

# Thousands of Caterpillar workers protest plans to close Belgium plant

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After 51 years, Caterpillar's factory in Charleroi, Belgium is being prepared for closure.

The US-based heavy equipment giant's plan to shut the facility will destroy 2,200 jobs. The number of job losses at subcontractors and suppliers is estimated to be five to ten times larger.

The Charleroi factory manufactures industrial equipment, power systems, attachments for bulldozers and machinery, as well as machine parts. The closure, announced September 2, is part of a restructuring plan aimed at driving up productivity and profitability at Caterpillar's European and global plants. Despite a 16 percent fall in turnover during the last quarter, overall turnover still amounted to \$47 billion for 2015. The company's operating profits stood at \$3.25 billion.

Across the globe, the conglomerate has interests in the rental sector, the finance sector with CAT Financial, MAK marine engines for cargo ships and mining equipment in China through its ZhenZhou Siwei subsidiary.

In a world economy stagnant since the 2008 financial crisis, global corporations are driving up productivity not through investment but through cost-cutting measures.

The Charleroi plant opened in 1965, with an output of 40 machines a month by 1967. It was expanded over the years to become the second most important production facility in Caterpillar's global network of factories. Just 25 years ago, it still employed 5,500 workers. Charleroi exported 97 percent of its production.

Following the 2008 crash, Caterpillar management announced 20,000 worldwide jobs cuts. In November 2008, Gosselies management imposed, in collaboration with the trade unions, 16 days of forced redundancy on workers.

As the financial crisis spread to credit markets, Caterpillar faced a severe shrinking of sales, leading it to reduce factory activity by 75 percent in the first quarter of 2009. In that year, the trade unions collaborated with management to make workers pay for a crisis not of their making through the imposition of time-credits.

In 2011, Caterpillar invested €150 million aimed at boosting productivity over four years. In 2012, the group earned €4 billion in profits by pitting each of its factories against one another in a never-ending spiral of wage cuts—backed by the unions.

In an article published on the equaltimes web site of the International Trade Union Confederation (ITUC) last month, a retired Charleroi worker described the intolerable conditions imposed at the site where speed up was imposed under the “Caterpillar Product System” in 2012. The worker recalled how, “They installed a cord above my workstation. I had to pull it if I needed to leave my post to go for a pee, and my boss knew about it immediately. It was like going back to the time of the Charlie Chaplin film, *Modern Times*.”

He continued, “They then progressively extended these practices to all the assembly lines. The management had become too aggressive. Before we at least had the time to chat with a colleague for a couple of minutes or to smoke a cigarette. Caterpillar was my life. It is we, the workers, who made the factory. They, they have just destroyed it.”

In 2013, with the world economy continuing to stagnate, Caterpillar's Asian factories undercut its others so much that it became more profitable to import Caterpillar machinery for sale into the European market rather than manufacturing it within the European Union.

In 2013, the company cut 1,400 jobs in Gosselies to

further decrease costs and increase productivity. Two new production lines were added and new models were allocated for manufacturing.

The termination of the Gosselies plant will see the extra workload shifted onto the backs of workers at Caterpillar's plant in Grenoble, France as well as its workers in the Asia Pacific.

France is still under a mandatory 48 hours working week, under the state of emergency imposed by Socialist Party President Francois Hollande since 2015. In Asia there is a six-day workweek, longer working days, lower wages, and high productivity. These conditions are now being imposed everywhere.

Conglomerates such as Caterpillar are sitting on huge reserves of cash, accumulated at the expense of any real investment in production and through wage cuts negotiated with trade unions. Caterpillar workers are facing lower wages due to an exponential increase in productivity, which sustains high profits for the giant company and its wealthy investors. Yet the drive for higher profits never ends, as the decision to close the Charleroi plant attests.

In April, Caterpillar announced that it was closing five component plants in the US and eliminating at least 800 jobs. Last month, it announced a new round of job cuts at its two US sites in Mossville, Illinois, slashing another 300 jobs.

Worldwide Caterpillar has reduced its workforce from 128,000 to 105,000 since 2012. Meanwhile the value of the company's shares on the New York Stock Exchange has more than doubled since 2009.

After years of collaboration in imposing the cost cutting measures, the trade unions and their pseudo-left backers are working to ensure an orderly mass redundancy at Charleroi. They are sabotaging any struggle by Caterpillar workers, under conditions of growing anger among workers and youth nationwide against never ending austerity.

A token protest by the trade unions and the Workers' Party of Belgium (PTB) was organised September 16, with 10,000 participating from throughout Belgium and all sectors of the economy. The unions refuse to fight the closure and are instead tying workers to negotiating redundancy packages. They are playing the same role among workers at Caterpillar subcontracting companies. A Christian Trade Unions union representative at Caterpillar subcontractor Yusen

Logistics said, "We will be drowned by this wave of redundancies from Caterpillar."

The union's pro-capitalist agenda was summed up by Benoît Gerits, the deputy general secretary of the Geneva-based IndustriAll. He stated of the unions' role at Charleroi that they "had agreed to do everything" they "could to close the competitiveness gap, to the extent of becoming as competitive as factories in China or Japan."



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