

Vita Cortex factory occupied in Cork, Ireland

Steve James
28 December 2011

Thirty-two workers have occupied a foam packing factory in Cork, Ireland, in pursuit of redundancy payments.

The workers at the Vita Cortex plant on Kinsale Road are seeking the €1.2 million promised in September when Vita Cortex management announced production was being transferred from Cork to Athlone in County Westmeath.

When workers were handed their final notices, December 16, just before Christmas and with no sign of the compensation, they refused to leave the plant and have been in occupation ever since. The 32 subsequently rejected a miserable management offer of €1,500 each, just €48,000 in total, to allow the company to remove valuable machinery from the plant.

Many of the workers have been with Vita Cortex for most of their working lives. Cal O'Leary, 62, spent 44 years working for the company, while John Daly worked there for 47 years. Others have spent between two and four decades with the company. In total, the 32 have spent 847 years working for Vita Cortex.

They have almost no chance of finding alternative work in Cork. The Irish economy remains in deep recession. In 2011, 26,508 workers were unemployed in the Cork area, compared to 9,166 in 2006. The town's Employment Resource Centre is set to close. Nationally, unemployment remains over 14 percent. Were it not for the increase in emigration, these figures would be much higher.

The workers' jobs and redundancy money are entangled in a Byzantine legal and financial web of the barely legal, multilayered swindling that constitutes the normal operation of capitalism in Ireland.

Vita Cortex is a subsidiary of Vita Five Five Ltd, chaired by businessman and property developer Jack Ronan.

Vita Five Five apparently owes large sums of money to Allied Irish Bank (AIB). In 2010, large sections of

AIB's loan book were offloaded onto the National Asset Management Agency (NAMA), including €10 million borrowed by Ronan in 2006 to buy Vita Cortex. NAMA is the "bad bank" set up by the Irish government to administer huge loss-making loans built up by the now ruined and state-owned Irish banks during the frenzied property boom of 2004-2008. The organisation has €71 billion worth of loans on its books and has accidentally become one of the world's largest property companies.

According to Ronan, Vita Cortex's assets include industrial property in Cork, Dublin and Belfast and €2.5 million in a deposit account. However, the cash is in an AIB account in the name of Vita Cortex (Dublin), which Ronan and NAMA claim is a different subsidiary of the Vita Five Five holding company from the one running the plant in Cork.

Ronan claims he applied to NAMA October 10 for the redundancy cash to be released from the €2.5 million in the deposit account. NAMA refused, claiming the cash should be held as security against Vita Five Five's other debts. NAMA claims that it was not contacted by Ronan until November 23. NAMA has denied ever giving Ronan any reason to think the cash would be released. CEO Brendan McDonagh claimed that NAMA has no legal basis for using assets from one company to "make payments to another unrelated company with which it has no financial relationship."

This is also the Fine Gael/Labour government's position. Junior Finance Minister Ciaran Cannon claimed Vita Cortex was not a NAMA debtor, was not controlled by the agency and "the money referred to in media reports represents part security that NAMA has for a loan in respect of other companies, which are NAMA debtors."

Speaking about Vita Cortex, the local MP, Fine Gael's Jerry Buttimer, noted, "A web of inter-company transactions has been carried out over the last number

of years which has effectively stripped the assets from the Cork company. This looks like it has been a planned and orchestrated move by people controlling the companies.”

The individuals, companies, and financial and state institutions involved represent different facets of a ruling kleptocracy set on reducing the working class to levels of poverty not seen for decades.

The Vita Cortex workers’ stand has won sympathy from wide layers of working people in Cork and beyond, who recognise that their own situation is little different from that faced by the 32. Local firefighters have been delivering breakfast to the occupying workers. A taxi firm has offered its services free of charge, while a hotel offered Christmas dinners. A Facebook page bearing Christmas greetings rapidly drew more than 1,600 supporters. Messages of support have been relayed by the local radio station.

The Services Industrial Professional and Technical Union (SIPTU) leader Jack O’Connor visited the plant just before Christmas and pledged to “mobilise” SIPTU in the New Year in defence of Vita Cortex workers, most of whom are SIPTU members.

David Begg, general secretary of the Irish Congress of Trade Unions (ICTU), warned that the workers’ “campaign has struck a chord because they are refusing to accept the imposition of a very obvious wrong.” Begg called on the government to make “just resolution”.

But no hopes whatsoever should be placed in either SIPTU or the ICTU. The entire union bureaucracy fully agrees that the working class should pay for the excesses of the financial aristocracy. Begg and O’Connor are personally architects of the Croke Park Agreement, through which all public sector workers have been placed on a pay freeze and strike ban for four years, while the government imposes devastating spending cuts.

These well-paid officials are terrified that broad support for the determined stand by Vita Cortex workers will imperil the unions’ capacity to suppress and divert the raging opposition that exists in the working class to mass austerity. Their protestations of support are made only in order to allow them to isolate and strangle the dispute.

The crucial issue facing Vita Cortex workers and their supporters is to organise and mobilise

independently of the union bureaucracy and turn directly to other sections of working people. A vital step towards this would be the formation of a rank-and-file action committee, independent of SIPTU’s pro-company apparatus.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact