

# **The myth of 'co-management' in Venezuela**

**Reflections on Alcasa and Invepal**

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With a lot of rhetoric and propaganda the Chavez administration has advanced different examples of co-management which, they claim, demonstrate their desire to transform Venezuela's relations of production. A compañero from Europe visited us recently and got to know two of the most celebrated cases: Alcasa and Invepal. Here is the report he prepared for El Libert@rio # 51 about the actual working conditions in the country's most "important" co-managed businesses.

Alcasa is an Aluminium factory located in Ciudad Guayana, some 800 km south-east of Caracas. According to official accounts it is an example "par-excellance" of co-management. In order to "change the relations of production" inside the factory the government placed it under the control of a "revolutionary" manager — an old-guard activist of the radical left whose ideological discourse is influenced by elements of the Frankfurt School and sprinkled with references to the Marxist, anti-Leninist, Pannekoek.

Alcasa employs some 3,000 workers. To begin with, the factory (like others in the country such as the privately run company SIDOR) ought to be immediately shut-down due to its un-healthy working conditions. After 20 years of service in the plant, workers resemble the walking-dead, contaminated by the high-grade aluminium dust which slowly devours their lungs. Never mind that the whole world knows about the lethal side-effects of aluminium dust, the situation at Alcasa continues unchanged. For their part, the workers argue that they need to feed their families and earn enough money to live on after their customary 20 years of service to the company is over. Not surprisingly, they have rejected the initial offer management made on their behalf: the typical far-left proposal of reducing the hours of the working week. The workers' claim that this reduction would lead to the creation of an entirely new shift-rotation and eliminate the possibility of their earning over-time. The management has drawn the political conclusion from this rejection that the workers are "too egotistical," that they are "only interested in money," and, therefore, are in need of political-ideological re-training in the classroom. The refusal of workers to quietly accept their program apparently "confirms" for them Pannekoek's thesis that syndicalism impedes the formation of class consciousness.

Much of the machinery Alcasa bought when the company was founded some 40 years ago is still in service, and even the "modern" equipment is at least 20 years old. The technology is obsolete and some of it is no longer functional. Production capacity is scarcely running at 60%. Although supply has continued to meet demand on the market, the international price of aluminium has stagnated in recent years and the financial loss to the company has been enormous. It appears, however, that neither the state nor company management has efficiency or profit, in the capitalist sense, as its ultimate objective. In private, management complains that ministerial bureaucracy blocks the financing necessary for technological renovation while inside the factory they continue their courses dedicated to political-ideology. Management has contracted private personnel to lead their re-education sessions: old militants from the same political group as the factory's director. Workers are invited to attend these meetings for up to one week — and eventually longer — while receiving time-off from their jobs with pay. An example of the discussions that take place are the difference between Normative Planning ("Bourgeois") and Strategic Planning ("Revolutionary") citing Marx, Gramsci, Adorno, etc., without introducing into the discussion any concrete issues facing workers inside the Alcasa factory.

## **The wage policy**

Within the factory salaries vary according to qualification and seniority —there are significant differences between employees. The workers do, however, receive a relatively high wage. The entry-level salary is approximately 500 Euros — three times the minimum-wage — and the medium salary is double this amount. But there is hardly a trace of the co-management announced at the outset of the project. At the initiation of co-management in 2005, three representatives per-workshop were elected and one year later there is only one: who only visits his fellow-workers on occasion. There is already no place for round-table debates about working conditions and “team assemblies” only occupy themselves with questions such as how to keep the bathrooms clean and distribute work-clothes. If a worker were asked what co-management has done for them, they would not have a clear answer. They would say, “its good,” “we raised production,” etc., or simply “we’re still working the same as always.” If one insisted on a more concrete response they might hear, “It’s better if I don’t say anything, I don’t want to have any problems.” Never would it occur to them to mention any serious participation in the strategic decisions concerning the process of production or administration of the factory. On the contrary, for some the situation has actually deteriorated: for those workers from the old businesses who organized themselves into cooperatives during the era of out-sourcing in order to retain their jobs.

These cooperative workers (some 600) are put to work directly in the process of production in the same manner as the other employees of the factory but are excluded from the “co-management.” They are not able to use the company’s autobuses to travel to and from work and are not able to eat in the cafeteria. They do not receive extra benefits such as the end of the year bonus (equal to 3 or 4 months salary) and when they become sick, they lose their pay. These workers are not protected by the collective contract but are instead paid by the cooperative which has an independent service contract with Alcasa. As a consequence each cooperative worker receives a specific sum of money for a specifically designated task and nothing more. It is evident that the cooperatives function as a form of micro-business which only perpetuates the precarious status of labor in the corporate world. Even more troubling is the fact that members of different cooperatives rarely communicate with one another and have failed to collectively denounce their situation. Each is left alone with their anger and frustration. The other worker’s at Alcasa only demonstrate their solidarity with these casualized laborers in a distant, abstract way: after all, “the administration already tried to improve their situation.” And the response to a cooperative worker who complains about their plight? To participate in the “political” courses we referred to earlier!

## **Invepal: A paper factory**

Located in Morón, some 200km east of Caracas, this business was closed by its previous owner. The workers fought for two years to keep their jobs before it was finally expropriated by the State (with a large compensation going to its proprietor) and transformed into a co-managed business. The nearly 400 workers were asked to form a cooperative and purchase 49% of the company’s shares with the remaining 51% going to the State. To accomplish this, the cooperative took out a loan with a private bank. For its part, Invepal subcontracted as many positions as it deemed

necessary for the operation of the company (and who therefore were not part of the cooperative). In total, they employed some 650 workers.

The equipment at Invepal is the same as was originally installed when the factory opened in 1957. It is totally obsolete and in a state of disrepair. The capacity of the machinery is running at an abysmal 20%. This is in part due to a defective internal electricity generator and the irregular delivery of raw materials from Argentina and Colombia. In total, the losses are estimated to be more than 2 million Euro a year and the factory continues to operate only thanks to the help of the State. We can see that the logic of “welfare” has simply taken the place of the capitalist logic of “production.”

The state, with its 51%, has absolute control over the administration of the factory (the manager is also the Minister of Labor) and hardly passes on any information to workers in the cooperatives. Because their previous representatives simply tolerated this state-of-affairs, at the beginning of 2006 the cooperative workers elected new, more radical management who are in constant conflict with Invepal – although the actual situation has not changed substantially. Under the new administration, the volume of production has remained essentially the same. The cooperative workers have weekly meetings in which they organize the work of each section – without supervision or department heads – and they are much more happy with the climate on the factory floor. Invepal’s management has yet to interfere in this autonomous process but when the workers received their end of the year bonus for 2006 it was less (3 months salary) than the previous year (4 months). In reply the workers took to the streets in a rage, protesting the reduction by blocking traffic. Considering that in the final analysis management fails to give much importance to the process of production, nobody thought to declare themselves “on strike” because under these circumstances it is not an effective form of pressure. Furthermore, they were not able to take legal action since they are not protected by any form of collective contract; at the end of the day they are a member of a cooperative and they are simply working as “co-proprietors” of the business. One might add to this the fact that everyone in the cooperative receives the same salary: a situation not exactly the result of a decision making process based on solidarity! Even the workers themselves consider this arrangement to be unjust. They resent it as a negative consequence of their participation in a cooperative.

Workers are now placing their hopes in the preparation and implementation of a series of statutes which will, at last, definitively clarify their rights as working members of the cooperative. When we ask their opinion respecting co-management, they reply: “This is the same as always, the level of exploitation was the same before as it is now.” Moreover, because the cooperative has not been able to pay its debts to the banks, the business (or as the case may be, the State) has needed to pay it for them. The end result is that the cooperative workers are now financially indebted to Invepal.

The workers have not heard anything about the film, “5 factories: Working-class control in Venezuela,” which was filmed at Invepal and extensively exhibited abroad, especially in Europe! In spite of the critiques that workers have of the Minister of Labor/Manager of Invepal, they supported the re-election of Chávez. On the occasion of a visit from the state television channel, they decided not to say anything about what has been transpiring at the factory in order not to slander the image of their favored candidate.

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