

British carmaker Rover to cut 1,500 jobs

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Rover Group, the British-based carmaker, announced on July 23 that it was to cut at least 1,500 jobs. Along with the job losses, workers face a reduction in their take-home pay when the company imposes a four-day week with loss of premium-paid overtime. Rover also plans to increase its overseas parts manufacture from 15 to 25 percent, resulting in further job losses among UK suppliers.

Production workers were both angered and dismayed that they first heard about the job losses through the media. Some 40,000 workers are employed at four factories. Rover's main car plant is in Longbridge, Birmingham where it manufactures the Rover 200 and 400 models, as well as MGF sports cars. Land Rover four-wheel drive vehicles are produced at its Solihull plant, also near Birmingham. There are two further sites in Oxford and Swindon. A further 260,000 jobs presently depend on Rover parts manufacture.

Company chairman Dr. Walter Hasselkus blamed the job cuts on the high value of the pound. He said that improved productivity in recent years could not compensate for 'the distortion in trading conditions caused by the 30 percent decrease in sterling's competitiveness since 1996.'

This announcement confirms remarks reported in *Auto Express Magazine* two weeks ago. An anonymous company executive was quoted saying Rover was in 'crisis,' and that 'the current situation is so serious that we may have to consider the possibility of building abroad.'

The German car manufacturer BMW acquired Rover four years ago, after massive restructuring had already cost thousands of jobs. The introduction of flexible working and temporary short-time contracts resulted in wage costs half that of BMW's German operations.

The Transport and General Workers Union (TGWU), representing production line staff, issued a press release in which it 'rejected company proposals to impose

layoffs and potential wage cuts on employees alongside 1,500 job losses.'

The press release goes on to quote Tony Woodley, TGWU national secretary for the motor industry, saying that Rover could not expect its workers 'to pay the price for an over-valued currency.... We are asking the company to urgently reconsider these plans in discussion with the trade unions, and that they honour agreements reached under the Rover New Deal.'

Mike Robinson of the Manufacturing, Science and Finance union, representing white-collar and engineering grades, went even further, saying he did not blame the company for the job losses. The union should combine forces with Rover and BMW to pressure the Bank of England to reduce its interest rates and devalue the pound, he said.

These two statements show how closely the unions have been involved in making the Rover New Deal work through imposing speed-ups and concessions on the rank and file, arguing this was necessary to save jobs.

Rover is slashing jobs and conditions in order to cut its costs and increase productivity and profitability in line with its global competitors. British car workers at Rover face the same attacks as their counterparts currently on strike at General Motors in the United States.

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