

Karmína 2021

# "We have to stick together"

The Story of the Strike at Booster Precision Components (Beluša, Slovakia, 2021)

Karmína

Dedicated to the militant workers at BPC Beluša and BPC Považská Bystrica.



The assembly on the first day of the strike (kovobpc.sk).



One of the pickets (kovobpc.sk).

# **Contents**

Foreword 6			
Chronology 9			
1 A small plant with global reach 12			
2 Production and workers 18			
3 An offensive on several fronts 23			
4 On the way to the strike 30			
5 The value chain: a trump card in the hands of workers 34			
Assessment and outlook 40			

# **Foreword**

In June 2021, a five-day strike took place at the German-owned Booster Precision Components (BPC) factory in Beluša (Považie region, western Slovakia), which produces components for car turbochargers. The workers were defending themselves against wage cuts and other measures that the company began to implement in 2020, citing the difficult situation caused by the pandemic.

The strike had virtually universal support in the plant and left the company paralyzed. Thanks to a blockade by picketing workers, the management was not able to export stocks of manufactured goods, or to stockpile components needed for assembly. The work stoppage eventually led to every one of the strikers' demands being met, either in full or at least to a degree that far exceeded management's initial offers. In addition, the strike in Beluša had several other important aspects:

- up to two-thirds of the company's employees are women;
- the plant is a tier 2 supplier for the automotive industry and forms part of global value chains in this key sector of Slovakia's export-oriented economy;
- in addition to a few dozen agency workers, the factory employs about 220 people, mostly from the same region, who form a relatively stable collective;
- production of the plant is based on relatively highly skilled work with CNC machines:

<sup>&</sup>lt;sup>1</sup> A turbocharger is a device that uses a turbine and a compressor to increase the volume of air drawn in by an internal combustion engine. It uses the exhaust gases produced by the engine itself, thus increasing the engine's efficiency, so that consumption and emissions are reduced. Turbochargers are now used in cars with both diesel and gasoline engines.

- the factory is owned by a medium-sized investment fund based in Germany, which has high hopes for its involvement in this sector, managing the concern<sup>2</sup> with vigor typical of private equity firms;<sup>3</sup>
- In addition to pay, worker discontent was (and still is) related to two other key issues workplace safety and management's attitude.

In this text, we take a closer look at the strike and place it in a broader context.

We start with a chronology which briefly summarizes the events from the beginning of the pandemic to the end of the strike. In the following sections, we first discuss the history and international context of the BPC factory in Beluša. In our view, the austerity measures implemented in 2020 can be traced back to the global strategy of the concern to which the plant belongs. Section 2 describes the production process and the composition of the workforce in Beluša. One of the key reasons for the success of the strike was the workers' ability to turn the production process and some features of the organization of the automotive sector against the company. The fact that the workforce is not easily replaceable and forms a community both inside and outside the workplace also contributed to the victory.

In the third section, we discuss the boss's strategy. Under the pretext of the crisis triggered by the coronavirus pandemic, the employer attacked working conditions on several fronts at once and gradually cut wages through a series

<sup>&</sup>lt;sup>2</sup> A concern is a type of business group, common in Europe, which unites formally independent companies into a single entity under centralized management.

<sup>&</sup>lt;sup>3</sup> Private equity funds are investors who look for private companies (not listed on the stock market) with a potential for growth. Their investment is often linked to a reorganization of the company, a change in management, etc., in order to maximize the acquisition's potential. The fund itself usually raises funds for investment from private investors who buy shares in the fund. The fund's managers seek to ensure that the companies in which the fund has invested provide an attractive return for their clients. Often, the fund's goal is to get the company it has bought "on its feet", find a buyer for it, and distribute the proceeds of the sale to its clients. The fund itself and its managers live off fees charged for managing the fund. The fund's clients compare the profitability of their investments with other alternatives such as bonds, shares and the like. In general, investments in private equity funds have to offer a relatively higher return as they are associated with higher risk. This explains the funds' aggressive approach to increasing productivity and reducing costs the firms in which they invest. An article from the *Harvard Business Review* explains the workings of these funds in an accessible way.

of austerity measures. Section 4 summarizes the workers' reactions. Our interviews revealed that the recklessness with which the company acted was at least as important a factor of discontent as the economic effects of its actions. In section five, we describe the course of the strike and its outcomes. On this basis, we finally describe what we view as the strengths and weaknesses of the strike, and what lessons should be drawn from it.

We would like to thank BPC workers in Beluša and Považská Bystrica who provided us with a lot of valuable information in interviews. However, we are solely to blame for their interpretation and possible errors. Economic data for which a source is not indicated are taken from financial statements and annual reports of the BPC Group or its subsidiaries. Another important source of information that is not referred to in the text is the website of the plant's trade union.

We also want to thank an angry worker from the UK for proofreading a draft of this translation.

Karmína August 2021

# Chronology

#### 2020

#### **February**

A union representative for occupational health and safety (OSH) sets up a private Facebook group for BPC employees. It will serve as an important communication channel in the run-up to the strike and later.

#### March

Following the coronavirus outbreak, the company asks the union to help it through a difficult period. The union agrees to a series of austerity measures that are initially presented as temporary.

#### **August**

The company passes the cost of cleaning work clothes onto the employees.

## November

The company cuts a part of individual bonuses without explanation.

Based on measurements of health hazards that have taken place behind the union's back, an occupational health consulting firm (hired by the employer) issues a new risk assessment concerning noise and chemical factors. It also

prepares new operating regulations for the factory, which the employer submits for approval to the Slovak Public Health Authority.

Negotiations of a new collective agreement for 2021 open with a proposal from the union. The company responds with a proposal that envisages zero wage increases.

The private Facebook group, originally set up to provide information on OSH issues, expands its focus to all areas of trade union activity in the plant.

#### 2021

#### January

The Beluša company continues its cuts in individual bonuses. Its sister company, Booster Precision Components in Považská Bystrica, does the same. However, when it's employees refuse voluntary overtime, it has to back down.

#### **February**

The union in Beluša officially enters a dispute with the company and proposes two mediators. The employer offers some minor concessions.

The employer implements new OSH rules. Many male and female employees consequently lose hazard pay.

The union launches another communication channel, its own website.

## **April**

Negotiations are held before the mediator, but they do not lead to a compromise.

The company stops paying the so-called motivational bonus.

### May

May 11th

The union declares a strike alert.

May 13th

At the initiative of the union, one last negotiation is held before the strike, without reaching an agreement.

May 20th

The union states that mediation has failed. Preparations for a strike ballot begin.

May 26th-27th

All factory employees (including office workers) vote on the strike.

About 75% of all male and female employees took part in the ballot, with almost 89% in favor of the strike.

#### June

June 10th (Thursday)

The strike starts on the morning shift.

June 14th (Monday)

In the evening, the strike ends with an agreement on a new amendment to the collective agreement. Production resumes on the morning shift on Tuesday June 15th.

# 1 A small plant with global reach

The plant in Beluša where the strike took place has only been in operation since 2015, but its history is actually longer. A look into its present, in turn, reveals some interesting global connections.

In the second half of the 1990s, traditional industry in the Považie region was mired in a deep crisis accompanied by numerous protests and strikes by workers. Ultimately, these struggles failed to prevent the collapse of formerly state owned enterprises. Among the companies that disintegrated were the "Považské strojárne" ("Považské Machinery Plants" in Považská Bystrica), which employed 12,000 people as late as 1990. In the following decade, they were broken up into divisions which gradually ran out of steam and disappeared.

During the wave of re-industrialization of Slovakia that started after 2000, investors from Germany, South Korea and France began moving into the vacant lots in the former vast machinery plant on the outskirts of Považská Bystrica (some 15 kilometers from Beluša). Among other things, they were attracted by opportunities in the growing automotive sector. One of the newcomers was the French manufacturer of components for turbochargers, CCN Group. The company was founded in 1986 and its arrival in Slovakia in 2005 marked the beginning of wider international expansion (2006: Mexicali in Mexico, near the US border; China a little later). In Považská Bystrica, the company established two factories. In addition to a parts plant, it built a foundry which supplied the former with semi-finished products.

The French company was acquired by Halder, a German investment fund, in 2011. The latter specializes in management buyouts (MBOs). These are transactions in which the management of a company buys out the owners and takes ownership of the enterprise. Since managers usually do not have

sufficient funds for such an undertaking, they seek co-funding from institutional investors such as Halder. The latter received a majority stake in the firm in return for its participation, while management held onto six percent. At the time, CCN Group employed a total of 604 people in France, Mexico and Slovakia.

In 2013, the group started production at a new Chinese plant in Taicang, one of the centers of German manufacturing investments in China, about 100 kilometers from Shanghai. Two years later, one of the Považská Bystrica plants moved to new premises in Beluša. The company explained that the growing volume of orders, which would soon exceed the capacity of the original plant, necessitated the founding of a new one. A large number of the original employees moved to the Beluša plant, with the company providing daily transport by bus. The foundry, which is a key supplier of production in Beluša, remained in Považská Bystrica.

# Formation of the BPC group

In 2015, Halder acquired the German company Prae-Turbo through an MBO.<sup>4</sup> It, too, produced turbocharger parts at its plant in Schwanewede (Lower Saxony, near Bremen). A year later, CCN (with sales of around €71 million in 2015) and Prae-Turbo (around €62 million) merged to form a concern with the new name Booster Precision Components, headquartered in Germany.

On the occasion of the merger, the investor shared its intentions. While CCN produced parts for the "hot" part of the turbocharger (the turbine), Prae-Turbo focused on components for the "cold" part (the compressor). By combining these two processes, BPC was established as a supplier that can cover a wider range of demand by turbocharger manufacturers such as Garrett (formerly Honeywell), IHI, BMTS and BorgWarner. Halder expects growth in this sector as emission standards continue to tighten and become increasingly difficult to meet without the use of turbochargers. Before the production of cars with internal combustion engines is discontinued, there

 $<sup>^{4}</sup>$  At that time, it employed about a hundred core workers and nearly 200 agency workers.

remain perhaps two or three decades of growing demand for turbochargers, and therefore for components necessary for their production, in various parts of the world.<sup>5</sup> Of course, this relies on the assumption that electric cars do not become more widespread more quickly and that there will not be a significant shift away from individual transport. Similarly, some of the company's production is sensitive to the tightening of standards for the use of diesel vehicles in European cities.

BPC seeks to benefit from its international position which enables it to serve markets in some 20 countries around the world. In the light of this strategy, the French factory of the original CCN (near Lyon and the Swiss border) has proved redundant. Its sales had been declining for some time as new projects for variable geometry turbocharger (VTG) components for European customers were concentrated at the Beluša plant. The Group sold its French operation (at a loss) to the Chinese-French group OMV System in 2018.

BPC sees new growth opportunities predominantly in America and Asia. <sup>6</sup> For the factories in Mexico and China, the Schwanewede and Beluša plants serve as models from which standards for the production process and product quality are derived. The Beluša factory plays the role of a "competence center" in the field of VTG. The plant in Považská Bystrica also has a specific position. It is the only foundry in the Group and supplies semi-finished products not only to the Slovak factory, but also to others. The vast majority of revenue from the sale of its own products comes from trade with its sisters.

BPC's expansion in the last five years has been accompanied by investments, mainly in machinery and equipment, totaling over €40 million. This would not have been possible without loans and other debt, including capital borrowed from the company's shareholders, the Halder investment fund. For several years now, the group has reported a loss due to depreciation and loan

<sup>&</sup>lt;sup>5</sup> Already in 2015, around two-thirds of all cars sold in Europe were turbocharged. In the US, the share is lower due to less stringent emission standards, but is expected to grow. In China, the share of turbochargers is also relatively low and projected to grow.

<sup>&</sup>lt;sup>6</sup> This is confirmed by a plan mentioned in the group's 2019 financial statement. The Chinese factory is to move to larger premises in connection with a new project starting in 2021. It is not clear from more recent information whether the move had already taken place.

repayments. In 2019, before the pandemic began, it made a loss of €3.2 million, and the cumulative loss since 2016 has climbed to about €57.5 million.

What these figures do not show is reflected in the growth of earnings before interest, taxes, depreciation and amortization (EBITDA).<sup>7</sup> Between 2016 and 2019, it more than doubled to over €18 million (at a margin of about 14%). Had it not been for the pandemic, it would probably have grown further. This growth in EBITDA was achieved despite a decline in sales, so it must be attributed to productivity growth and cost optimization. For example, total group-wide personnel costs in 2019 were below 2016 levels even though the number of employees increased slightly.

# **Pressing for savings**

However, 2019 also signaled problems. Although the group achieved a record result in terms of EBITDA, it still failed to meet its own plans. Worldwide car production declined, particularly in Europe, and in BPC's case, even an increase in sales in China and America would not make up for it. Sales were down by around €10 million year-on-year.

As a result of the pandemic in 2020, sales fell by another more than €20 million and the concern recorded a loss of almost €5 million. It described the situation around its solvency in the middle of last year as "strained" and took out additional loans (€3 million) as well as borrowing more capital from its shareholders (€3.5 million). EBITDA of €14 million (at a margin of 12.5%)

<sup>&</sup>lt;sup>7</sup> This indicator is sometimes used to estimate the "true" profitability of a business, as it captures operating profit before interest payments (on loans that the business repays to its creditors, such as banks) and taxes (which it pays to the state) are subtracted. Moreover, it does not take into account the depreciation of tangible and intangible assets, which, especially in the case of capital-intensive industrial enterprises, eats up a large part of net profit. For example, a company that has borrowed a lot of capital and operates expensive machinery may report low or even negative net profit, but this figure says little about the company's productivity and future potential – unlike EBITDA, which does not take these effects into account. Of course, for various reasons, the potential mentioned above may never be actualized, and so high EBITDA today do not guarantee a high net profit in the future.

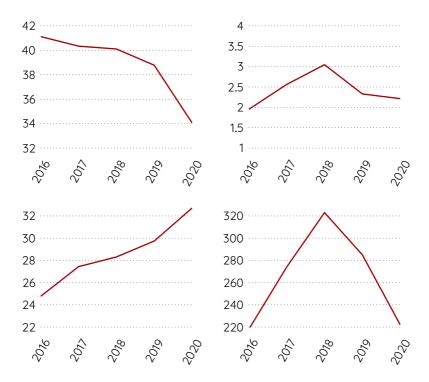
was finally achieved thanks to "significant savings" in personnel costs. The group's average number of employees fell by around 100 compared to the previous year to 827 (of which 669 were production workers). The group also benefited from state aid schemes − for example, the German version of furlough (*Kurzarbeit*) in Schwanewede. According to Transparency International Slovakia, its Slovak factories received around €450 thousand from the state-sponsored "First Aid" scheme.

BPC is in a phase of consolidation after years of expansion. It expects that past investment, and in particular its position as one of the few manufacturers of its kind (if not the only one) with plants on three continents, will start bearing fruit.<sup>8</sup> To achieve this, costs need to be carefully monitored and margins kept as high as possible. The pandemic has further exacerbated these demands. In order to meet its long-term commitments, the group says it will need sales of "between €115 million and €120 million" and EBITDA of around "€16 million" in 2021 and 2022.

It seems that the Beluša plant can play an important role in this. Already in 2019, the decline in sales here was lower than in Schwanewede (€1.7 million vs. €10.6 million). In 2020, i.e. already during the pandemic, the Slovak plant achieved the lowest decline in revenue in the group:

OPERATION	REAL REVENUE/PLANNED REVENUE (%)
Germany	79.2
Mexico	82.1
China	99.3
Slovakia	99.8
TOTAL	86.9

<sup>&</sup>lt;sup>8</sup> The sale of the French plant in 2018 should also be seen in this light: in the short term, it brought a loss, but thanks to it, production was moved to a country with relatively cheaper labor power compared to France and also with the lowest rate of taxation among all the countries where BPC produces – Slovakia.



BPC Beluša economic indicators: sales (top left, MM €), EBITDA (top right, MM €), value added per employee (bottom left, thous. €), average number of employees (bottom right).

Although the factory in Beluša recorded a negative after-tax profit last year (for the first time in five years), it maintained EBITDA at roughly the 2019 level ( $\bigcirc$ 2.2 million vs.  $\bigcirc$ 2.3 million; at a margin around 6%), reduced overall debt and increased value added per employee. Measured in this way, productivity here has been growing over the long term – by an average of around 5% per year since 2016. In the next section, we take a closer look at the conditions underlying this figure.

<sup>&</sup>lt;sup>9</sup> However, this is not necessarily an accurate indicator of labor productivity. For example, the number of employees does not include agency workers who are also involved in value creation.

# 2 Production and workers

Like BPC plants in other countries, the one in Beluša produces metal components for turbochargers. As this device operates at temperatures of around 1,000 centigrade and at a high speed, the production process is very demanding in terms of quality and precision. Tolerances are measured to the thousandth of a millimeter. The production process is divided into two parts: on the one hand, it is the machining of semi-finished products produced by the foundry, and on the other hand, the assembly of more complex components from own products or imported parts. Workers work in three shifts from Monday to Friday, but some employees work (based on an individual agreement) in twelve-hour shifts in continuous operation, including weekends. The "three-shift" staff may work voluntary overtime at weekends. Most people commute to BPC from the surrounding area: buses contracted by the company stop in Považská Bystrica, Dubnica nad Váhom and Púchov, all within 25 kilometers of the plant.

The main part of production in Beluša is of turbocharger components for diesel engines, including turbine manufacturing. Here, metal alloy tubes from the foundry are first cut on machines into "hoops". This step of the production process has only recently moved from Považská Bystrica to Beluša. The hoops are then machined on CNC lathes. Afterwards, holes are drilled into them using CNC drills. During the assembly process, turbine blades are manually inserted into the holes. Some products are welded together at the end of the assembly line and shipped as a compact unit, while others are shipped as individual parts.

# Machines vs. assembly lines

Working at a CNC machine is more demanding in terms of qualifications. It requires the ability to read technical drawings and documentation, troubleshoot minor malfunctions, perform basic machine maintenance, change tools and measure the dimensions of the finished product. Some of the lathes are automated, some are simpler and more difficult to work with. CNC operators often have a secondary vocational education with a technical background, which has a long tradition in the region. Women are the majority of the workforce not only in the plant as a whole (they make up about two-thirds of the workforce), but also in positions at the machines. Among machine operators, men are only to be found in the recently relocated process ("rough lathes"), where alloy tubes are cut, and on some finishing lathes or machining centers.

A CNC lathe or drilling machine operator earns around €700 to €750 per month (net). They work in a "nest" of two or three machines operated in parallel. A person with previous manufacturing experience or a secondary technical education can learn the job in about two weeks; a candidate with no experience needs one to two months to learn. However, it takes longer to get the necessary feel for the job and to learn how to operate several types of machinery. Female employees view the advantage of working "at the machine" as being able to regulate the intensity of the work themselves, at least to some extent.

In contrast, the pace on the assembly line is dictated by the machine. Here, workers stand at the line or sit at a spinning wheel ("carousel") and perform monotonous tasks they cannot leave unless they are relieved. There are no special qualification requirements, which is reflected in the net pay of around €600 to €700. These figures are not far from the average in manufacturing in the Trenčín region; indeed, even lower wages are common in some electronics factories or plastics production.

Women workers we talked to explain the fact that women predominate in production by their relatively lower earnings and by the demanding nature of the work in terms of patience and attention to detail. Small pieces are

produced, so the work is not physically demanding, but it involves a lot of measuring and calibration. Assembly, on the other hand, requires focus and nimble fingers.

There is a standard hierarchy in production: each shift has its own shift leader, each line has its own line leader, and each work team has its own team leader. Assembly lines and CNC machines have their own "setters" and operators. The setters are exclusively men and their earnings are higher. Their task is to prepare the machine for the production of a specific part according to the program prepared by technologists (who are office workers) and also to troubleshoot various malfunctions. The plant includes a separate measuring center, a tool dispensing area and a warehouse.

BPC only has a small internal warehouse, with no long-term stock. Trucks bring in semi-finished products from the foundry and other suppliers, which are continuously stocked based on customer orders. Finished goods coming off the machines or assembly are inspected, packed and shipped. The company does not disclose detailed information about its clients, but it is known to supply parts to major turbocharger manufacturers – including the Garrett plant in Prešov (eastern Slovakia, about 270 km from Beluša).

# Agency work

Agency workers have always been a minority in the Beluša factory, unlike in Schwanewede; according to this year's information, there are about seventy of them. The company began using temp work at the time when production moved from Považská Bystrica. At first, agency workers had the same conditions as core workers, and if a temp proved themselves, it was relatively easy to transfer to the core. However, this changed over time, along with changes in the management of the company. The recruitment of core production workers basically ended a few years ago. Any new people in the plant today would be temp workers. This causes an age gap between core and agency workers: the former are mostly middle-aged and older, while the latter include fresh secondary school graduates.

Core workers note that the quality of services provided by agencies is deteriorating: agency workers are only given work shirts, having to provide their own shoes and overalls. The skill level of agency colleagues is also gradually deteriorating: "The firm takes everyone, they don't even ask if they graduated from a vocational school." Core workers have to spend more time training their new colleagues and the work at the machine is often too demanding for them and they do not last long. Inequalities in treatment ("In the summer, the agency worker comes in a t-shirt and shorts while we have to wear overalls"), work ("He only sits there doing a visual check while I get more and more work") or pay ("The agency newbie I trained gets a hundred euros more than I do") give rise to the usual tensions between the two parts of the workforce. In general, however, the divisions are not too deep: core employees say they regard agency workers as colleagues and the union treats them in the same way – within the limits of legal possibilities. The factory has never used labor power from "third countries" such as Serbia or Ukraine.

Work in the plant is not risk-free. Employees do not recall any major accidents, but say minor injuries from cutting tools are common. More serious, however, may be the long-term impacts. The lathes and drills used in the plant are, of course, noisy. Another risk factor involved in machine work is chemicals. Metalworking uses cooling and cutting fluids that evaporate and form aerosols. Operators remove them using an air-blast gun, which is also a significant source of noise. In the process, the fluid comes into contact with their skin and, due to the lack of ventilation, with their respiratory system. Prolonged exposure can cause contact dermatitis, respiratory problems, and, according to some studies, various types of cancer. "We wear rubber gloves, but our hands are sweaty, the glove sometimes tears, so the fluid gets on your skin. I'm always covered in it – greasy face, greasy hair," says one CNC operator. Assembly workers don't come into contact with chemicals, but the monotonous, fast-paced work strains their muscles and joints, especially the back and arms. In addition, they are exposed to noise, as the lathes on which alloy pipes are first cut are adjacent to the line, separated only by rubber curtains. As we shall see, health hazards and the employer's attitude towards them played an important role on the way to the strike.

A union has been active in the Beluša plant since the time when production was moved from Považská Bystrica. The union functions as a "works committee" incorporated under the "Považské strojárne" union organization — an entity that existed in the now defunct state-owned enterprise. <sup>10</sup> Unions operating in other factories on the site of the former machine works, including the BPC foundry, have a similar form. Another specific feature of the Beluša unions is that none of their members are full-time trade unionists. Instead, all works committee members are rank-and-file employees, either at a machine or on the assembly line. Collective bargaining in past years has been non-confrontational, with no strike alerts or demonstrations. The union has typically demanded modest annual wage increases of 3%.

The employer's attitude to the union was not overtly hostile, but it remained reserved: the union was provided with a bulletin board at the plant but no office. Contacts with colleagues were maintained during breaks or outside work. It was only later, in February 2020, that the union's OHS representative set up a private Facebook group for employees. This was a reaction to worsening occupational safety conditions, but it was also a response to a rival, employer-controlled Facebook group in which workers were not allowed to comment on posts. For his actions, the founder of the private group faced harassment in the form of reprimands for fabricated breaches of work discipline, personal interviews with supervisors, denial of night shift work and being moved from one workplace to another. A year later, the union also set up a website. Both communication channels played a key role in disseminating information about the steps taken by the company after the pandemic began and also in organizing the strike.

 $<sup>^{\</sup>rm 10}$  The union organization itself is part of the KOVO federation, roughly the Slovak equivalent of Germany's IG Metall.

# 3 An offensive on several fronts

The chaos caused by the coronavirus in industry is well known. In the spring of 2020, quarantine measures brought car factories around the world to a standstill. At the same time, the general uncertainty caused a drop in the demand for new cars. For the BPC group, this meant an immediate fall in orders and sales. Some employees were furloughed, staying at home and being paid 60% of their wage, while others were on pandemic sick leave paid by the state. Unlike in many other factories, however, production at BPC never completely stopped. Despite this, the company's management approached the union as early as March 2020 with a request for concessions to help the company get through this difficult period and avoid layoffs. The union agreed and signed an amendment to the collective agreement that had been in force since 2018. The company gave an informal promise that the new measures would only be temporary.

In the March addendum, the union made three major concessions. Firstly, they agreed that workers would be paid the so-called "holiday bonus" and "end-of-year bonus" in 2020, which is basically an extra month's wage divided into two payments, in June and November. Secondly, they accepted a wage freeze at 2019 levels. And thirdly, they agreed to a trial of new criteria for the payment of individual bonuses, for a period of three months (from June to September). These criteria determine the amount of a worker's individual bonus (paid out monthly as a "variable part" of the wage) based on productivity and the scrap rate. The company promised to prepare new productivity and quality standards and discuss them with the union during the trial period.

Management argued that it could not guarantee jobs in these uncertain times and that some sixty core workers could lose their jobs if the union would

not cooperate. In light of previous downsizing, this was a credible threat.<sup>11</sup> Moreover, management had given a "gentleman's word" that when market conditions improve, the company would return to paying the original bonuses, and would also be open to discussing wage increases.

Today, trade unionists laugh at the naivety with which they accepted this promise. The company's situation began to improve at the beginning of summer 2020, as the number of new car registrations began to rise in Europe. However, the company neither revoked nor eased any of the measures.. Moreover, several employees had been terminated anyway during the first wave of the pandemic. In August, the company abruptly ceased its cooperation with an external contractor that had provided workwear cleaning services. Until then, employees would regularly hand in overalls soiled with chemicals or production waste to have them cleaned. From now on, they had to wash them themselves, at their own expense – although according to law, given the nature of the workplace, the employer should have borne the cost.

This decision might not have caused outrage – many employees were used to doing their own laundry from the old days – if the company provided new clothes more often. In recent years, new overalls and t-shirts have rarely been issued (again, in breach of legislation and internal guidelines). The company's move was perceived by employees as a sign of arrogance and an effort to save on the most elementary costs. Another such issue was the cancellation of meal vouchers. Until then, the custom was that if an employee chose not to eat in the company canteen, they would receive a meal voucher that can be redeemed in any restaurant or grocery store. As the factory cuisine was not to the liking of many, workers welcomed this option. Now the employer abolished it, apparently in order to save money.

# Individual bonuses and new negotiations

In the last quarter of 2020, during the second wave of the pandemic in Slovakia, the market stabilized and the company had sufficient orders. However,

 $<sup>^{11}</sup>$  At the end of 2018, the company employed 320 people, a year later only 261.

the management continued with austerity measures. It offered some of the women workers it had parted with during the first wave to return to work, though not as core workers but through an agency. Without explanation, it cut individual bonuses, i.e. the variable component of monthly pay, although it had not used the trial period (June to September 2020) to draw up and discuss the promised productivity and quality standards. The individual bonus represents a maximum of an additional 13% of the basic wage. The company first cut it by thirty, then by seventy percent. It became clear that the measures introduced in spring would not be temporary and that the firm was looking for even more ways to reduce personnel costs.

As the collective agreement was due to expire on 31 July 2021, the unions began negotiating new terms. In November 2020, they submitted the following demands:

- a 6% increase in the basic wage for production workers,
- reinstatement of holiday and end-of-year pay to pre-pandemic levels,
- transferring the individual bonus, i.e., the variable component of the salary (calculated as 13% of the basic wage), to the basic salary,
- maintaining the motivational bonus ( $ext{\@cute{c}}25$ ),
- an increase of €10 in the so-called attendance bonuses, which are paid several times a year,
- extension of the existing collective agreement until 31 March 2022.

The 6% increase was intended to compensate for the canceled increase in 2020 and to provide for the usual increase in 2021. The next two demands were a response to recent austerity measures. As regards the motivational and attendance bonuses, they had been agreed in the existing collective agreement and the unions wanted to maintain them.

The employer's counter-proposal simply negated all of the union's demands:

• no increase in basic pay as long as the the collective agreement (CA) is in effect,

- no holiday bonus (as of 30 June 2021); payment of the end-of-year bonus only on the condition that earnings before interest and tax (EBIT) achieve a growth rate of more than 2% in 2021,
- the introduction of new productivity and quality criteria for individual bonuses,
- linking the motivational bonus in an individual month to the development of EBIT in that month,
- maintenance of the attendance bonus until 31 July 2021,
- termination of the CA on the original date (31 July 2021).

Thus, according to the company's demand, the salary freeze was to continue in 2021, regardless of how the market situation develops. Only the end-of-year bonus would be paid out, conditional on the company's economic indicators.

As regards individual bonuses, the new criteria proposed by the company were that 60% of it should depend on the productivity of the employee and the remaining 40% on the scrap rate. On the one hand, these rules are a tool to save labor costs. In a factory, there will always be a spectrum of workforces with varying levels of productivity and scrap rates — especially given that labor productivity depends not only on the worker, but also on the reliability of the machine and other factors. The dependence of a part of the wage on the share of defective products is, in turn, a disguised form of penalization (deduction of a portion of the wage) for scraps.

These criteria are also a form of piece rate pay, a disciplinary tool. It is intended to ensure that workers themselves strive to maximize their performance without having to be constantly supervised. Last but not least, the criteria are a political tool to individualize and divide workers. Tying wages to individual performance is an easy way to stir up competition and centrifugal forces within the workforce that fragment the common interest and complicate organizing.

According to the proposal, the so-called motivational bonus would be made dependent on the current economic performance of the company, which the

employees cannot easily influence as it depends on other factors as well (market demand, the regularity of payments by customers etc.). The attendance bonus was to be guaranteed only for the next few months. The company evidently counted on negotiating a new, even more favorable contract after the expiry of the current one, or on completely avoiding a new contract.

After the Christmas holidays, the management stepped up pressure again. Individual bonuses were not paid at all and the criteria from the autumn proposal were applied unilaterally, without the approval of the union. The same approach was taken by the management of the Považská Bystrica foundry, where a new collective agreement was also being negotiated. However, there the management's efforts to cut personal remuneration ran into difficulties. Employees collectively refused voluntary overtime and the company had to resume paying the variable wage component.

In Beluša, however, the union officially entered into a collective bargaining dispute in February 2021 and proposed two mediators. Although the employer had in the meantime come up with minor concessions, proposing a 1.5% increase in the basic wages from 1 April 2021, <sup>12</sup> the union insisted on at least 5%.

# Hazard pay

The wage increase proposed by the company would have been eliminated by other austerity measures anyway. An occupational health consultancy firm hired by the employer in November 2020 drew up new regulations based on a recent measurement of occupational hazards – noise and chemicals. The measurement was carried out without the presence and knowledge of union representatives, in violation of the law. The noise levels detected were, by sheer coincidence, just below the limit of 85 dB. After the new regulations were formally approved by the Public Health Authority in February 2021, a number of machine operators were reclassified [from the third category of hazardous work to category two. This made them ineligible for hazard pay,

 $<sup>^{12}</sup>$  This would increase the net monthly income by roughly  $\mbox{\Large \footnote{L}}\mbox{10}.$ 

increased night work pay and increased overtime pay. For example, a worker who put in 160 hours in April, including 37.5 hours at night, lost about EUR 130 in gross wages after being reclassified to the second category.

The withdrawal of hazard pay has been in the pipeline for a long time. As early as autumn 2020, management began modifying some machines to reduce noise and limit aerosol exposure – for example, by fitting an additional protective panel or a plexiglass door to the machine. These changes were made without consulting the trade unions or with the technical inspection body, which should examine any substantial modifications to the machines. Some of the changes led merely to the substitution of one risk factor for another. For example, the drying of parts using a hand-held compressor gun was replaced by blow-drying in a closed box. Soon after, workers began to complain of cramps in their hands, apparently caused by repeated contact of hands in wet gloves with the cold air in the box. Such changes, according to employees, not only worsened ergonomics but also led to slower work – without a corresponding adjustment in production quotas.

The cuts in hazard pay had a wider significance for the company than just an immediate reduction of the wage bill. Employers are forbidden by law from using "incentivizing" pay schemes with employees doing category 3 hazardous work, since such schemes prioritize performance over health and safety. The new standards for productivity and scrap rate based on plant averages, as proposed and implemented by the company, seem to be just such a scheme. Employees doing hazardous work are also automatically included in a supplementary pension savings scheme to which their employer is obliged by law to contribute. In addition, after five years of working in category 3, workers are entitled to at least seven days of convalescence, under professional medical guidance, at the employer's expense. Thus, by reclassifying workers to the second category, the company gained more than just immediate savings in hazard pay.

From the perspective of the working class, however, hazard pay – like night work rates – is a double-edged sword. On the one hand, it is compensation for working in conditions that, especially with prolonged exposure, endanger the health and shorten the (productive) life of the worker. From this perspective, it is a matter of course that the working class demands increases

in hazard pay. On the other hand, hazard pay is in fact a premium for which the worker sells their willingness to risk damage to their health. In short stretches of time, during which the damage appears negligible, this may seem like a rational bargain. But there is a limit beyond which no amount of money or convalescence can compensate for a reduction in lifetime (not just in the sense of the "productive" part of it spent at work) or bodily harm. It is therefore in the interests of workers not simply to maximize hazard pay and other bonuses, but to eliminate night work and harmful work as much as possible. This, however, is in conflict with the interests of employers, to whom economic "necessity" (e.g. seeking a quick return on investment in plant and machinery) dictates squeezing the workforce. And if basic wages are sufficiently low, hazard pay is a tool to ensure that workers themselves will voluntarily seek out opportunities to make extra money at the expense of their own health.

However, the collective bargaining in Beluša did not directly touch on hazard pay. In the meantime, the mediator came up with a compromise proposal. It included a 6% increase in basic wages, but also concessions on the part of the employees. The management did not accept the proposal and made its last offer: a 2.5% increase in basic wages of production workers, i.e. about €18 (before tax). At the same time (April 2021), management abolished the motivational bonus of €25, thus completing its series of cuts. The union rejected the new proposal and stated that mediation had failed.

# 4 On the way to the strike

The series of steps taken by the company between March 2020 and April 2021 deprived workers of about €170/mo. (before-tax) on average. However, people viewed with at least equal resentment the arrogance with which the cuts were enforced. Conditions were changing from one day to the next, all promises seemed to be void, no regard was paid to breaches of the collective agreement or the law, and no regard was paid to warnings issued by the Labor Inspectorate. Instead of extending health protection (from noise) or compensation for damage to health to assembly line workers, the conditions at the machines were passed off as harmless, comparable to office work (also category 2 hazardous work).

In addition, discipline in the factory was tightened. Workers were punished for higher scrap rates by having their bonuses cut, and in some cases, they were also issued additional disciplinary warnings. Two concurrent punishments, financial and disciplinary, were also given to employees for other offenses (e.g. violation of the ban on smoking, lack of protective equipment), even though this was in violation of the factory's own internal guidelines. A separate issue was the wearing of face masks and respirators due to the pandemic. On the one hand, rank-and-file employees faced penalties if they took off their face coverings for a while; on the other hand, members of the management and their visitors moved around the production hall – with their usual smugness – without coverings and reflective vests, in inappropriate footwear.

The union has kept employees fairly well informed of the company's actions through the private Facebook group and website. In this way, even issues that would otherwise have remained between management and the union became the subject of more general discussion among rank-and-file workers,

including the non-unionized. When the company clamped down in early 2021, the country was in lockdown and trade unionists were not allowed to call meetings. Personal contact with colleagues outside the workplace was also minimal. In these conditions, social media in particular proved to be an important communication channel.

Austerity measures as such were nothing new for BPC employees. They were used to the fact that with the arrival of a new managing director (of which there had already been seven or eight), various "improvements" were introduced in order to increase productivity. Thus, CNC machine operators had already been robbed of their chairs on which they could sit when measuring finished products, that is, at the moment when the machine was working on the next pieces. Earlier, stations for team leaders to better monitor operators at work had been introduced, and there had also been experiments with connecting individual machines to the office for real-time monitoring.

This time, however, a whole battery of measures came in quick succession, which resulted in an immediate drop in living standards<sup>13</sup> and were introduced without any comment. As one worker summed up the atmosphere in the factory, "OK, so they took our hazard pay and our bonuses. But they didn't want to explain it to us or communicate with us or give us a raise elsewhere – nothing. And this made people angry. If they had taken hazard pay from us but talked to us, maybe the strike would never have happened. Some sort of compromise could have been worked out. But they refused everything. And that made people angry, more than the fact that they took something away from us."

## Informal resistance

Like their colleagues at the foundry in Považská Bystrica, the workers in Beluša tried to resist the reduction of individual bonuses by refusing voluntary overtime. However, not enough operators took part in this action,

<sup>&</sup>lt;sup>13</sup> All of this was taking place at a time when the labor market was tight and many workers, including family members of BPC employees, were facing income cuts or job losses.

and although a small group persisted for several weeks, this did not affect the company's decision. "Thirty guys can agree to something more easily than one hundred and fifty girls," one participant in the action told us. In the face of other wage cuts, overtime pay was apparently too attractive for some operators to give up — especially with no guarantees about the result, and under the threat of a written disciplinary warning.

Formal requests for salary increases, which were made by employees *en masse* after the reduction of the variable component, or complaints to the Human Resources department by individuals and groups, were also fruitless. "Everyone went there to complain like an avalanche. All one had to do was to say that we need to go complain." Although the HR manager listened to them and assured them that "it would be dealt with", the weeks and months went on.

One of the most common forms of passive protest in the workplace is quitting. Frustrated BPC workers could easily find employment in one of the many industrial plants in the area. But as they told us, none of nearby factories offer conditions that would make it worthwhile to leave the old collective of workmates. The more distant industrial zones around Bratislava and Trnava, where the wages are higher, are not attractive to them because of the commute, which women in particular would find difficult to reconcile with childcare. As two workers discussed with us:

**Diana:** "We said we weren't going to give notice. We want better

conditions here. Negotiations were unsuccessful, the director arrogantly refused the demands, he wanted to

give us nothing. So we knew..."

Martina: "...that we're in trouble."

**Diana:** "...and that we have to stick together."

Although neither the refusal of overtime nor the more or less collective complaints to the HR department were successful, they nevertheless show that BPC workers do not lack self-confidence. They refused to accept the new conditions in the factory and did not look for a way out of the situation in individual strategies such as quitting.

Thus the discontent continued to build up until the unions exhausted all the possibilities provided by the Collective Bargaining Act. When the last negotiation broke down in mid-May, they began preparing for a strike vote. This took place in the usual way: employees voted as they were coming to or from the plant. Those who were on long-term sick leave or parental leave could vote from home. As the unionists had to coordinate the operation of the polling station with their own working schedule, they were also provided with organizational assistance by their colleagues from Považská Bystrica.

All core employees, including office workers and members of management, could participate in the strike vote. <sup>14</sup> Although the union addressed a request for support to office workers, it can be assumed that the majority of those who did not vote or voted against the strike were from this category. This is more or less confirmed by the results of the ballot. Over two days, about three-quarters of all workers took part. Of these, almost 89%, or around 150 people, voted in favor of the strike. The question now was whether they would act accordingly.



The strike ballot (kovobpc.sk).

Note that unlike in some other countries, strike ballots are not restricted to union members in Slovakia. Any permanent employee can vote.

# 5 The value chain: a trump card in the hands of workers

Shortly before the strike, the company tried to discredit the union with a public "Call to Cease and Desist," in which it objected to "slashed tires," a "graffitied and damaged car," and other "examples of unlawful conduct," hinting at supposed actions by the trade union. However, employees at Beluša have no idea what this was about. In addition, management purposely ordered two members of the union's works committee to take their remaining paid leave, apparently in an attempt to complicate the preparation of the strike. After all, what could be worse for an organizer than time off at the employer's expense? The efforts of the production manager, who tried to dissuade the workers individually and to defend the company's actions, were also unsuccessful. A staff meeting called by the managing director himself also failed to meet expectations: only a few curious workers turned up.

The strike began on Thursday, June 10, on the morning shift. A meeting of strikers was held in front of the factory in the presence of KOVO officials and Pavel Šujak, the chairman of the Považské strojárne union organization, who were also on the bargaining team. The extent of support for the strike was evident from that morning's turnout. An overwhelming majority of the factory's production workers joined the strike, with the exception of team leaders and certain better paid technical professions. However, all the setters did join in. One of them told the media that although he was happy with his own pay, he was on strike for the others. The company was also unable to cover the morning shift because a large number of agency workers failed to show up. Since they were not BPC employees, they could not formally participate in the strike. Still, some of them apparently decided to support their core colleagues: "The agency workers realized that they want to get into

the core, and that if they supported us, they too would have better conditions as core workers in the future. And on the other hand, if we core workers earn less, they will also get less in the next contract from the agency. Those who were able to consider this supported us in this way," one of the strikers explained.

After the morning rally, most strikers went home. However, given the arrogant attitude of the management at that day's negotiation, the union decided to organize an impromptu occupation. However, instead of occupying the factory premises (as in a sit-down strike), pickets of about six people took turns outside the factory gate every twelve hours, also using their cars to block the entrance for trucks. Thus, the company could neither ship finished products nor stock components needed for production. The pickets were always composed mainly of women and included rank-and-file workers, members of the union's works committee and a KOVO official.

The strikers were met at the factory in the morning by reinforced private security guards and metal barriers of the kind used during demonstrations or football matches. As one of the workers told us with a smile, "It was as if we had announced a terrorist attack, not a strike!" Management repeatedly called the police on the strikers and tried to have them evicted from the gate, but apart from minor traffic infractions (a car partially parked on company property), the police found nothing that warranted intervention.

The strike was therefore peaceful, apart from a few minor incidents and humorous episodes. For example, a minibus operated by a temp agency arrived in front of the factory to bring workers for the next shift and to take away those leaving. On both journeys, however, the driver was its only occupant. Some of the truck drivers who came to pick up the products were less sympathetic to the strike or nervous about the delay. At one point, management decided to sidestep the picket by having a chain-link fence cut so that trucks could enter the car park from a different direction. One such truck was even loaded (by hand) by members of management. In doing so, they tried their hand at driving a pallet jack across the lawn, providing free entertainment to the strikers.

However, the picket called for help from strikers living nearby. Within minutes they blocked the second entrance: "Four cars arrived and twenty girls jumped out." So the management had no choice but to unload the truck again. Attempts at exporting parts in private cars or taxis were similarly prevented. Members of the management showed their frustration by shouting and giving the finger to the strikers. At one point, the managing director of the company himself could not handle the tension ("He was panting as if he had just run up Mount Butkov") and tried to physically confront one of the picketers. After a strongly worded warning from the others, he calmed down again.

On the second day of the strike, more agency workers had come to work, and production could be resumed, albeit to a very limited degree. However, the blockade of exits continued and none of the strikers returned to work. There were also a number of core workers who, although they did not go on strike (perhaps out of fear), supported their colleagues by taking some other form of absence from work. However, what was really crucial was the participation of the setters in the strike. Without their help, the agency workers who went to work along with a handful of core workers from the Control Department, were unable to cope with any malfunctions. With each problem, they had to move to a different machine. Thus, even if the strikers had not blocked the exit of the factory, the company could not have sustained production for long without the setters.

Management initially approached the negotiations with the same smugness and tried to issue ultimata. However, over the weekend the entire factory was shut down because without the core workers, not enough people could be recruited to produce in a meaningful way. "Even the compressors were turned off because it was pointless. There were only two people and everything was standing still," employees told us. It was obvious that no products were going to get out. That didn't change on Sunday night and Monday morning, when agency workers returned in greater numbers.

The company was now dealing with more than just lost or deferred sales. Supply chains in the auto industry operate *just-in-time*: not only Booster but also its customers do not have warehouses full of semi-finished goods. After just four days, the disruption at the factory began to threaten BPC's

customers. According to our information, the production of turbochargers at the Garrett factory in Prešov on which, in turn, the production of several car manufacturers depends, was threatened with interruption. A supplier in the automotive sector that fails to meet its obligations within the agreed deadlines exposes itself to contractual penalties and, in the worst case, to the loss of the contract. Management of the Beluša plant – headed by Roland Grijpma, former CEO of Continental in Púchov and an avid yachtsman – has done their sums. The meeting on Monday, at which a member of the group's management from Germany was also present, ended in the evening with an agreement in which the company conceded to all the demands.

It is worth pointing out here that the decisive turning point in the strike did not come about because of media attention, numerous statements of solidarity by unions and other groups, <sup>15</sup> or thanks to the art of negotiating at the bargaining table. The success of the action was due to the economic pressure that workers were able to exert simply by refusing to work. They turned the efficient organization of production and the competitive conditions in the sector, which are otherwise responsible for the high pace on the lines and the lax attitude to occupational hazards, against the company. Other workers have this potential collective power, too – they just need to learn to wield it.

## Summary of the results

The new Amendment No. 4 to the current collective agreement includes the following points:

- a 7% increase in the basic wage for production staff from 1 June 2021,
- a guarantee of holiday bonus equal to 50% of the average salary,
- payment of an end-of-year bonus (50% of the average wage) if the factory meets the EBIT growth criterion; if the criterion is not met, the employer guarantees a bonus of 25% of the average wage,

<sup>&</sup>lt;sup>15</sup> We should note, however, that this solidarity also had a practical form. Individuals and small establishments from the surrounding area brought food to the picketers. A former colleague, with the help of her new employer, provided a portable toilet.

- a guarantee of paying at least 85% of the individual bonus (which is a maximum of 13% of the basic wage on top of the wage) each month until an agreement is reached with the union on productivity standards (which will set out the criteria for paying 100% of the bonus)
- reinstatement of the motivational bonus of €25 per month (based on an agreed formula for calculating it) for all staff working in three shifts,
- maintaining the attendance bonus,
- guaranteed employer's contribution to the pension fund of €20/month if the employee contributes at least €10/month (applies to employees who do not receive hazard pay, including those recently reclassified from the third to the second category),
- extension of the collective agreement until 31 July 2022.

Another important part of the addendum contains compensation for the strike. The payment of the motivational bonus in June, which is also conditional on attendance, as well as the amount of the attendance bonus, were not affected by absences during the strike. In addition, all workers received a one-off bonus of €150 (gross) in their June pay, which more or less compensates for the wages lost while on strike.

If we compare the original demands and the results of the strike, it is clear that the union made some concessions. On the one hand, basic wages will be increased by seven instead of six percent. On the other hand, the end-of-year bonus is conditional on the economic performance of the enterprise. At the same time, it was not possible to transform the entire individual bonus into a part of the basic wage, as originally demanded. Instead, the company guarantees to pay 85% of the bonus until productivity standards are agreed on. All in all, CNC machine operators who lost their hazard pay are now earning slightly less than they did before the company's cuts. Conversely, assembly workers, who never had hazard pay, are doing better today.

However, the compromise seems to have found universal acceptance among employees. According to the trade unionists, this is also evidenced by the increase in unionization rate in the plant. The share of union members among production workers approaches 100%. The strike is said to have

"strengthened relations" and brought people closer together. This is good, because the ability of workers to collectively stand up for their interests may apparently be needed again soon.

The workers returned to the factory on Tuesday, 15 June. At the end of the month, however, the management prepared one last surprise for them in the form of individual amendments to their employment contracts. Among other things, they stated that the payment of the individual bonus was the management's prerogative. Union lawyers quickly pointed out that this was in contradiction with the collective agreement – and therefore null and void. The company had to rework the amendments.

## Assessment and outlook

After a long time, the strike in Beluša is an example of a collective work stoppage in the most important manufacturing sector in Slovakia. It is also the only successful strike in the country in the period after the end of the previous boom and the beginning of the coronavirus pandemic, which worsened working conditions in various sectors. The events at BPC offer several lessons. Above all, they remind us that companies' requests for solidarity in times of crisis have to be approached with utmost caution. As many times and in many places before, it became clear that temporary and exceptional measures can quickly turn into permanent ones. Moreover, they can be the start of an offensive for which the crisis is merely a pretext. Here, management tried to use a short-term drop in demand to fundamentally reconfigure working conditions. The attack was largely repelled, but it would be naive to think that it is over.

Firstly, the ambitions of the BPC group, which we have described in one of the previous sections, are clear. It is equally clear who will be squeezed to provide the expected growth. With the end of the collective agreement approaching (in less than a year), workers in Beluša should prepare for another battle. One of the first skirmishes may be over "labor consumption standards", the basis for individual bonuses, and over the practical application of these standards. For example, if workers can coordinate (in other words, if they refuse to compete in performance), they can prevent the company from using wages to divide and disintegrate the collective into competing individuals.

<sup>&</sup>lt;sup>16</sup> In manufacturing, real wages fell in 2020 for the first time since 2011. The closures of factories, furloughing and the payment of reduced wages during the first wave of the pandemic undoubtedly had the biggest impact on this. However, the examples of BPC, Tubex and Slovakia Packaging show that industrial firms have also reached for austerity measures.

Secondly, the management did score one important victory, on the hazard pay front. This was not subject to collective bargaining, as hazard pay depends on "objective" measurement of risk factors. Winning it back will not be easy. The factory workers must find a way to move or extend the fight for them from the terrain which is largely controlled by the company (measurements by an external company... paid for by Booster), to one where they can exert pressure. If the strike was a frontal clash of two armies, then the fight for risk premiums is more likely to be a guerrilla war. Its tactics (e.g. various forms of refusal to cooperate with supervisors, including refusal of overtime, rigorous compliance with work procedures and regulations to slow production, etc.) must be based on the knowledge of workplace conditions that only the workers have. In general, however, the aim is to create a situation in the factory in which management will have no choice but to let production continually spiral out of control, to allow a genuine assessment of occupational hazards (reinstating hazard pay) or to create safer conditions for workers.

As we have already indicated, the decisive moment of the strike was the ability of workers to use the way in which production was organized against the company. Two other factors also played into their hands. Firstly, the factory is not large and employs mostly people from the surrounding area who know each other. Their interactions cross the boundaries drawn at work (e.g. between operators and setters, but also between rank-and-file workers and the lowest level of management in production). Such a workplace community can also act as a reason not to "vote with one's feet" but to stay and fight for better conditions. At the same time, during the strike, workers were able to lean on the relationships they had built over the years in their daily interactions at work and elsewhere. And secondly, the core of production in BPC depends on a technically skilled and experienced workforce that is not easily replaced – and which recognizes the extent to which the quality of production depends on it.

One strategy that a company may now try to use to undermine these sources of power (and weaken the union at the same time) is to use agency work even more intensively. The chances of such a strategy succeeding, however, also depend on the attitudes of the core employees and their union. While agency

workers are not covered by the collective agreement, the BPC community can "take them in" and integrate them into a collective that fights for its interests – both those in common and those specific to agency workers. In other words, it is also up to the workers whether (or to what extent) they will allow themselves to be divided by their employers. At the moment, the advantage is on their side. A number of agency workers have tacitly supported the strike, or at least not opposed it. It is important not to lose this advantage. It is time to think about what core workers can do to reciprocate the solidarity shown by their temp colleagues.

## Weaknesses of the strike

If we compare the strike in Beluša with that at Volkswagen (Bratislava, 2017), one difference is immediately obvious. During the first three days of the strike, the surroundings of the VW plant were lined with tents, garden chairs and barbecues. The afternoon shift alternated with the morning shift and the night shift with the afternoon shift, but not to go to work. Along with entertainment and sports, workers gave impromptu speeches and various discussions were generated.<sup>17</sup> In contrast, the factory in Beluša was blockaded by a small picket which called in reinforcements from among the rest of the strikers as needed. Participation in the strike was massive, but the strike in the sense of what was going on in front of the factory was not a mass action and, with the exception of the first and last days, was not accompanied by larger public meetings. The main source of information for strikers about new developments were social media. Works committee members explained this tactic, according to which only the necessary number of people were to participate in the blockade, as an effort to "conserve forces". No one knew how long the strike would last, and a mass presence outside the plant could quickly exhaust people. The composition of the pickets, which always included outsiders from the ranks of professional trade unionists, was explained by the need to have someone available who "knew the law", especially in view of the frequent visits by the police and the unpredictable

 $<sup>^{17}</sup>$  Some of the moments are captured in our videos of the strike.

behavior of management. In addition, the KOVO staff present (e.g. the president and vice-president of the union, a lawyer, the editor-in-chief of the union's monthly newspaper) also acted as moral support.

Both of the explanations mentioned – to conserve forces and to have support available – make sense. However, we think it is necessary to articulate clearly what underlies them. The organizers of the strike were aware of some limits on the part of the workers in terms of their ability to sustain larger pickets. The latter could have, for example, included all the workers on the same shift and rotated every eight hours. The question of whether strikers could handle confrontation with police and management (even if only verbal) without lawyers or experienced unionists present was approached with similar caution. In both cases, these were *weaknesses* on the part of the workers that the unionists were aware of.

We do not mention this because we want to find something to criticize in a successful strike. On the contrary. We consider it necessary to openly acknowledge such weaknesses and reflect on them so that ways can be found to overcome them in the future. For the tactic decided by the strike organizers was not flawless either. It created a situation in which a relatively small group of people (rotating pickets plus a negotiating team) were constantly fighting "for the others". These "others" did keep up-to-date with what was going on and were on standby to come to the rescue if necessary, but otherwise they stood largely outside of the practical conflict – at least until they relieved a departing picket. <sup>18</sup> It's clear from discussions on social media that the attitude of some strikers was rather passive: "Thank you for fighting for us."

The fact that weak involvement by rank-and-file workers cannot always be compensated for by a stronger commitment by trade unionists is illustrated by a case from 2010. At the Yura Eltec factory in Hnúšťa, KOVO trade unionists attempted to organize an occupation strike without sufficient support from the workers. They occupied the factory gate and succeeded in blocking traffic. However, the action was over when the workers themselves began carrying out the finished products (automotive cables) in their hands and

<sup>&</sup>lt;sup>18</sup> Since the strike lasted five days and the composition of the picket changed every twelve hours, far from all the strikers participated in the fight in person.

loading them onto trucks that had pulled up outside the gate. Of course, if we look at the Beluša strike from a purely pragmatic point of view ("It was a success, wasn't it?"), the largely passive participation of some of the workers is not a problem. But such a view sees no further than the signing of the amendment to the collective agreement. There may soon be other situations where a deeper involvement and joint efforts of all, or at least of a large majority, will be needed (e.g. in resisting productivity standards, fighting for hazard pay, or in case the company persecutes individual strike participants).

The strike was an opportunity to lay the foundations of such a collectivity through joint action. At the same time, it could have contributed to breaking down the barriers between those who organize (members of the works committee and the most active workers) and those who are organized. This opportunity was not seized. It is therefore important to think about how the experience and commitment of the most active strikers (those on the picket lines) could be transferred onto the rest of their colleagues. Prospectively, one can also think about establishing closer links with the Považská Bystrica foundry workers. The first impetus has already been provided by Beluša: under the influence of their successful strike, collective bargaining at the foundry quickly ended with a five percent increase in basic wages, before the employees had even had time to vote on a strike. <sup>19</sup>

However, Považská Bystrica's collective rejection of voluntary overtime also offers useful lessons. Above all, it shows that even unofficial actions outside the framework of collective bargaining, which employees can organize themselves, can win immediate concessions. The particular form of disobedience chosen depends on the details of the organization of production. In this case, the workers took advantage of the key position of being the only foundry in the group: without overtime, it would probably have been impossible to fulfill orders at other factories. Finally, comparison with a similar attempt in Beluša shows how important it is for workers to know that they have to stick together.

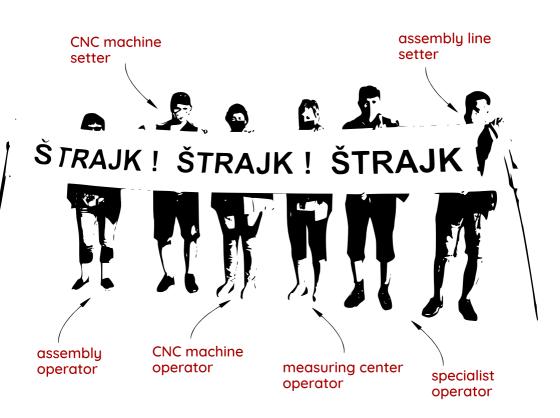
<sup>&</sup>lt;sup>19</sup> Incidentally, according to information that BPC employees have received from their friends in other companies in the region, some nervousness about the strike in Beluša has begun to spread among managers of some other companies.

Karmína is a blog that looks at the world from the perspective of workers, their living conditions, needs and everyday struggles. In these, it seeks the germs of a future global movement that could shake the world. Karmína criticizes all artificial divisions – those of gender, race or nation – that partition the working class, and seeks ways of breaking through them practically.

Karmína is run by a small editorial collective that subscribes to the tradition of collective authorship and independent organizing without the help of well-meaning politicians, all-knowing experts, and proponents of social peace.

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