

# Ireland: Buyout by KPS would be a defeat for Waterford occupation

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Deloitte, the receivers for the failed Waterford Wedgwood company, are reportedly on the brink of a deal with venture capitalists, KPS Capital. Some reports suggest that a preliminary agreement with KPS has already been signed.

Waterford Wedgwood employs around 6,000 workers worldwide in locations including the UK, Indonesia, Brazil and Eastern Europe. Its Waterford Crystal complex in Ireland is being occupied by its workforce. Acceptance of the KPS take-over would represent defeat for this brave and determined initiative and should be opposed.

Under the terms of the deal it is suggested that as few as 120 permanent positions and another 120 temporary would be retained at Waterford. There are currently 480 production workers out of a workforce of 700. Some estimates of the retained workforce are even lower. This would mean almost two-thirds of the Waterford workforce would be made redundant. No figures have emerged of what is likely to happen at any of the company's other locations.

KPS are expected to merge the Waterford Wedgwood group, including its Waterford, Wedgwood and Royal Doulton brands, with the Lenox Group, a US-based high-end giftware manufacturer that filed for bankruptcy in 2008 and was purchased by KPS. KPS will undoubtedly seek to utilise cheap labour platforms internationally for production and slash jobs through rationalisation, while retaining the hatful of expensive brand names and the popular Waterford Visitor Centre it has acquired.

Workers occupied the Waterford plant, January 31, after the Deloitte receivers summarily tried to close the plant and lock out its entire workforce. Workers have remained there ever since, operating a shift system to

retain control of the plant. Several large demonstrations in the Waterford area have expressed huge local levels of popular support in a town where the crystal factory is one of the few major employers.

The occupation has also won support nationally and internationally, acting as a focal point for mounting opposition to the Irish government that last weekend saw a demonstration of 120,000 in Dublin. The Fianna Fail-led government of Brian Cowen has savagely cut public spending and imposed a hugely unpopular pensions "levy", effectively a pay cut. At the same time, the government has poured billions of euros of public money into a trio of ruined banks run by a financial elite widely seen as corrupt.

From the first, however, the response to the occupation of the main union at Waterford, Unite, has been to ensure that everything is subordinated to efforts by either Clarion Capital, or KPS Capital to take over the plant and Waterford Wedgwood's entire operations. Unite initially appeared to favour the Clarion deal, but are equally supportive of the KPS bid. The perspective of the union now is simply to find a favourable position for Waterford Crystal within KPS at the expense, if need be, of workers in other locations, and with some extra funding to smooth over the inevitable redundancies in Waterford itself.

Unite regional secretary Jimmy Kelly said the deal with KPS "secures jobs, money for those without a job...". Expanded redundancy payments would be drawn from a one-off €10 million pot offered by the company and the Irish government to smooth over the destruction of jobs. The deal does not even offer to secure the Waterford site's future. It offers, according to Kelly, only the "strong prospect" of long term manufacturing in Waterford.

The outcome promoted by the Unite union is one in

which only a minority of workers keep their jobs for a short period. The rest will be offered a few thousand euros in redundancy payments that will be spent in a few months. But this is being endorsed by the Socialist Workers Party, which is effectively promoting the KPS Capital takeover. Writing in the 21 February edition of *Socialist Worker*, Simon Basketter, in an article entitled "Gains of the Waterford fight are crystal clear", claims that the KPS offer is a "significant improvement".

Basketter gives his seal of approval even as he notes the continuing concerns of the Waterford workers, quoting chief Waterford shop steward Tony Kelly stating, "The 10 million euros they have offered is not enough, and the guarantees of manufacturing jobs aren't clear enough yet".

Another article on the SWP's Irish site, "If they can bailout the banks, they can nationalise Waterford Crystal", makes barely a feint of opposing a private takeover, accepting that "At the moment, workers are waiting to see if the Clarion Group or KPS will take over the plant. The main thing is, of course, to save the jobs and the industry for Waterford".

Only if this, i.e., the perspective advanced by the union, fails, should an alternative be pursued, according to the SWP. "But if either of these companies fail to put in place employment on proper wages and conditions, then workers should start pressurising the government to take the glass factory into public ownership", its article states.

Workers have every right to demand government cash be used to ensure their livelihoods are protected, but the essential basis of the SWP's strategy is made clear in the next line: "A publicly owned company which is separated off from the loss making Wedgwood could benefit from sales to the US when the economy picks up. Such a company could draw on the design and marketing skills from universities and state agencies".

The SWP's is a nationalist perspective in which Waterford workers are urged to go it alone, to rely on the company being made a going capitalist concern under state control, and to effectively turn their backs on their fellow workers at Wedgwood, 1,900 of whom are employed in the UK, who also face the sack.

The fact that the SWP can state that everything will be just fine "when the economy picks up" shows how far removed the organisation is from any conception of genuinely socialist politics. The only thing the SWP has

confidence in is that capitalism will survive its present difficulties, when even bourgeois commentators realise that capitalism has entered a systemic crisis of world historic proportions.

Waterford Wedgwood's bankruptcy, as the market for luxury domestic goods tailed off, was itself an early expression of the financial crisis now undermining the entire world economy. Any strategy to defend jobs at Waterford must take this fundamental reality into account.

The basic productive forces and the giant financial institutions can no longer remain in the hands of private individuals, controlled for private profit, or they will be destroyed or cut back. Instead, they must be nationalized and turned into public entities under the democratic control of working people.

The Waterford occupation has demonstrated the fighting capacity of the working class. That must be developed into a political struggle against the nationalist and pro-business leadership of the trade unions and their "left" apologists, in the fight for a workers' government that places the needs of society above production for profit.



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