

Fiat workers in Serbia launch strike

Ulrich Rippert
15 July 2017

Some 2,000 workers at Fiat-Chrysler's (FCA) Kragujevac plant in central Serbia, 60 miles southeast of Belgrade, have been on strike for two weeks. The workers, who are combatting starvation wages and terrible working conditions, confront a united front of corporate management, the Serb government and the trade unions.

Under pressure from the unions, the workers agreed to call off the strike from Friday to Sunday for negotiations with management. Workers will be informed about possible solutions on Sunday, according to Zoran Michajlovic from the association of independent trade unions.

The workers are demanding a wage increase from the current average monthly salary of 38,000 dinar (€316 or \$US362) to 50,000 dinar. The management of the Italian company has responded in an extremely provocative manner. They have essentially called for an end to the walkout, and refused to negotiate otherwise. Information from sources in the strike leadership suggests that a miserable management offer of around €350 is on the table.

The workers, who often labour up to 60 hours per week, were forced into strike action. Many are no longer able to provide for their families in the face of rising food prices and taxes. Seven hundred workers were laid off last year, reducing the workforce to 2,500, while at the same time the workload of those remaining increased. Since then, two shifts have been producing 400 vehicles daily.

The strike has had a major impact. According to press reports, 4,000 fewer Fiat 500L vehicles have been produced than planned.

The FCA plant is an important economic factor and one of the largest exporters in Serbia. Three percent of the country's GDP is dependent upon FCA, as well as 8 percent of national exports. Approximately 67 percent of FCA is owned by Fiat-Chrysler and 33 percent is in

state hands.

Immediately after the strike broke out, FCA management threatened that Fiat could withdraw from Serbia and close the Kragujevac plant. The government has also applied pressure on the strikers with this threat.

Kragujevac has been the site of auto production in Serbia for decades. This was the location of the Yugoslav automaker Zastava's production facilities. Vehicles have been produced since the 1950s, first under licence from Fiat and later as an independent brand. The best known model was the Zastava Yugo 45. During the civil war in the 1990s, production came to a standstill and air strikes almost completely destroyed the facility. Following the war, the factory suffered a fate similar to that of other industries in the former Yugoslavia.

In 2000, the factory began producing Zastavas again, but only at a fraction of its former production level. In 2008, Fiat took over the plant and concluded a contract with the Serb government for ten years. Encouraged by extremely low wages, minimal taxes and willing political authorities, Fiat invested approximately €1 billion to modernise the plant.

FCA has been cooperating closely with the Serb government ever since. A few days after the outbreak of the strike, Prime Minister Ana Brnabic travelled to the area to, as she put it, mediate. In fact, Brnabic explicitly threatened the workers and called on them to end the strike immediately. The Tanjug news agency reported Brnabic as saying on Monday that the strike endangered the Serb economy and workers would "lose more" if they continued the strike. She confirmed that Fiat would not engage in negotiations until the strike ended. In addition, she claimed the strike violated an agreement with the company. According to the report, she said, "It will be very difficult for us in the future to bring new investors when there is no certainty that workers will honour contracts between unions and

employers.”

Brnabic is a typical representative of a corrupt layer that has enriched itself and, since the reintroduction of capitalism, consolidated power in its hands and created the best conditions for international corporations to exploit workers. She studied business management in the US and Britain before becoming Serb director of the subsidiary to the American energy firm Continental Wind. In 2015, she defended the director of the state-run energy provider Elektromreža Srbije, Nikola Petrovi?, a close confidante of President Alexander Vu?i?, against corruption charges. Several months later, President Vu?i? appointed her prime minister. She is considered to be an unconditional advocate of the Vu?i? government’s right-wing agenda, which has intensified tensions with neighbouring states in recent months.

But FCA workers do not only confront an aggressive management and reactionary government. The trade unions view the workers with mounting opposition and outright hostility.

Since the late 1990s, when governments enforced social cuts, and the destruction and privatisation of the formerly state-run industries under pressure from the European Union and International Monetary Fund, the Serb trade unions have been fully implicated in the attacks on workers and support them.

In what almost amounted to full-scale deregulation, the government launched a wide-ranging assault on labour laws in early 2014. The unions suppressed all working class opposition to this and backed the government’s plans. The same applies to the major cuts imposed on wages and pensions in the public sector, which were imposed in close cooperation with the unions so as to secure additional loan payments from the IMF. “None of the major union centres has opposed the transition ‘reforms’ of the past 25 years,” stated sociologist Nada Novakovic, according to Balkaninsight.

Some union officials are company managers, while other unions have been “openly bought” by companies. Trade union representatives receive lucrative posts in company management. Others enrich themselves through “per diems, travel expenses, mobile phone expenses, cars, lunches, various extras,” according to Novakovic.

The close collaboration between the unions and

political parties is exploited by many union officials as a springboard into a position in a party or the state, which offers even more opportunities for self-enrichment.

The strike heralds mounting opposition to these phenomena. When the economy minister once again called for an immediate end to the strike last week, the workers responded with a new strike vote in which the vast majority voted to continue the struggle.

The recent walkout by Volkswagen workers in Bratislava already made clear that major class struggles have begun in Eastern Europe and the Balkans. To be successful in these struggles, workers must combat the bankrupt nationalist conceptions of the trade unions.

The struggle against low wages and social cuts requires a socialist perspective and an internationalist strategy. The strike can only attain the strength and endurance it requires for victory if it is guided by a policy that seeks to unite workers internationally against capitalism, regardless of their origin or nationality.

We call upon all workers to actively support and expand the strike in Kragujevac.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact