

Workers Resisting Worldwide

Farooque Chowdhury

"Working people are hardly prepared to face" the present financial crisis, writes Dan La Botz. But they are now resisting. Their resistance to the assaults by capital is on the rise globally as corporations are using the crisis as a cover for laying off workers and restructuring labor markets through plant relocations and wage cuts.

Dan, who teaches history and Latin American studies at Miami University in Ohio, writes: "The working class does not have independent organizations with which it can fight for itself and for society at large.... Labor unions in most countries have long been subordinated to capital and government, and have become thoroughly bureaucratic and unresponsive to workers' needs. In some places company and gangster unions dominate the scene, while in other countries the so-called unions are really state institutions created to control workers." ("The Global Crisis and the World Labor Movement", *The Economic Crisis Reader*, Economic Affairs Bureau, Boston, 2009) But this has failed to eliminate the process of protest. Dan observes: "History suggests that from the onset of a depression to the beginning of a mass movement it may take years for the working class to absorb intellectually and emotionally what has happened to them and then finally assert their righteous indignation and begin to act."

Capitalism in the twenty-first century has "expanded, and its penetration of peoples, states, and regions of the world has deepened.... [A]lmost everywhere the system has reduced government social welfare budgets and reorganized social welfare programs. In the course of these developments, capital has transformed its relationship to unions in the workplace and to labor parties in society." (*ibid.*) But the transformation of the relationship could not transform the relationship between labor and capital. Capital's all out effort is to appropriate labor. "The fall of ... the Soviet Union and Eastern Europe ... opened up that region to private capitalist investment from the West. The collapse of ... the Soviet Union, China's evolution to a capitalist economy, and the opening up of India's economy have brought about what Thomas L Friedman called 'the great doubling' of the world capitalist labor force, adding 1.3 billion workers."

The crisis is putting its cruel signature in the lives of the working class. According to Marianne Hill, an economist, in the US, "[t]he share of unemployed workers receiving benefits gradually shrunk since the 1970s. In 1975, over half of unemployed workers received regular benefits. But in 2008, only 37% of the unemployed did; in some states the figure was less than 25%. And, so-called 'discouraged workers,' those who want but are not actively seeking employment, are not considered part of the labor force and so are not even included in these figures." ("Unemployment Insurance: A Broken System", *ibid.*)

"Studies have found a rise in suicide rates, mental and physical illness, and domestic and other violence among the unemployed. These problems become widespread during recessions and become a burden on society, not just on individual families." (*ibid.*)

But financial incidents in the US do not stay only in that country; “the actions of traders in New York City will mean hunger for children in Nairobi”, writes Smriti Rao, who teaches economics at Assumption College in Worcester, Mass. (“Putting the ‘Global’ in the Global Economic Crisis”, ibid.) She asks: “What could be more ironic than the billions of dollars in capital flowing every year from developing countries with unfunded domestic needs to developed countries, which then failed to meet even their minimum obligations with respect to foreign aid?” Smriti informs: “Africa ... has actually been a net creditor to the United States for some time, suggesting that the underlying dynamic of the world economy today is not that different from the colonialism of past centuries.” The mainstream probably feels ashamed as it recollects the globalization, the present world economy, it praised profusely.

But the poor suffer while capital gets fat. Marianne informs: “Taxes can increase inequality. Sales taxes ... absorb a greater percentage of income of low-income families than of high-income families, and so increase inequality. Figures on [US] federal corporate taxation are especially disturbing for this reason : 30% of US corporations with gross receipts of \$50 million or more paid no taxes over the 1998-2005 period, according to the GAO. If smaller corporations are included as well, 65% paid no US corporate income tax.” (“State Budget Blues”, ibid.) “Corporations also avoid state taxes. The Multistate Tax Commission found that large, multi-state corporations avoided about \$7 billion in state corporate taxes, due to such tactics as shifting their reported profits from high-tax states to low tax states.” (ibid.)

The crisis has not spared wealth also. It has appropriated wealth (measured in monetary term), the act capitalists despise. *The Economic Crisis Reader* (Gerald Friedman, Fred Moseley Chris Sturr ed.) while discussing aspects of the crisis including monetary and fiscal policies mentions that “fifteen trillion dollars of wealth seemingly ‘disappeared’ in the first year of the recession, the sharpest wealth decline in over 50 years of modern record.” The editors mention that “[n]ot only did orthodox economists fail to anticipate the crisis, they have been unable to understand it since it began and unable to ameliorate it.” The heterodox economists whose articles, originally published in *Dollars & Sense*, *The Nation* and *New Politics*, the book carries “deny that recessions and crises are unusual events caused by ‘exogenous shocks’. Instead crises are endoge-nous to a capitalist economy: they come from the economic system.” The present crisis “did not start with finance, and it won’t end with finance”, writes Richard D Wolf, who teaches economics at the University of Massachusetts-Amherst. Wolf argues: “It is a systemic crisis whose first serious symptom happened to be finance. But this crisis has its economic roots and its effects in manufacturing, services, and, to be sure, finance. It grows out of the relation of wages to profits across the economy. It has profound social roots in America’s households and families and political roots in government policies.” (“Capitalism Hits the Fan”, ibid.)

The reality of crisis is not devoid of labor. So the aspect of labor has not been missed by the Reader. Immanuel Ness, professor of political science at Brooklyn College-City University, New York and Stacy Warner Madder, Ph D candidate at the University of Connecticut, mention in their article in the Reader that the last decade witnessed sit-down strikes largely in Latin America and in the global South, where workers occupied factories in response to economic collapse. “But the tide of direct action by workers ... seems to be moving north. Workers in global North are now engaging in a wave of factory occupations and other militant actions. Many of these actions are in the syndicalist tradition of workers directly taking power...”

Workers in Europe are resisting employers arbitrarily shutting down plants. Immanuel and Stacy tells us: "While we have yet to witness the recurrence of factory takeovers on a scale akin to the Italian Biennio-Rosso ("Red Year") of 1919-1920, when some 500,000 factory workers seized and operated factories, mostly without official sanction, today a resurgence of rank-and-file militancy is palpable. Just in the last year [2008], a growing number of workers who had until recently been viewed as conservative and quiescent have begun to take matters into their own hands, engaging in the most militant of activities." ("Worker Direct Action Grows in Wake of Financial Meltdown") "[I]n Europe ... the new militancy is already most pronounced. ... [D]irect actions are emerging in different countries from factory occupations in Britain and Ireland to 'bossnapping' in France."

'The Economic Crisis Reader' along with discussing international aspects of the crisis also informs heroic acts of workers. Workers occupied three auto parts plants in Britain and Ireland, in Belfast, Basildon and Enfield. They received extensive public support. Ireland, considered Europe's economic dynamo over the last decade, witnessed many sit-ins and factory occupations. In Dundee, Scotland, in March 2009, workers occupied a packaging factory to force their employer to pay legally required severance payments, following the company's decision to lay off its entire workforce and withhold severance pay, holiday pay, and back wages. Seven women and five men workers took control of the factory to prevent the company from removing potentially valuable materials and equipment. After a 51-day occupation and significant community support ... the managing director of the company resigned and plans for an independent worker-management cooperative went into effect: On May 1, Discovery Packaging and Design Ltd, opened for business with the support of the community and private donations.

"In France, workers' demands are even more militant than in Britain and Ireland, as workers are demanding that employers keep factories open and challenging owner claims as to the financial viability of the firms." In February 2009, workers at FCI Microconnec-tions, an electronics manufacturer in France came to know that the management was planning for mass layoffs. But the management denied having any such plan. The workers went on strike and occupied the factory, preventing any removal of equipment. The occupation continued for seven weeks, even after the government issued an order to the workers to end the strike. Workers intensified the pressure on management to keep the plant open by traveling to the company headquarters in Versailles where they set up a barricade preventing the chief executive and corporate staff from leaving for four hours. The union produced an internal document showing that the FCI had developed a plant-closure plan for November 2009. After the company's plans were finally revealed and management finally agreed to negotiate the facility's future, striking workers gained greater support. The agreement between the workers and the management was: "the factory will remain open until 2014 with no job cuts before 2011. FCI workers also won payment for 27 of their 34 striking days." (Immanuel and Stacy) On March 6, 2009, 3000 workers at a Gross International plant in Nantes occupied the plant for five days until the management offered assurances that certain operations at the plant could be maintained and they would fight to save "as many jobs as possible." In March 2009, workers at a Caterpillar plant in the French Alps held five managers captive in a dispute over severance pay. The incident was the third time in three weeks that French Caterpillar workers had detained their bosses to protest job losses. In the following weeks workers held a 3M executive overnight, forcing management to discuss job cuts. Workers at Sony's French division held a chief executive and director of human relations for a day. Two managers from a Kleber-

Michelin machine-parts factory were also locked up and held by workers demanding negotiations over lay-offs. (ibid.)

In Canada, workers occupied the Aradco, a privately-owned auto parts plant that provides parts for Chrysler as the auto-giant “threatened to withdraw from its Canadian operations unless unionized workers made substantial concessions and lowered overall parts cost.” Twelve workers welded the doors shut from inside, “promising not to leave until they were paid....Chrysler stepped in and doubled [the severance pay].” (ibid.) The Republic Window and Door sit-in strike in Chicago in December 2008 and the threatened factory occupation of Hartmarx, the men’s suit manufacturer in Des Plaines, Ill, in May 2009 made international news headlines.

In South America, workers are demanding their right to control plants that have been shut down by their owners. In Argentina and Venezuela, workers, operating some factories without corporate managers for nearly a decade, are now demanding that “their governments pass legislation legitimizing the expropriation of factories under worker control.” (ibid.)

Thus the ‘Reader’ provides an aspect of the crisis that stands as an example to the utter infantile tendency of capital, essentially lumpen in character, in some poor societies: workers protests, even concerns for ecology are termed anti-national activity planned to torpedo national economy. □□□