Montenegrin unions agree to pay and job cuts

Ognjen Markovic
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A large protest against austerity, social deprivation and falling living standards was held in Podgorica, the capital of Montenegro, last Saturday. Triggered by the latest rise in electricity prices the January 21 protest reflected widespread hostility to increasingly unbearable living conditions in the Balkan country.

The price of electricity and gasoline rose by seven percent in January, an increase that will push up the cost of food and other basic commodities. Workers already spend more than half their paycheck on food.

The protest was organized by the Union of Free Trade Unions of Montenegro (UFTUM) and supported by the NGO MANS and various student bodies. UFTUM called the protest only five days in advance, and was reportedly expecting only 500 to 2,000 people. Instead, an estimated 10,000 showed up, in a city of just 150,000 people.

UFTUM said the goal of the protest was to "stop further erosion of the living standards of the overwhelming majority ... who have become the biggest losers of the two-decade-long transition process." In reality, the UFTUM only sought to provide a harmless way to placate growing social tensions and regain credibility after its blatant sell-out of public workers last December.

In its deal with the government, the UFTUM, along with its rival, the Confederation of Trade Unions of Montenegro (CTUM), fell in line behind the efforts to make workers pay for the financial crisis.

Pointing to the economic crisis spreading in Europe and its consequences in Montenegro, the agreements fully accepted the "need for fiscal consolidation and lowering the ratio of the wages in GDP" and improving the "competitiveness of Montenegrin economy." On that basis, the union agreement lowers by 11 percent the ratio of public sector wages to the GDP by 2015 and cut the number of public sector workers. In addition the unions agreed not to use "mechanisms of syndicalist struggle (protests and strikes)" for the duration of the agreement, i.e. until the end of 2015.

For its part the government committed itself to nothing other than further "negotiations on the amount and way of increasing the public sector pay." However, this is based on the utopian perspective of a real GDP growth of over 3.5 percent or, in case of inflation, of over two percent based on a balanced budget. The government also left room open for further wage cuts if GDP growth is under two percent, the budget deficit rises over 2 percent of GPD, or in the event of a "significant change in financial situation."

Significantly, once workers' redundancies have been paid for, 50 percent of whatever savings are made will be allotted to "specially formed commissions of representatives of state and public institutions and unions". The unions thus get a direct incentive to cut wages and the workforce, in a Mafia-like fifty-fifty split of the leftovers.

This sellout of workers—in health and social services, education, administration and universities, cultural institutions and other public sectors—illustrates the real character of the UFTUM.

According to its website, UFTUM was founded in 2008 "out of the need to democratize and eliminate bureaucracy in the Confederation of Trade Unions of Montenegro and in the trade union movement generally". The organization has tried to distance itself from the widely discredited CTUM, posing as more democratic and pro-worker. By signing the accord of December 21 its general secretary Srdja Kekovic has made it clear there is no significant difference between the two unions. Neither will fight for their members or the interests of the working class more generally.

In the statement on the agreement Kekovic hailed it as an "historical moment for the UFTUM" and the crowning moment of its four-year long effort to reform unionism in Montenegro. A column in the daily *Vijesti*

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on January 19 sought to deflect criticism that the union had abandoned strikes, saying the "abstinence from strikes and protests applies exclusively and only to the issues of wages in a particular sector."

In the manner of a bourgeois statesman Kekovic added, "all political parties and the civil sector" have agreed "on the need to dismiss at least 10 percent" of the public workers due to the "new wave of global economic crises."

Finally, the UFTUM leader sought to give the false impression that some of the money saved by the contract, which is destined for the unions' co-managed commissions, would be used for pay increases. No credence should be given to such a claim.

Responding to rising criticism, Kekovic appealed to workers "not to give up on unions, but rather change individuals." In fact this whole sordid deal only confirms that the unions, tied as they are to the capitalist nation-state and the profit system, can no longer provide even the most limited reforms for the working class. Instead they have turned into organizations organically hostile to workers' interests.

This translated itself into the perspective advanced by union officials at the January 21 protest, which according to Kekovic was called to "awaken the sensibility of the government." The bankruptcy of such appeals was underscored by the activities of the Prime Minister Igor Luksic who recently appeared side-by-side with Canadian ambassador and gold magnate Peter Munk. The two were at a ceremony marking the opening of one of the country's latest investment projects, a luxury hotel that is part of Munk's resort and marina empire.

The project was described in a *Toronto Life* article last November called "Destination Munkistan: A look at Peter Munk's new Adriatic playground for the super-rich." It describes his "seaside resort and tax haven for fellow billionaires in the post-Soviet backwater of Tivat, Montenegro. A delirious tour of a world of champagne-drenched parties, supersize yachts and the recession-proof Ultra-High Net Worth Individual." Nathaniel Rothschild spent £1 million on "a weekend-long extravaganza" for his 40th birthday there last July.

The article then quotes the project director Oliver Corlette, who boasts, "It's an extraordinary opportunity for an investor to be able to sit down with the prime minister and say, 'Let's work out the tax and labour law for your country'."

Nothing better illustrates the corrupt and venal role of the ruling class in the impoverished Balkan statelets such as Montenegro. This is why a complete break with the nationalist and pro-capitalist unions is necessary. The fight against austerity can only be waged based on a socialist perspective, in unity with the workers of the Balkans and Europe as a whole.

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