

The Truth about Job Losses

- A Workers Party Leaflet

“Productivity”, “Increased Competition”, “Tighter Offshore Margins”. These are some of the excuses most commonly put forward by bosses, newspaper editors and politicians (as well as some union bureaucrats) to justify why we all need to accept the inevitability of job losses in these “tough economic times”.

On the surface of things, this may seem like a pretty common sense argument to make. After all, isn't labour is just another commodity (like machinery or raw materials) which is bought and paid for in a fair and equal exchange? And since the bosses own the capital which is used to pay for these purchases, isn't it reasonable for them to hold on to their money if it isn't going to net them a satisfactory rate of return?

We say NO!

It is in fact our labour as workers that is the **sole source of all new value** in society.

Unlike all other commodities – such as machinery and raw materials – which merely transfer to the finished product the amount of **value measured in labour time** that is necessary for their reproduction, workers actually create a surplus value which is above and beyond the cost of maintaining ourselves in a fit state for turning up to work the following morning.

This **surplus value**, which is the difference between the wages paid out to us by the boss and the value of the products or services we create, is pocketed by the boss and turned into **profit**.

From this people get the idea that since the bosses seem to earn all the profits, they should get to decide where the money goes.

For example they might decide to invest in more advanced machinery, allowing the same or even greater amount of production to carry on as before but with fewer workers. This is good from the bosses' point of view because it allows more goods to be produced in a shorter period of labour time, making them cheaper than those of their competitors. It also gives them the added bonus of extracting more surplus value out of each individual worker, so that they are in fact **even more exploited** than they were before the introduction of the new technology (especially once additional factors like speed-up are taken into account).

In a rational society the introduction of **new technology should mean that all workers can actually work less** while still receiving the same wage as before – but under the current economic system of capitalism you have instead one lot of workers sent to the scrap heap and another forced to work harder just to make ends meet.

We can see the same bizarre logic at work with the shifting of production in some industries overseas – once we realise that all surplus value belongs to us workers and not to the boss **then the fact that the same goods can be produced cheaper in Thailand or Mexico or someplace else becomes totally irrelevant**. If production is carried out to fulfil a social need and not to generate profits for managers, directors and shareholders then there is no need to move offshore.

Unfortunately, most people (including most trade union leaders) accept the notion that job losses are inevitable and that control over investment decisions is the bosses' prerogative.

This is hardly coincidental, because **the only alternative to accepting job losses is to reject the entire basis of the capitalist economic system** and for us workers to organise to take control of production ourselves.

Recently workers in Venezuela (like those at ceramics manufacturer Sanitarios Maracay in Aragua Province) have begun to do just this – occupying businesses whose owners have decided to leave the country in search of more profitable opportunities elsewhere and keeping them running under **workers' control**.



Workers threatened with job losses can either accept the logic of capitalism and rely on the charity of the bosses (left), or like the workers of Venezuela (right) take over businesses and run them collectively in the interests of the working class.

While it might not seem like an easy or “realistic” alternative, in fact **resistance is the only option that has any chance of success**. By contrast, experience has shown that the more traditional strategies of using tax credits, rates relief or other forms of corporate welfare to induce businesses to keep jobs in a certain area are totally utopian and worthless. At the end of the day, no matter how many lavish subsidies are provided a boss will still not hesitate to lay off all the workers if they can make more money elsewhere.

Here in New Zealand there is only one political party that is prepared to face up to this reality and stand 100% on the side of workers against capitalism – the Workers Party. If you would like to find out more about us, please get in touch with us via the contact details below.



Our Platform

1. Opposition to all New Zealand and Western imperialist intervention in the Third World and all Western imperialist alliances.
2. Secure jobs for all with a living wage and a shorter working week.
3. For the unrestricted right of workers to organise and take industrial action and no limits on workers' freedom of speech and activity.
4. For working class unity and solidarity - equality for women, Maori and other ethnic minorities and people of all sexual orientations and identities; open borders and full rights for migrant workers.
5. For a working peoples' republic.

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