

After sellout of Fiat-Chrysler Serbia walkout unions agree to three-year strike ban

Markus Salzmann**29 July 2017**

After the trade unions sabotaged the nearly one month-long strike by workers at Fiat-Chrysler (FCA) in Kragujevac, Serbia and sent workers back to work before an agreement was reached, the unions subsequently signed a deal that includes a paltry pay increase and a ban on strikes for the duration of the three-year contract. The formal signing of the deal was attended by Prime Minister Anna Brnabic and Economic Affairs Minister Goran Knezevic.

The contract includes a wage increase pegged to the official inflation rate. This means an increase of 2.2 percent from August this year and 4.5 percent next year. Certain bonus payments were promised, however, talks on these are only scheduled to start in 2018.

In view of the current wage level of 316 euros per month, this is a slap in the face of the Fiat Chrysler workers, who took strike action because they face rising prices, which in many cases are as high as in western Europe. Unable to make ends meet, workers demanded an increase in wages to 50,000 dinars (416 euros).

The Fiat management and Serbian government were overjoyed with the deal. According to news platform *B92*, government officials said it was "an excellent signal that Serbia is a good location for domestic and foreign investors, which will contribute to the further economic growth and development of the country."

In fact, the new contract is the culmination of a conspiracy by Fiat Chrysler management, the government and trade unions against workers at the Italian automobile manufacturer.

After three weeks, as the walkout began to have a serious impact, the government exerted pressure on the SSS trade union and strike leader Zoran Marković shut down the industrial action. In a Facebook message, Marković wrote tersely, "After 16 days of strike, we have today agreed with the Prime Minister of the Government of the Republic of Serbia to start negotiations with the

FCA management with the active participation of the Prime Minister starting at noon tomorrow. The strike committee and the representatives of the Independent Trade Unions have decided to end the strike and begin work on 19 July."

After this blatant sellout of the Fiat Chrysler workers by the SSS union, the second largest union at FCA, Nezavisnost, felt compelled to criticize the deal.

"We are considering a lawsuit against Markovic because it is a classic fraud," the *Balkaninsight* news portal quoted a trade union statement. "The workers are extremely dissatisfied because Zoran Markovic cited a wage increase and bonus payments for 2017 and 2018 as conditions for agreeing the deal. But now it turns out that we will only begin to negotiate the bonuses [according to the new contract] and there is no guarantee we will receive them."

According to Nezavisnost, the deal negotiated is even worse than the FCA's offer before the strike began. The SSS trade union countered arrogantly, "The union representation has voted for the offer, so there is no alternative."

Nezavisnost was founded in 1991 and is itself responsible for numerous dirty deals with various governments that sold out labour disputes. It has criticized the Fiat deal fearing this betrayal could fatally discredit unions, and undermine their ability to suppress future workers' struggles.

Serbia and the entire Balkan region face fierce class conflicts. Recently, workers at car supplier Magneti Marelli, a subsidiary of FCA, took strike action, and won their pay demands in a five-day stoppage. At the Slovenian household appliance manufacturer Gorenje in Valjevo, work came to a standstill in a fight for better wages. For months, workers at the train carriage builder Gosa have also been protesting for payment of their outstanding wages.

This is also the reason why the government has intervened so strongly in the conflict. Right after the strike began, Prime Minister Brnabic travelled to the area to "mediate" an end to the strike. This included threats against workers and demands that they return to work.

As reported by the Serbian media, the strike resulted in 4,000 fewer Fiat 500L vehicles being manufactured than planned. FCA is Serbia's largest exporter. Three percent of the country's total economic output is attributable to FCA, as well as eight percent of the country's exports. 67 percent of FCA is owned by Fiat-Chrysler and 33 percent by the Serbian state.

Above all, the right-wing government of President Alexander Vucic and Prime Minister Brnabic want to strangle all demands by workers for social improvements and maintain the country as a cheap labour platform for transnational corporations like FCA. Serbia is currently imposing the International Monetary Fund (IMF) guidelines for a three-year loan programme, which includes drastic austerity measures and structural "reforms" to attract investment.

This includes budget cuts in public finances, the sale or closure of state-owned enterprises and a massive reduction in public sector jobs. Brnabic, who was trained in United States and British universities, fully backs these demands. An IMF delegation also praised the government's reforms during its recent visit to Belgrade, but warned "there is still plenty to do."

In reply, Brnabic promised that her government would cut 11,300 jobs in the public sector by 2020, 2,500 of them this year alone. Her predecessor, current President Vucic, had slashed almost 80,000 jobs in the municipal sector and state-owned companies since 2013. Through these massive cuts, Serbia could reduce its state deficit by almost one-third by 2016.

Now, the government is organizing the sale of the last remaining state-owned companies. Brnabic said the government is planning a massive reduction in the public sector, both in terms of personnel and wages. "We still have some very difficult tasks to do by the end of the year", Brnabic declared.



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