Unions help Caterpillar restructure with closure of Belgian operations

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This summer Caterpillar management and the trade unions involved completed the four-year process of closing the company's plant in Gosselies, Belgium after 51 years of operations. The Gosselies plant at 100 hectares (247 acres) was the biggest industrial site in Wallonia, Belgium's southern, primarily French-speaking region.

Since the onset of the economic crisis of 2008, the market for heavy industrial equipment has declined substantially. Corporate executives, with the collaboration of the unions in each country, have rolled out global restructuring plans to make the workers pay for the crisis of capitalism.

In early 2017, the US-based Caterpillar group still consisted of 500 facilities in 180 countries employing some 110,000 workers.

By the end of 2018, Caterpillar will have closed 20 industrial sites in the US, UK, Italy, Belgium, and Ireland and laid off 20,000 workers. In Northern Ireland, more than 200 jobs are to be cut with the closure of the caterpillar plant in Monkstown, Newtownabbey.

The Gosselies closure was officially announced in September 2016 by management. In June 2017 the plant was bought by Wallonia's regional government for a symbolic one Euro. However, the closure had been long in the planning.

In 2013, the unions informally announced that the site would be closed in 2015. "By limiting the output of the Gosselies plant to the European market, management is leading the plant to its final closure in the next two years," declared a trade union representative of ACV-CSC-Metea.

ACV-CSC-Metea is the largest industrial trade union in Belgium. It is an affiliate of the Confederation of Christian Trade Unions (CSC in French, ACV in Dutch), originally founded as an anti-socialist union in the 1880s.

ACV-CSC-Metea's statement signalled to Caterpillar management the tacit acceptance by the union bureaucracy of the planned closure. Caterpillar had then just laid off 1,300 workers at Gosselies with the full collaboration of the unions, after receiving investment and state subsidies of €150 million ($US179 million) since 2008.

The plant was opened in 1965, in the Charleroi district, one of the oldest industrial areas in Europe. At the time the coal industry was undergoing severe closures and mass layoffs.

Located at the crossroads of two major motorways and in the general vicinity of the Charleroi International Airport, the plant was the second biggest industrial site in the global network of Caterpillar operations, located along major Belgian export arteries to the European market and the world.

By 1967, Caterpillar workers produced 40 machines a month, from diesel engines to industrial equipment. In 1972, a new assembly hall covering eight hectares was added. In 2000, the plant started to make its first electric motors for industrial equipment. Some 97 percent of the output of the plant was exported to the world market, until 2013 when management limited it to the European Union (EU).

Caterpillar was established in 1920, south of Chicago, in Peoria, which still hosts its global headquarters. However, since 1985, its profits in Belgium were registered in Switzerland. Belgian Royal Edict number 187 of December 30, 1982 allows transnational corporations to benefit from an attractive tax policy in the country. This process is called fiscal optimisation and was designed to minimise or avoid payment of taxes on profits created in Belgium. The financial overseer of the Gosselies plant was a Caterpillar subsidiary in Grimbergen, Switzerland, Caterpillar Group Services.

Across the world, Caterpillar workers have been pitted against each other in a fratricidal competitive race to maximise shareholders' value. Asian plants became more profitable than European ones in 2013, and were made to bear the brunt of the extra workload from the closure of European sites. It became cheaper to import machinery from Caterpillar Asia than to produce it in Europe.

In France, the plant in Grenoble still operates, due to its electricity costs—the cheapest in the EU for the group—and its 48-hour work week that matches the super-exploitation of the company's Asia workforce.

From the outset, Caterpillar workers at Gosselies fought back in defence of their livelihoods. They struck and organised picket lines outside the factory premises from September 2016 to February 2017.

On March 27, workers at Yusen logistics, a Caterpillar contractor, also struck in solidarity with the Gosselies plant. They too were part of the redundancy plan. When the Gosselies plant shut, 123 jobs went at Yusen.

Throughout the struggle, the unions isolated each strike. Behind the backs of their members, in February, union officials negotiated redundancy payments on condition that workers produced an extra 240 machines before the scheduled closure of the plant, at noon on May 24. Caterpillar workers went back to work for the final leg of this production in early March.

Between April and June 2017, management and unions staggered the final redundancies in a pre-planned manner.

Workers were then shunted into training programmes managed by Forem, a Wallonian unemployment agency.

In April, 502 lost their jobs. Of these, 415 had not found a job by May and were still in training at Forem by July. A further 910 workers were phased out by May 31. By June 26, a third wave of 186 were cut.

Out of a total of 1,598 unemployed workers, only 87 have left Forem. It is not known how many of those found a comparable full-time decent paying job, but it is likely only very few have.

By July 2017, all 2,200 Caterpillar workers in Belgium had lost their jobs.

Redundancy payments amounted to €30,000 per worker, with €2,250 for each year of seniority for those below 15 years and €2,500 for those above 15 years at the plant. The oldest workers, who managed to survive successive rounds of lay-offs since 2008, received around €115,000 for 30 years of employment.

In April, Ludovic, a worker with 17 years seniority told a Belgian television interviewer, "I have found another job, but with half the pay of my former Caterpillar job. The unemployment agency is designed to offer you poverty-pay jobs." Antonia Carta is 50 and trained new recruits at the company. With 32 years seniority at the plant, he joined Caterpillar as a welder straight out school and is now unemployed. He told *La Soir*, "I am angry against the system."

The unions have played the same role internationally. At the same time as the Caterpillar workers in Belgium were being sold out, their co-workers in the US bore the brunt of a sell-out by the United Auto Workers' union. The unions worked to impose a six-year contract that froze the wages for older workers, increased out-of-pocket health care costs and sanctioned new jobs losses, such as the 800 jobs scheduled to go at the Aurora, Illinois plant.