

## IG WATTEUW BRNO: A BALANCE SHEET OF A DEFENSIVE STRIKE – WELL SUPPORTED AND VICTORIOUS BUT WITH CERTAIN LIMITS

### INTRODUCTION

The strike which took place over nine days between 29 September and 7 October 2015 at the IG Wateuw factory in Brno (Czechia<sup>1</sup>), and which mobilised most of the 300 employees, doesn't seem, at first sight, to merit that much attention. Yet, it was the longest strike in Czechia since at least 1989. This text is addressed to two groups of readers: first of all the IGW workers, then other people who work elsewhere, in particular those who are in contact with our group and want to learn some lessons from this strike. Certainly, the various facts that we describe will be very familiar to the IGW workers. An attempt to explain how the organisation of work helped the strike, some ideas about the plans of IGW and an evaluation of the results could be useful to the IGW workers themselves. The first question to consider is: why was it possible to organise the strike? How was it possible to go on strike in this particular factory? Czechia has experienced very few strikes, with the exception of symbolic “work stoppages”, as useless as they are impotent, which cause no damage to the employer and therefore have no power to impose any demand whatsoever. The IGW strike was a real strike, for which the workers deserve our respect. It can claim several important, significant characteristics:

- The number of strikers: practically all the workers, out of two hundred in production, took part in the strike (of the total staff, a hundred or so were not concerned by Flexibox).
- The unity and endurance: almost all the workers stayed on strike and only a small fraction (no more than five) abandoned it under management pressure.
- The active participation: the workers didn't just wait at home but gathered every day at the gates of the factory.
- The duration: it lasted nine days, it was not organised just to scare the boss but with the clear aim of achieving the main objective: abolition of the “Flexibox” measure.
- The result: the goal was achieved and so from this point of view the strike was a victory.

Flexibox was introduced with the collective agreement of 2014. It only concerned the workers in the workshops. Its aims were to make production more flexible according to the order-book and the productive cycle, and to diminish overtime payments. In practice, this meant that only one free weekend was guaranteed per month. The workers could be called in at the weekend three times in a row. Overtime would only be paid at 25% extra with Flexibox (while the collective agreement had guaranteed 50%). The total hours of Flexibox were 150 per year, the other extra hours were paid according to the labour law. The money corresponding to the Flexibox hours was paid once a year! When Flexibox was introduced it was a bitter pill to swallow. For the workers it was clearly a stricter form of submission to production and the company. In addition, during its introduction, 19 workers lost their jobs.

<sup>1</sup> In April 2016 the Czech government suggested that English-speakers start referring to the Czech Republic as “Czechia”. It seems to be catching on, and we are happy to go along with this, if only to save a small amount of paper and ink...

## A CHRONOLOGY AND SOME REMARKS

The workers had been talking about going on strike since the spring of 2015. Tension spread across the factory, mostly outside the union channels. At the beginning there were complaints and debates, the most noisy being the union members who encouraged their colleagues, more as ordinary workers than as members of the union. The malcontents had unleashed an explosion of anger. The self-discipline of the workers was set in motion: nobody wanted to turn back. The scene was set. The strike started on 29 September at six in the morning and completely paralysed the factory. Apparently, the management were taken by surprise. At first, the strikers were allowed inside the factory, wearing coloured vests. The managers thought that the proportion of strikers would be weak and therefore they'd be demoralised. The result was the opposite, and the strikers were then forbidden to enter the factory, so they gathered in front of the factory carpark. The programme was always the same: speech from the union bosses, information on the negotiation and a vote to continue the strike.

On 1 October 2015, there was a videoconference between the director of the factory, Stehling, and the unions. Stehling had taken a firm position and gave the unions a time limit. They had to stop the strike at 14.00 or the company would sack 30 employees, annul all the benefits, relocate 50 thousand hours of production (we'll talk later on about threats of relocation of production). Some American workers from IGW continuing to work could not save production, but there were concrete results, and the company laid off some workers, strikers and non-strikers, in the trial period.

On the ninth day there was a turnaround. Stehling was replaced by a Belgian manager who easily reached an agreement. He promised a 2% wage increase, Flexibox would be limited to two Sundays per month (paid at 50% extra) and the Flexibox money would be paid every three months. The unions were relieved. It seemed that the attitude of the "good old Belgian", the first director Thoma, had returned. Because of the "deal", they had called for the cancellation of the strike during the meeting in front of the factory. Even if the agreement left a bad taste from some workers, they voted to end the strike. The atmosphere inside the factory had changed.

*"The situation was so tense that it was clear that the two parties had to compromise"* said the boss of the factory and he added that: *"It was a victory for common sense"*. It was a much too gentlemanly point of view. If the "good sense" meant "common interests", it did not reflect the brutal reality of the factory. The interest of the owners and managers is to maximise profit, while the interest of the workers is to sell their labour power at the highest price under the best possible conditions. It is normal (when there is no class conflict) that these interests can coexist. However, this coexistence does not rest on "good sense", but on the balance of forces. "Normal conditions" are useful for the stronger side.

And the Belgian gentleman clearly indicated the very next day that there is no space for a gentleman's agreement inside a factory. He explained that there was no signed agreement, no written document, and accused the unions of trickery.

The company showed it was crafty. The Belgian boss was not a man of "common sense", but he had been clever. He and Stehling had played good cop and bad cop. Finally, he succeeded in putting an end to the strike, unlike Stehling. And he had made restarting a strike into a difficult task. He was shrewd enough to make the strike disappear.

However, this shrewdness doesn't explain everything. The atmosphere amongst the strikers was not as combative as usual. This was mostly because of the threat to relocate

production. Talk about relocating production makes workers anxious. Often it is just capitalist propaganda (not all production can be so easily relocated far from the European market, the Chinese workers have pushed up their wages through struggle...) but we still have to take account of it.

These sentiments were also apparent in the factory in Brno. The threat was used deliberately. At the start of the strike, the boss had a machine-tool taken away while the strikers were gathered in front of the factory. It was certainly a fine piece of theatre.

A strike was a very risky business. There was no notion of the company's plans. Nobody knew about the plans of BMT, the head office of IGW, for its gearbox division. This led to growing doubts amongst the workers. In the end, there were voices regretting the strike and the management benefited from this. The bosses called the workers on the phone and tried to convince them to go back to work. This was the atmosphere which marked the end of the strike.

What followed is far from being the least interesting part. The direction of events was no longer determined by the workers, but passed into the hands of politicians (including Prime Minister Sobotka) and ambassadors. The leadership of the OS KOVO<sup>2</sup> union impressed the workers by its aggressive attitude during the negotiations.

The negotiations ended on 8 December: Flexibox was not even mentioned in the agreement (that is, it had been removed), wages were only increased in line with inflation, the unions dropped their demand for a wage increase and the bonuses for retirement and marriage had disappeared. The accord was valid retroactively from 1 April 2015 to 31 March 2017.

## THE FACTORY

The Brno factory was constructed in 1997, and the same year it was bought by the Belgian group IGW which transferred all its production of gearboxes for the agricultural sector there. These days it employs more than 300 people (200 in production and 100 in research, development and administration). At the start the Brno factory produced (and provided after-sales services) for makers of farm equipment (harvesters) with New Holland as its principal client (more than 50% of sales). After a few years it changed over to the production of gearboxes for the rail industry.

In Brno the workers assemble (and provide the after-sales service for) complete gearboxes and also produce cog wheels. The products are mostly sold on the railway market and the main clients are outside Czechia (Siemens, Alstom, Bombardier, Škoda Electric, Hyundai Rotem, Vossloh, Ansaldo Breda and Leitner). Production is very specific, gearboxes are not standardised and are produced according to clients' particular requirements. Orders are for short runs, a few hundred at most. The factory works seven days a week, 24 hours a day, in all workshops, assembly and tooling, working with three shifts in rotation (but not always 3 shifts of 8 hours).

The cog wheels are provided by the sister IGW factories in Romania (Iasi) and China (Suzhou). The casings for the gearboxes are provided by companies (apart from the holding company) in Czechia, Slovakia and China. The shafts and bearings are bought in. The heart of production is Hall 3 with five enormous Hüller Hille numerically controlled machine-tools.

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<sup>2</sup> What makes IGW different (compared to other factories in the Czech private sector) is that more than 50% of workers are unionised. They are in KOVO (metalworkers union affiliated to the CMKOS central), whose local leader has always worked in production, even resigning from his position after the strike, which he had helped organise, publically recognising that he had "fucked up" by signing the Flexibox agreement.

Around twenty people work on these machines and it is a demanding job. It's not enough to have knowledge, you also need practice and experience. It needs at least three to six months to be trained on these machines but even after that the workers need support from their more experienced colleagues. A worker only becomes completely independent after a year of practice. Not everybody succeeds and workers must be capable of resolving all kinds of problems. Among the other halls, you can find lathes (where there are fifty workers and the most qualified only need a month of training), assembly, testing and finally the storage areas for stock.

The factory, once bought by IGW, was the creation of Rudy Leon Thoma (a Belgian director), who implanted a "family atmosphere" with "amicable" relations at work between the workers and managers which always wanted to find agreement with the unions. After a few years, Thoma was demoted to director of sales and development, then, finally, left the company. A significant number of experienced technicians left IGW with him. In 2012, a new director was named, a German manager called Holger Stehling, who came from the Linde company. The shareholders hired him to manage in a strict and firm manner. His main task was to run IGW in a more systematic way and make it conform to the canons of contemporary production.

### **WHY WAS IT POSSIBLE AT IGW? EVEN THE IGW WORKERS COULD BE INTERESTED IN THE ANSWER...**

A collective struggle of this type hadn't been seen in the Czech Republic for a long time. The question "*why was it possible in Brno?*" was naturally asked by many other workers interested in the class struggle. The answer appears simple: the IGW workers were simply angry, angry with Flexibox, which stole their free time and their money, but more than all that, they were angry against the arrogance of the company, incarnated by Holger Stehling. In the media, the boss of the local union had explained the strike by this anger, but he was not the only one. The workers themselves responded to the question in the same way: "*We were capable of striking because we were fed up*".

Other workers that we've discussed the strike with have come out with the same response. But this isn't enough. Why? Because there are plenty of other factories where the working conditions are worse, the wages are lower and the bosses more arrogant than at IGW. Plenty of workers in other places are even angrier but have not gone on strike, have not launched an open battle against the management. All over there are other reactions: moaning, passivity, everybody minding their own business with the illusion that, if you submit, you can be rewarded with better treatment. So, it's obviously a different response. Certainly, the strike was a product of managerial arrogance and of Flexibox and was rendered possible by the anger and determination of the workers. Nevertheless, class composition and the organisation of the labour process are other key factors. These factors gave to workers the power and the confidence which they needed to deal with the situation.

## THE COLLECTIVE OF WORKERS PRODUCED BY PRODUCTION

The IGW factory differs from others in numerous ways. When it was bought in 1997, it attracted workers from other factories in Brno like Královopolská, Zetor and Zbrojovka. Many workers knew about it, already having worked for IGW. Some still worked for IGW. The younger workers taken on later thus joined a more solid and bound together collective than they had found elsewhere. And this is what makes IGW unique, the collectivity of workers. It's not just a matter of a pint after work or other activities during their spare time. This collective is inherent in the process of production. On the night shift they have no manager, the workers organise their work themselves. The fact that the process of production is based on cooperation of workers here more than wherever else is illustrated by numerous informal means, which are an alternative to the organisation of the process of production organised by their superiors. This includes help between the night shift and the day shift, which produces more stuff quicker.

The company does not divide the workers by individualised bonuses. Certainly, there are different scales of wages for particular categories but within each one the workers are not divided by individualised bonuses or penalties linked to productivity. And the workers are very sensitive to any attempt aiming at introducing such an individualisation: "*We are a team, there is no individualisation in the factory. People stand by each other.*" Yet, the collectivity is rooted in and fashioned by the nature of the process of production. The tasks to be carried out at IGW demand a permanent cooperation by workers. While in more automated factories like Hyundai and Foxconn, contacts between workers in the halls are limited by controlled zones and strict rules, the nature of the production process at IGW prevents such restrictions.

When there is a problem to resolve (gearboxes are made in small runs and it is often necessary to make numerous small adjustments and changes to settings), colleagues gather around the machine without any instruction from the hierarchy. The factory is based on an immediate cooperation. And such a cooperation reinforces the collective of workers. The sentiment of belonging to "*a big family*" was introduced by the Belgian director Rudy Thoma. It wasn't out of altruism. Even humane and sympathetic bosses are obliged to look after the spirit of profitability and the needs of production. Such a *modus operandi* helped production when numerous machines started to wear out and needed improvisation from the workers and their collective intelligence.

In general, the process of production demands an elevated level of cooperation between workers and has the result of an efficient collective of labour. Nevertheless, what has served the process of production in the day to day life of the factory, also helped to stop production during the strike. In normal times such cooperation, collective spirit and feeling of camaraderie helps the factory but if there is a problem, it becomes a weapon in the class struggle. The workers were already prepared for a struggle like the strike by the character of production. The lesson from this is: capital, companies and bosses organise the workers for production which they need to realise profits, but this organisation can be utilised when the workers cease to obey production, profits, bosses, companies and capital. There is a supplementary factor to add. The IGW workers are highly skilled and the factory is known for that. This gives them a certain sense of confidence in themselves. They can always find work, in particular in times when skilled labour is in short supply.

## **STRONG AND WEAK ASPECTS OF THE STRIKE**

The strong points of the strike (a strike which merits our respect for the simple fact of having broken the silence in the factories in Czechia) have already been mentioned: an almost total participation, unity, length... But one of them must be underlined again: the strike was constructed on the collectivity and unity of the workers. It was, as we have said, the consequence of the process of production, but the workers consciously defended it and refused to let it be destroyed by the game of promotions and attempts at individualisation within the factory. They began the strike on that basis. And this factor contributed to the launching of the strike and to the way it developed.

But we also have to think about the weak points of the strike. This can help workers in future conflicts, even if the concrete details can certainly be different in other workplaces.

### ***THE EMPLOYEES WERE HIT THANKS TO FLEXIBOX***

Two main reasons were behind the strike: the first, Flexibox, prevailed over all the other demands. Not without reason: the workers had their money and time stolen by this Flexibox. What's more, it was a very sensitive matter for the unions.

During the referendum in September 2013, faced with the refusal of Flexibox by the employees, the company abolished the thirteenth month's wage, Saturday overtime and the bonus of a month's wages in the proposal for the collective agreement for 2014, stating that all these advantages would only be paid if the unions accepted Flexibox. By adopting this strategy, the company was trying to create an opposition between white collar and blue collar workers. In effect, although not being affected by Flexibox, around a hundred white collar workers were going to be deprived of the same benefits! Trapped, the unions ended up accepting Flexibox in exchange for maintaining these benefits, but demanded that Flexibox be reduced to 90 hours per year. The company refused, fixing the annual limit at 150 hours. Some of the workers continued to resist even after the agreement. While some workers rapidly accumulated 150 hours to be able to work normally paid overtime (50% more), others decided to conduct a kind of passive resistance: hours worked under the Flexibox regime simply enabled workers to take unpaid holidays (Flexibox worked on the basis of "flexi-time").

Result: in the end fewer extra hours were worked in the factory than under the old system without Flexibox. Finally, Flexibox represented a defeat for the workers and, perhaps, a personal bitterness for the union leaders. For these reasons, it played a central role in the course of the conflict over the collective agreement of 2015.

But Flexibox was not the only problem. The existence of the unions, even if only implicitly, was also at stake. The company's aggressive proposal, which wanted not only to maintain Flexibox but to extend it to 200 hours per year, and to reduce wages again was, without any doubt, carefully considered. If this proposition had succeeded, the unions would have been *de facto* eliminated from the factory.

These two questions (Flexibox and the defence of the unions) were dominant. In the strike and the negotiations all other demands were secondary. Thus, the collective agreement which was signed only maintained the real wage (the nominal wage only rose in line with inflation) – and this while the Brno factory announced a profit of 113.5m crowns in 2014 (almost eight times more than the previous year). The thirteenth month no longer figured in the collective agreement. The accord stipulated that the workers *could* receive a bonus of 2,500 crowns but its award would be in the hands of the foremen, on a not very clear basis: a worker

could receive this bonus, maybe for their servility, their loyalty, while another would not get it. This obviously opened the door to the disintegration of the unified way of attributing wages and to the intensification of individualism (which the workers had previously resisted) which was going to grow in the factory.

The struggle at IGW was hard, but very defensive. It is the company that was on the offensive, its offer of a collective agreement (with a reduction of wages and extension of the hours under Flexibox) went beyond the conditions which were already in place before the collective negotiation. The unions had, in fact, defended the conditions of 2013 and because of that had put to one side any wage increase - in a period of record profits for the company and while there was a shortage of labour, particularly skilled labour. Elsewhere, the introduction of Flexibox did not dominate the question of wage increases like it did at IGW. The management of Hyundai Nošovice also used Flexibox as a threat against wage demands. The management of Hyundai let the workers know that *“We have only slightly raised wages, it’s true, but as compensation we have not introduced Flexibox”*.

### ***THE STRIKERS WERE IN STRUGGLE, NOT THE MEDIA OR THE POLITICIANS***

*“The strike helped to win an agreement”* said the leadership of the IGW union, reported the Czech News Agency, after the last negotiation meeting on 8 December. Their speeches could have been modified by the press agency, or they could have been carried away by the enthusiasm of an agreement which had removed uncertainty. But we have to point out that this is not the image of the strike which will remain in the memories of the workers.

The strike was not just a secondary external aid whose role was only to serve mediatisation and to facilitate meetings of IGW bosses with Czech politicians and union functionaries on a “higher level”, beyond what the workers could perceive. There’s no doubt that for numerous politicians the strike was the occasion to show that they “care about people”. There’s no doubt that OS KOVO (the metalworkers’ union) welcomed the strike. Its leaders spoke often and firmly against redundancies and low wages, but they never had the power to make the employers hand anything over. And when the unions and the IGW workers attacked, very rapidly OS KOVO recognised very well how this strike had given an appearance of reality to a purely media-based and rhetorical campaign for *“The end of cheap labour”*.

But the media bubble full of *“tough gestures and radical words”* at the negotiating table cannot hide the fact that it was the strike which had obtained improvements, and that it was because the strike significantly hit the company in the wallet. The media bubble could not hide the fact that it was the strike, the struggle inside the factory, which had led to the abolition of Flexibox in the collective agreement. The strike hurt the bosses and made them retreat, irrespective of the speeches of politicians, their “support” and their sympathy or their tough words at the negotiating table.

As far as we know, the employees of IGW certainly noticed the interventions of the politicians and the central union officials (with sympathy) and have kept these things in their memory, but they knew that it was the strike which was decisive. This understanding must be maintained in the factory in the future. In effect, if a conflict breaks out again it would be a very sad and bitter fate if the workers put more faith in outsiders than in their own collective strength inside the factory.

***THE COLLECTIVE AGREEMENT IS USEFUL FOR THE COMPANIES (AS WELL)***

But we still have to ask the question that some are asking themselves. And they can ask this question because, from the point of view of the workshop, it can appear impressive and magnificent if the Prime Minister and the ambassador have stuck their noses into the conflict. It's almost as if the conflict became an international incident. Except that no one reacted, in Belgium, or anywhere else! The question is the following: "This pressure" on a high level must have had a great effect, mustn't it? If not why did the company fight for a collective agreement when the factory could have continued on the basis of the Labour Code, that is to say without increasing wages and, what's more, without any benefits? What therefore pushed the company to conclude a collective agreement, if not the pressure from politicians and the media?

It is a good question, because it can encourage us to consider: what is the aim of a collective agreement? What ends does it serve? The first collective agreements came into force historically (along with the unions) as gains for the workers and the capitalists dragged their feet: they considered them above all as a limit to their freedom to engage in business. But over the course of time, the bosses learned that they could profit from them (with the unions as partners in maintaining social peace). What are the advantages? Let's summarise them.

The collective agreement generally assures fixed costs for labour power for the company, which allows it to easily calculate the costs of production in the long term. The collective agreement allows the company to keep its workers (not only the most qualified) in a period of economic boom. Collective agreements include, in many countries, an article which forbids strikes for the duration of the agreement. Therefore, not only the workers (and they only have an interest in the collective agreement if it is in their favour) have an interest in the collective agreement – but so do the owners of companies and the managers. They also benefit from the agreement because it is a tool of stability for them.

Therefore, even IGW cares about the collective agreement. Why particularly?

As well as the general understanding of the collective agreement, the contract was concretely good for IGW. Flexibox has been removed from the contract, but it will be eliminated even if the management of the company bases itself only on the Labour Code without any collective agreement. The existence of a collective agreement protects the company against a strike – the law explicitly forbids striking for the duration of the collective contract. But above all, the company needs to keep hold of its employees – the health of the industry in Czechia has returned to the level before the crisis, which means a return to the problem of the shortage of labour, particularly skilled workers (but not just them), on which production at IGW depends. The company really has an interest in keeping its workers – if not it risks missing out on significant profits. We are not saying that the negotiation at the highest level played any real role. But it is important to know that the collective agreement was an important tool of stability for the company itself. Not only the workers, but the companies just as much, don't like uncertainty.

## **WE HAVE TO UNDERSTAND PRODUCTIVE CYCLES AND COMPANY PLANS**

### ***UNDERSTANDING THE PRESENT SITUATION TO ENVISAGE FUTURE STRUGGLES***

We have to mention that neither the unions, nor the workers supported their sacked colleagues after their trial period – more particularly, those who went on strike and were therefore the most vulnerable and who merited the greatest solidarity. It's obvious that the bosses understood this lack of solidarity.

The strike must also profit from a more solid organisation. The four members of the trade union strike committee (who are neither detached from production, nor paid by the union) did not have contact with all the strikers (in contrast with the bosses who did have contact and used it to proffer both threats and promises to the strikers over the phone). The organisation of the strike also lacked links between different workshops. On the one side there was the strike committee, on the other the workers. The only link was the meetings in front of the factory. These assemblies allowed the committee to provide information to the workers and maintained the sense of collectivity. But the strike would have been stronger if the workers had participated more actively in discussion, in decisions and actions in more than the general assembly. Other strikes have shown the practical importance of internet discussion forums and the holding of smaller meetings to allow more discussion. At the end of the strike, when the management of it passed into the hands of the officials of OS KOVO, the workers, in practice, had no information about the negotiations. The whole factory couldn't wait any longer. The energy produced by the workers' collectivity had evaporated.

Let's remember that the aim of this text is to suggest what could be done better in the future. But also what, from now on, we can do to usefully prepare for that future, because when times change and the workers gain in strength and ambition this will lead to new conflicts.

What is definitely worthwhile is to improve the understanding of the reality of the threat which could be used to weaken the determination of the strikers at the end of the strike that autumn. While the workers clearly understood their collective strength, they did not understand very well the production of their factory within IGW and the plans of the management on the level of the group. This is the reason why the threat of relocation of production produced such a great confusion (to the point where some workers regretted that the strike was able to annoy the bosses). No worker knew (and they were not helped in this by the union officials) if or up to what point this threat was consistent or not. Therefore we are going to try to throw together some bases for understanding the place of the Brno factory within IGW.

### ***LOCATIONS AND PERSPECTIVES FOR IGW***

The BMT<sup>3</sup> group is a Belgian family business organised into two divisions: Glass and Gearwheels. IGW Brno belongs to the Gearwheels division (this includes another subsidiary BMT Aerospace), along with factories in Romania, China and the USA. IGW has factories in Belgium (Oostkamp), Czechia (Brno), Romania (Iasi), China (Suzhou) and the USA (Zanesville, OH). This branch employs 1,400 across the world. BMT Aerospace has factories in Belgium (Oostkamp), Romania (Iasi) and the USA (Fraser, MI).

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<sup>3</sup> IGW was founded in Belgium in 1949, and was partially acquired by BMT (<http://www.bmt.be/en>) in 1992 (60% ownership) and then completely in 2004 (100% ownership).

IGW recorded a growth in sales of 4.7% in 2012, reaching 90m euros (slightly less than in 2008/2009) then it fell in 2013 to 81.3m euros, to rise again thanks to a growth in sales of 14% in 2014, to get to 92.5m euros.

If we look at the figures below, we see that the annual sales of IGW Brno averages around a billion CZK with cuts in profits (created by growth in supplies and losses due to penalties for late deliveries) and in margins. Nevertheless, the average profit rose to 7.54% in 2010-14 for Brno, which is almost the same as Iasi (7.5%)<sup>4</sup>.

### Balance sheet of IGW

Year	Sales (billions of CZK)	Profit (millions of CZK)	Employees	Total annual wages (millions of CZK)	Annual cost per employee	% Total wage / Total costs	Profit (%)	Exchange rate CZK/€
2007	?	?	397	137	0.345	?	?	27.762
2008	1.17	-71	449	162	0.3608	13.05	-6.06	24.942
2009	1.36	15	367	175	0.4768	17.1	1.10	26.445
2010	1.007	126	338	149	0.4408	12.07	12.51	25.29
2011	0.949	100	318	136	0.4276	16.01	10.53	24.586
2012	0.995	25	333	152	0.4564	15.67	2.51	25.143
2013	1.003	14	313	149	0.476	15.06	1.39	25.974
2014	1.037	113	301	153	0.5083	16.55	10.89	27.533

We also have to take some other useful facts into account:

- IGW invested 5m euros in the Brno factory in 2012<sup>5</sup>, around half the total investment in the Gearwheels branch. This investment went into the construction of a new testing hall (535m<sup>2</sup>), a new warehouse (1,700m<sup>2</sup>) and a new maintenance workshop (273m<sup>2</sup>). IGW also invested, in 2012, in the Iasi factory, for the purchase of machine tools and numerically controlled machines.
- IGW invested 3.9 million euros in the Iasi factory in 2014<sup>6</sup>, around half the total investment in the Gearwheels branch (8.6 million euros), to renew some of the machines installed there.
- In an interview in the Belgian magazine *Trends*, in August 2015<sup>7</sup>, Holger Stehling put Europe a little to one side by indicating that the company would concentrate on expansion outside Europe. “*The railways market is growing, particularly in China, but there are also projects in the USA. And what do we have in Europe? Let’s say that the economy there is stable and that I can see only a small recovery. For us, Europe is first of all about the servicing and maintenance of existing products. That cannot create the same dynamic as new products.*” In 2012, IGW produced 3,855 gearboxes at Brno and 2,840 in Suzhou while for 2014 the figures were 4,000 and 3,000<sup>8</sup> respectively.
- The interest in Asia seemed confirmed by the approach taken by BMT. The company had been involved in negotiations in India since 2014. It bought 60% of the shares of an Indian company based in Pune, Involute Technologies, in the summer of

<sup>4</sup> See: <http://doingbfactoryess.ro/financiar/raport/1712636/ig-watteeuw-romania-srl/>

<sup>5</sup> See: [http://www.euro-city.be/mailling\\_images/annual\\_report/Annual\\_Report\\_2012.pdf](http://www.euro-city.be/mailling_images/annual_report/Annual_Report_2012.pdf)

<sup>6</sup> See: [http://www.euro-city.be/mailling\\_images/annual\\_report/Annual\\_Report\\_2014.pdf](http://www.euro-city.be/mailling_images/annual_report/Annual_Report_2014.pdf)

<sup>7</sup> See: <http://www.igwpower.com/news/igw-news/2015/august/igw-featured-in-the-belgian-bfactoryess-magazine-trends>

<sup>8</sup> See: <http://www.svetprumyslu.cz/ig-watteeuw-cr-r-podilime-se-rozvoji-zeleznicni-dopravy/>

2015, for \$US26m. This company has four production sites and is constructing a fifth. It makes gearboxes for the car industry but BMT hopes that it will quickly be able to switch to production for the railway market which is expanding rapidly. Let's also note that the Glass branch of BMT is sniffing around in India.

- BMT also acquired, at the beginning of 2016, the Belgian company VCST which produces transmissions and break parts for cars. VCST has five factories (Belgium – Sint-Truiden, Germany – Mylau, China – Changzhou, Mexico – León, Romania – Alba Iulia and USA – Sterling Heights) as well as an R&D centre with 120 engineers, and employs 1,000 staff. VCST invested 50m euros in the last three years.

Where does this leave the relocation of production (in whole or part) from Brno? The Brno factory produces gearboxes and other small parts. R&D is located next to production in the factory and the engineers participate in the development of prototypes. There is also a new workshop for testing. Will it therefore be possible to separate these activities and transfer them to Iasi? Not yet, as it seems that production as it is today cannot be divided up (above all for prototypes, which need a succession of redefinitions and adjustments, implying the concomitant participation of R&D and the workers). There have also been four years' worth of investments in the test workshop. But we also know that investment does not guarantee the permanence of a site. Numerous examples show that they can renew it the better to sell it. What remains as an obstacle, surer for the moment, to relocation, is the presence of skilled workers who need at least six months of training. It is not impossible to invest in the training of other workers in Iasi or Suzhou, but for the moment IGW does not have enough capital for such a project.

## **BY WAY OF A CONCLUSION: POLITICAL STRUGGLE INSIDE THE FACTORY**

The strike was very defensive but it succeeded in stopping the bosses' offensive. This is because the workers used, against the company, their collectivity which was born and raised in their everyday cooperation fed by the process de production. They also sought to use their strength in the factory. For the future, it will be crucial to preserve this objective framework (unique, today, in relation to other factories) which allows them to defend the common interests of workers. The conditions in a factory should never be taken for granted, they can change and the boss will make use of that.

The written warnings sent out during the strike were not cancelled and the results of the agreement are tied to the subjective decisions of the supervisors. This leads to the individualisation of conditions, can separate each worker from the others and thus erodes, step by step, the workers' collectivity. The workers must also concern themselves with the taking on of temporary and part-time workers. These new hires must be integrated into the existing community.

To be able to function a factory needs the cooperation of the workers. It rests on that, but the boss continually modifies it under pressure from other capitalists and the workers in struggle. Today in Brno the close links between R&D and the production of prototypes can appear modern and efficient, but tomorrow it could be considered as a dead weight by the boss, because the engineers could make demands, because it gives power to the workers, because production can become cheaper elsewhere the boss will want to split up production.

The factory is a necessary point of departure but we must not limit ourselves to the space inside its walls. The factory must not be seen within the framework of the group, of the sector of business, but within social production as a whole. Certainly, each decision, each stage which imposes itself on the working conditions and wages of workers has its protagonist, the boss or the director, but behind them there are the efforts of each company to follow the logic of the capitalist economy, the logic of profit. It's a logic which makes the workers, for each individual capital, only a means of valorising itself.

A factory is therefore a place where the worker is in immediate living contact with the contradiction between profit and wages, between the needs of capital and their own needs, between the time which they give to the company and what is left for their reproduction and their life. It is a place where they are in contact with the dictatorship (whether arrogant or with a human face) of the boss. The contradiction of capitalist society is thus visible to the eyes of the worker. The place of work can be, for that reason, the school of autonomous workers' politics, particularly during moments of heated conflict. But workers can gain from the experience of struggle the most important thing – the political comprehension and the critique of their conditions inside the factory and outside it – only if they are capable of not letting themselves be tied to the trade union logic which wants the management to understand that they must be “*treated with respect*” – when they decide not to succumb to the illusion that, in the end, bosses and workers have the same interests. When the workers don't allow themselves to go along with the theatrical interests of the politicians and don't accept that their interests should be limited by collective agreements.

The material gains which are important, as defensive as they were in the case of IGW in Brno, are only the expression of the balance of forces between capital and labour. When the company is ready and when it has the need, it will step up the pressure again. The most useful gain is the consciousness that the interests of capital and ours are antagonistic and that we can only count on ourselves, on our political independence.

MC/KPK, 13 May 2016

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