structural, positional power of workers at the point of production, in terms of workers being able to push forward demands. At the same time, they emphasize that each of these upsurges is brought under control through a combination not only of repression, concessions and cooptation, but also through systematic transformations in the organization of production that weakens movements “behind their backs”, so to speak.

So there is that heritage or roots of the argument, but also one of the key intellectual influences on FoL has been my work with Giovanni Arrighi. During the early period of *operaismo* Arrighi was actually out of Italy, he was teaching in Rhodesia/Zimbabwe, and then Tanzania, developing arguments in which the problem of labor supplies and labor resistance was seen as central to how colonialism developed, as well as to the development of national liberation movements in Africa. When Arrighi went back to Italy in 1969, it was at the height of the *autunno caldo*. And at that point, there was the strong influence of the workers’ struggles at FIAT and, again, the recurrence of struggles where workers were very skeptical of politics and associational bargaining power and very determined to preserve their autonomous power and strength in the struggles - a social-political context that also strongly influenced the development of *operaismo*.

But there are several differences between the *operaismo* as it developed in Italy and the influences that came to me, to this book. In 1971 Arrighi and others formed the *Gruppo Gramsci*. From the start, in their perspective there was a very strong Third Worldism and global perspective, which was something that was not really there in the early *operaismo*. A second difference is a much stronger combined theoretical and empirical approach, as opposed to the more philosophical tendencies within much of *operaismo*. One of the strong emphases in the *Gruppo Gramsci* was on the actual, concrete study of empirical conditions on the ground as they influenced the nature of workers’ bargaining power. In this sense they were closer to Romano Alquati and Sergio Bologna than to Mario Tronti and Toni Negri. Finally, whereas certain tendencies within *operaismo* emphasized that the working class is strong, and getting stronger and stronger all the time, in FoL there is the attempt to see both the long term processes tending to strengthen labor, but also countertendencies brought about by the various capitalist fixes in response to the strength and militancy of labor.

On this last point, we also have developed our thinking over time. If you compare a piece that Arrighi and I published in 1984, “Labor Movements and Capital Mobility”[3] to FoL, you can see that there is a little bit of implicit self criticism in FoL and in later joint arti-

cles. The 1984 article emphasizes the growing strength of labor, the long term secular trend toward growing strength of labor on a world scale. Our argument was that the geographical relocation of capital in the 70s and early 80s had to some extent weakened labor where capital had moved out from, but strengthened labor elsewhere, and that overall, seen as a global tendency, the overall process was one of labor strengthening. Then the depth of the crisis of labor in many parts of the world in the 90s was not something that we were really prepared for. We began to say: okay, what happened? In thinking this through, we began to look at the impact of the financialization of capital (what I call in the book the “financial fix”) as a key explanation behind the depth of the crisis for labor. Up until the mid-80s capital had responded to labor’s strength with a series of fixes (spatial, technological/organizational, product), none of which were particularly effective in undermining the overall strength of labor. The result was a deep crisis of capitalism. Then the financialization of capital began to take-off; capital withdrew heavily from trade and production (and from the purchase of wage labor), turning the deep crisis of capital into a deep crisis for labor.

Let me circle back to the differences with *operaismo*: Another difference that I should mention has to do with - and I think this is a fair critique - the question of whether workers’ struggles are always good. This issue comes up in the development of the argument about boundary drawing in FoL, and the questions raised there about Marx’s and Engels’ interpretation of the homogenization process, of proletarianization, as producing an inherent tendency toward unified working class struggles. Workers’ struggles as localized defense are always understandable, but how do the localized defenses add up to something that leads toward greater global justice, global equality?

Q: This kind of boundary drawing isn’t something that is put upon the working-class by capital, it’s produced within the working class, is that right?

BS: I distinguish three kinds of boundary drawing. There is one that actually does come from the workers themselves. It is workers themselves using non-class bases of identity - citizenship, gender, race - in order to defend particular privileges. Because there is an ongoing tendency of capitalism to continuously bring workers into competition with each other through these various fixes, this is an inherent reaction, it’s an endemic kind of reaction. That doesn’t mean that the only boundary drawing is going on by workers themselves, but it also goes on by capital in terms of segmenting labor markets, and by states in terms of delimiting citizenship rights.

It’s also not to say that workers are not also involved

in breaking down boundaries. What I suggest as a very broad conceptual apparatus to work with, is that if we look historically that established working classes, who are the beneficiaries of the last wave of struggles, attempt to maintain boundary drawing against competition from newly formed working-classes, whereas newly formed working-classes are more likely to try to break down the boundaries. If we look at rural migrant-workers that come into Chinese cities to work, the initial reaction of the established urban workers was to keep them out. The migrant workers themselves now are drawing on the language of citizenship rights in the urban areas and are saying that these kinds of distinctions between urban and rural workers and the rights of urban and rural workers shouldn’t have any place. We recurrently see that with struggles by immigrant workers; for example, both historically and today in the US, immigrant workers have argued that the same rights should apply to workers regardless of race, regardless of nationality.

Q: In your book you mention three different types of labor power. In your comparison of the struggles of the automobile workers and the textile workers, you state that although textile workers were much more militant, they lost most of their struggles. Does that apply to a kind of hierarchy between the different types of power - sometimes I read it like that, that those parts of the working-class building their strength on the shopfloor, on the big factories for example, on workplace bargaining power, that, although they might be not as militant as others, their struggles are much more effective, they hurt capital much more. Is that right, is there that kind of hierarchy?

BS: What I argue is that there is actually a similarity between the first round of successful struggles in Britain in the 19th century and in the US in the 1930s, in the initial phase of the product cycle. In those moments there is a certain amount of profits that are available that provide the potential for some kind of stable, redistributive social contract. In fact there was such an outcome in Britain in the late 19th century in textiles, and in the US in the 1930s in the automobile industry. In both cases, the wave of labor unrest led to a multi-decade social contract, in which there were some redistributive processes going on, where capitalists were forced to share part of the profits with labor.

There is, however, a difference in the basis of the strength of labor in the textile industry versus in the automobile industry. In the automobile industry the highly centralized organization of production means that a strike in, say, a part of the assembly line in a single engine-plant can bring an entire cooperation to a standstill; whereas this kind of structural workplace bargaining power didn’t exist in the textile industry be-

cause of its decentralized nature with many smaller and medium sized factories. Without this kind of workplace bargaining power, then workers' victories had to depend on alternative sources of bargaining power. So I make the argument that associational bargaining power was much more important in the case of the initial textile industry victories.

If we look at the early 21st century, in some ways the bargaining power of workers within services industries - with multiple worksites, multiple employers - has much in common with the kind of situation faced by textile workers in the late 19th and early 20th centuries. Thus, I suggest in FoL that associational power is likely to be more central to effective workers' struggles in the present situation than it had been for much of the 20th century. But we can also underestimate the amount of workplace bargaining power that workers still have, even in the service sector industries. The most effective struggles will probably find ways to leverage a new combination of workplace and associational bargaining power.

Q: There are voices that insist, all those workers in the precarious workplaces, they can't fight, so we still have to concentrate on the factories and on the public sector with the large bureaus. Others say there aren't any privileged places, everybody can fight wherever she/he is. What do you think about that?

BS: Well, everybody can and often does fight wherever she or he is; but there still are privileged places, in the sense that there are places where workers have much stronger bargaining power; where their struggles have a much greater impact on capital and on state power. In part what I have argued is that, with each successive spatial fix, the privileged site of strong workplace bargaining power has moved successively to each new site of rapid industrialization. Thus, today a key place to look is China, which has been experiencing very rapid industrialization and proletarianization, including the creation of industrial sites in the automobile industry with workers concentrated in large factories, working on assembly lines, with workplace bargaining power that can be leveraged; and that, I expect, will be leveraged by Chinese workers.

With regard to the future of workers' movements in the core, I think we should be asking: what are the new, main sites of working-class formation in the core countries? And then look to: what are the forms of bargaining power within the hands of these workers? It is useful to look at the existing struggles by these workers - even if they are for now still marginal in their impact - and the kinds of strategies they use. If you look for example at the US, particularly in California you have this round of very successful mobilizations by janitors, who were mostly immigrants, working in the

office buildings downtown. They don't have the kind of workplace bargaining power that comes from working in a complex division of labor - if one janitor does not work, this does not stop the whole thing, even if one building stops, this doesn't stop the other buildings. There is, however, bargaining power that comes from the place-bound nature of the work. This ideology of globalization, that everything can move, anything can move anywhere, is not true: there are economies of agglomeration, there is tremendous sunken investments in terms of fixed capital in the buildings, so that it would be a huge loss of sunken capital to move. They can't send the buildings overnight somewhere else to be cleaned. The ability to have successful struggles there comes from some elementary structural bargaining power that shouldn't just be ignored.

But at the same time, it's clear that there are capitalist organizational strategies in this industry - for example, the use of multiple subcontracting firms as the direct employer - that combined with the less complex division of labor means that these workers certainly have less workplace bargaining power than, say, automobile workers. So it is clear that the success of the 'justice for janitors' campaign also depended on developing and leveraging forms of associational bargaining power including community organizations and the power of a central trade union structure that played an important role in funnelling resources to the campaign.

Q: Do you think that were the two main factors: a community based fight and the strength of the union?

BS: Community organization was important, including networks that existed within immigrant communities. The SEIU (Service Employees International Union) played an important role, in that they provided significant financial resources for the campaign. The campaign was very expensive (legal and research costs) - which may be one of the limits of the campaign strategy. To be sure, there were lots of problems with that campaign (with the undemocratic, top-down nature of how things were done), but they were able to do something very important; to show that it was possible to mobilize and organize immigrant workers, and to win struggles in precarious workplaces.

Q: In your book you write a lot about the textile and the automobile industry as the main industries of the 19th and 20th century. You try to identify certain industries or sectors which might become similarly important in the 21st century, but you are very cautious.

BS: It is very difficult to identify a sector that has the kind of economic and also cultural weight that textiles had in the 19th and automobiles had in the 20th century. It may be because it is too soon to tell; that is, these types of transformations only become obvious to us post-facto. Or it may be because we are living

through a real substantive transformation in the nature of capitalism. There is an argument to be made for semiconductors as a new leading sector in the sense of the multiple impacts that it has had, but at the same time it is not key in the sense that the semiconductor industry itself is not producing large working-classes - if anything its effect is to reduce total employment. In different ways, I think we should also be keeping an eye on both long-distance transportation and military-related industries. In a different direction, it is interesting to note one clear trend that came out of the World Labor Group data[4]: in the last decades of the twentieth century, labor unrest in the education industry, among teachers, showed a clear upward trend worldwide.

Q: I think that is a consequence of what you have called a socializing state: big expenses in the public sector, social work, education...

BS: Yes. So, the crude argument, 'where capital goes, conflict goes', is carried forward throughout the book - both as a geographical argument within industries (with each spatial fix), but also from industry to industry (with each product fix), including the movement of 'capital' into state sectors, with education understood as a key public sector industry.

Q: Another question concerning intellectual heritage in FoL: Yesterday[5] you talked about 'making and re-making' of the working-class. Was there any resemblance with E.P. Thompson[6] and that kind of thought?

BS: Certainly, understanding working class formation as a process is an important similarity. Clearly the strong emphasis in social history on grassroots struggles is an important source for this work. Also, the idea that consciousness often comes out of struggles, rather than being a pre-condition of struggles is implicit throughout the book - trying to problematize the assumption of a linear progression from proletarianization, to consciousness, to struggles to...

Q: The mechanistic understanding of classical Marxism, the social category called labor class...

BS: That's right, that's also an influence.

Q: I found very interesting, as I understood, that you have an understanding of class as a kind of process, developing, shaping and re-shaping. Would you think it is possible that the working class is completely atomized and, as a social formation, no longer an actor?

BS: Let me offer a historical analogy. If you look at discussions about the US labor movement in the 1920s, you see that the overwhelming consensus was that Fordism itself was producing a hopelessly disaggregated, weak, and atomized working-class: it was drawing in immigrant workers from all over the place who didn't share a common language or culture, whose skill-based bargaining power was undermined by the new and

alienating technologies. It was only post-facto, when you start getting the success of labor movements in the mass-production industries, that then the whole frame for understanding things changed. Now the advance of Fordism, instead of being seen as a labor-weakening process, was seen as a process that was inherently labor strengthening. Now, also with Postfordism everyone is going back to analogous types of argument to those being made in the 1920s, in which the new ways of organizing production and the new technologies are seen as clearly labor-weakening processes. But it is likely that there is also a process now going on, in which workers themselves are discovering where their bargaining power is in the new situation, where their leverage is - it takes time to figure it out. And once that kind of process of discovery is more widespread and generalized, and also acted on - that then we will get again another shift in the way that social sciences think about Postfordism, seeing it as actually opening up all sorts of new opportunities for struggles. But that will be a post-facto understanding based on an analysis of the struggles that come up themselves. The reason for a lot of the tentativeness in the discussion of the early 21st century and Postfordism is precisely because this is something that we as analysts can try to guess based on certain kinds of conceptual frameworks, but ultimately we will see what comes up in the struggles. And the basic argument just is that they - the struggles - will come up.

Q: One argument that you stress in your book is that labor unrest not only forces capital to move around the world and that where capital goes, conflict goes, but that labor unrest is also shaping and re-shaping the national and international structure of politics. Yesterday you spoke about war and the new forms of war. What do you think about this war on terrorism, is that a kind of reaction on labor unrest? And what do you think how does this war on terrorism affect the working class?

BS: There is no doubt that prior to 9/11 [2001] there was a feeling that immigrant based labor movements were gaining strength rather quickly. And one effect of the post 9/11 repression was that immigrants' political organizing and labor militancy has become much more problematic, difficult, particularly for undocumented workers. In the US, the Department of Immigration was moved into the Department for Homeland Security. There are many more opportunities for the state to use Homeland Security directly or indirectly as a way of weakening labor struggles, particularly to the extent that they involve immigrants. However, a central argument in FoL is that repression has its limits as a form of rule, and moreover, that historically war itself has had radicalizing effects on labor and other social

movements. Yesterday, I showed a figure from chapter 4 of FoL that charts the annual mentions of labor unrest in the World Labor Group database for the twentieth century. One striking feature of that figure is the impact of the two world wars: you get dips in labor unrest in the initial years of wars themselves. There is repression, there is the “rally around the flag” effect. But in both cases these dips were short term, and were followed by major explosions of labor and other forms of social unrest. The argument in the book is that for most of the 20th century wars on the one hand were an occasion for repression, but on the other hand they had a labor strengthening effect, increased the bargaining power of labor in face of the reliance of states on workers in the battlefield and in the factories. So the question becomes whether these new forms of war also have a labor strengthening effect or whether states have effectively emancipated themselves from their reliance on mass public and workers’ support to successfully fight wars.

I think that there is a conscious state strategy to reduce its dependence on the mass of the population and the working class through various strategies including the automation of warfare, privatization of a wide array of military activities, the elimination of compulsory military service - but there is a whole discussion to be had on whether this is actually working.

Coming back to the first part of the question: I think the whole counterrevolution of the 1980s, the combined counterrevolutions in the military and in the economic sphere was in good part a reaction against working class power.

Q: In Germany some say that in the Middle East there is a kind of blockade for capital accumulation and the war is seen as an instrument to break through this blockade.

BS: I’m more inclined to think that this is a geopolitical struggle over oil and the control of oil and that there was a rather misguided attempt by the US to basically get control over the oil supplies as a way of having leverage vis-à-vis Europe and particularly vis-à-vis China, but that it didn’t succeed. But the war probably wouldn’t have gone forward if it didn’t also mesh with the interests of those seeking opportunities for profitable capital accumulation: the direct interests of the oil companies in profits, and military-industrial complex interests like weapons producers, private security companies, etc.

Footnotes:

[1] Beverly J. Silver. 2003. “Forces of Labor. Workers’ Movements and Globalization since 1870”. New York: Cambridge University Press

- [2] See: Piven, Francis Fox and Richard A. Cloward. 1977. »Poor Peoples Movements. Why they succeed, how they fail.« New York: Vintage Books
- [3] Arrighi, Giovanni and Beverly Silver. 1984. »Labor Movements and Capital Migration: The US and Western Europe in World-Historical Perspective.« In C. Bergquist, ed., Labor in the Capitalist World-Economy, pp. 183-216. Beverly Hills, CA: Sage
- [4] In the mid-1980s the World Labor Group started the data base on world-wide labor unrest from 1870 to 1996, starting point for the research that led to the book “Forces of Labor”.
- [5] ‘Yesterday’ refers to a presentation on FoL in Berlin, Germany, in early June 2005.
- [6] See: E.P. Thompson. 1966. The Making of the English Working Class. New York. Vintage Books.

g8.terror

Report from the G8-resistance in Edinburgh and a leaflet distributed there after the bomb-attacks in London, July 2005.

London Bombs, G8-Politics and other Terrorist Acts

During the anti-G8 protests we were mostly in Edinburgh and spend a bit of time at the Stirling camp. The practical organisation and co-ordination was flawless. Smooth ride from the train to the bus to the campsite. The convergence space was excellent, the meetings well facilitated, the Stirling camp was an example of anarchism in action with co-operation, autonomy, harmony and functionality. We, the movement, have chosen to focus on and priorities the practicalities of our own organising and communicating with each other. However, this may be at the expense of more rigorous political questioning and debating amongst ourselves and also serious attempts to connect with those outside of our movement.

The G8 in Edinburgh/Gleneagles confirmed the post-Genoa trend of the ‘anti-summit-actions’: the direct-action and radical wing is shrinking in numbers, the reformist wing officially dissociates itself from the ‘anarchist’ and the police are more or less able to counter the direct actions. Following some general observations from the summit:

a) **The radical counter-summit was smaller and less international.** Most of the direct-action folks came from Great Britain, Skandinavia and Germany, only very few Italians and Spanish, hardly any French. The

'black bloc' was often referred to as the 'Germans', which was probably right. On the big 'Make Poverty History' march the police managed to encircle and isolated the 'black bloc' within few minutes, in total may be 600 people.

b) **The reformist-wing was much less political than at other anti-summit mobilisations.** Most of the infrastructure and official orientation of the 'reformist' activities were dominated by the big NGOs, such as Oxfam and Christian Aid as well as the media/ pop-star circus. They managed to enforce a 'wearing white' dress-code on the big demo. The demo had an atmosphere of 'we are all against poverty' and of demonstrated individual/ bourgeois humanism, which matches more or less the official line of the Labour Party 'drop the debt' policy. There were much less unions, migrant organisations, left-wing parties than e.g. in Genoa.

c) **The split between 'direct actions' and 'politics' deepened.** There was hardly any political statements concerning global politics, the UK governmental position on Africa or other general developments from the 'direct action' scene. Hardly any political leaflets and on the work-shop-day only very few debates. The main discussions and talks were organised within the trots/ lefty 'G8 Alternative' conference. There was an attempt to have a political discussion about 'precarity, work, unemployment' around 'Carnival of Full Enjoyment', but unfortunately only few people turned up. Also after the bombs in London there was no 'collective' statement from the 'revolutionary movement'. It was also disappointing how little recent international struggles were present and/or discussed within the radical counter-summit, e.g. the school occupations in France, the events in Bolivia, the pension struggles in Russia etc. The recent european movements coming out of the direct action scene such as social centres or the precarity discussion was also absent. There were few links made between the actions in Scotland and our activities back where we live.

d) **The police couldn't handle their superior position.** On the big march the police managed to isolate the 'direct action' people. On the 'Carnival of Full Enjoyment' and on other smaller events in Edinburgh their strategy of out-numbering the activists turned against them. They managed to contain the 'Carnival' which was meant to visit the job center and some bigger companies, but they encircled thousands of passers-by and spectators which lead to a situation where the spectators turned into activists. A lot of conflicts between 'local people' and the police evolved. Later in the evening about 400 younger Edinburgh proles had fights with the cops, shouting 'Who's streets - Our streets'. During the day of the decentralised blockades the cops didn't

managed to prevent any actions beforehand, but could react to the blockades quite quickly. The legal support groups speak about the biggest police intervention in the UK ever, about 700 people got arrested during the summit.

e) **Conclusions:** The G8-summit proved once more that the 'movement' is very able to organise itself (huge indymedia space, camping sites, decentralised coordinated actions etc.), but particularly after the bombs it became ever more obvious that some street blockades and parties don't provide an answer to the situation.

Spontaneous leaflet distributed on a spontaneous gathering in front of Edinburgh train station

London Bombs and G8-Politics - Terrorist Acts of a System in Crisis

From the gigantic police cordon know as Edinburgh: In the last days the development of this society has been symbolised and accelerated in the streets of Edinburgh and London: the political leaders of the world's ruling nations hide away in the Scottish countryside, planning future terrorist attacks such as extension of their wars, privatisations, welfare and wage cuts, while their police forces turn the region into a gigantic police cordon and the media applauds the repression of all protests which are not toothless marching. Then the bombs in London, a terrorist answer to the terrorist politics of the G8 nations by those who are only other rulers-in-waiting...

The Crashing Sound of a System in Crisis

The 'drop the debt'-show can't disguise the reality of the last decade: extension of mass poverty from Capetown to Novosibirsk, longer working hours, lower wages and redundancies (lately at IBM, GM, Rover...). The EU countries continually announce breaches of the stability pact, which results in a deep political crisis (e.g. the constitution debacle), governments in Germany, France and Italy are finished without being beaten by a parliamentary opposition. In Latin America the neo-liberalist / free-market model is in a deadlock situation, not least due to social unrest in Argentina, Bolivia, Brazil. The USA and Russia try to export their internal crisis by prolonged bloody warfare in Chechnya and Iraq, but can't win these wars on either a military or political level. All in all, the abyss between the potentials that we have to create a better world (the material wealth, increased social knowledge, communication, productivity) and the actual use of these potentials (production for profits instead of needs, war, impoverishment) is widening rapidly and noisily...

Terrorism - Warfare of the Unrecognised Statesmen

The crisis causes political disintegration of many states (Sudan, Nigeria, Afghanistan etc.), political power has to be reinstalled, borders re-defined. The creation and maintenance of nation-states has always been a bloody business of war and repression. The difference between an official army and 'terrorist groups' is their official recognition, but they have in common means (bombs, fear and social repression) and goals (control over the resources and work-force of their territory). Mandela and Arafat were brandished as 'terrorist' before they became accepted as statesmen, western governments supported all kind of 'terrorists', the BinLaden-Clan and the Bush-family have been business partners behind the stage of their military conflicts. With the increasing impoverishment both can count on recruitment from the economically devastated areas, suicide bombers from Gaza strip or freshly drafted young people from the Ghettos of US cities. For the exploited and their struggle for a better life the most dangerous aspect of 'terrorism' at the moment is it's counterpart, the state's anti-terrorism.

'War on Terror' on the Deathbed of Social Partnership

In Europe and the USA the profit squeeze crushed the possibility of appeasing social conflicts by offering something in exchange for increased exploitation. In the 90s all 'Labour' Parties in Europe used their social credibility in order to enforce unprecedented cuts in the welfare system and workers rights. They lost their credibility. The unions have only been able to negotiate how bad the wage cuts and dismissals will be. Tied to their weak position at negotiation table they lost the trust of many workers, in many recent conflicts they even turned against them (e.g. the wildcat strike at GM in Germany). People realised that their mass protest is pointless, as long as it is only appealing to the 'democratic rules of majority': the mass protests against the Iraq war, the East-German marches against welfare cuts didn't stop the state acting against the wish of the majority, as the recent marches against poverty won't change things as long as they don't hurt the interests of the rich materially. In this social situation politicians and capitalists try to refine their repressive machinery to deal with future conflicts. The 'war on terror' is their main pretext at the moment: they increase the atmosphere of fear, so people turn towards the state; they introduce stricter laws and controls, which effects possible protests and workers actions (strikes, occupations

etc.); they shift their spending from welfare towards the military sector; they try to deepen divisions within the working class by anti-immigrant propaganda.

Proletarian Movement against the State of Fear

After the bombings in Madrid people in Spain took the streets in order to show that the terrorist attacks won't isolate them in fear and that they are pissed off about the lies of the conservative government, it's participation in the Iraq war and it's labour reform. The future workers movements for a better life will have to get out of the catch 22: being in fear due to terrorists who respond to the terrorist politics of a state. A state we are then told to expect safety from while at the same time it is attacking our living standards. We will have to develop trust in our own ability to organise ourselves, because the established bureaucratic organisations won't do it anymore. We will have to overcome the illusion that it is enough to petition the rulers or that we could impress them by our mere mass. Our future struggles will have to confront the legal boundaries, which are tightening on a daily basis. We have to refuse the state's 'war on terror' because any of our (strike) actions which are more than symbolic, any workplace occupation, any effective demonstrations will be denounced as 'violent anarchism' and possibly 'terrorist'...

Proletarian Movement for a Better Life - Against Bus Bombs and Capitalist Attacks!