50,000 jobs in Britain threatened by BMW's Rover sell-off

Anti-German campaign by union leaders blocks united action against BMW management

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1 April 2000

Below is a text of a leaflet distributed by the Socialist Equality Party of Britain at an April 1 rally called by the auto unions to protest against German auto maker BMW's decision to sell off its Rover operations. The March 17 decision by BMW threatens 16,000 thousand jobs at various Rover plants in Britain and a total of 50,000 jobs in the West Midlands region.

BMW has sold the profitable Land Rover section of Rover to Ford for £1.8 billion. The British venture capital group Alchemy Partners has taken over most of the rest of Rover's operations, including the Longbridge factory where only 1,000 jobs out of a current 8,500 are expected to remain. Alchemy has said that it will end mass production of Rover vehicles and instead produce a new "MG" sports car for a specialist car market. BMW is to retain the popular Mini model, but production will be transferred to its Cowley plant, along with the Rover 75.

When BMW took over Rover six years ago, it was hailed as the saviour of the British car industry. Despite a £3 billion investment by BMW, government grants, increases in productivity and restructuring involving 13,000 job losses, Rover continued to lose money. This month BMW announced losses of £1.5 billion for this year, blaming Rover's poor performance for this. BMW said that the overriding factor in its decision to sell Rover was the high value of the pound and Britain's current position outside the Euro currency zone.

BMW's decision to sell off most of its Rover operations has been greeted with a barrage of anti-German rhetoric, which has found its most vociferous expression in the leadership of the major auto unions.

By whipping up nationalist sentiments, the union bureaucracy aims to block a united struggle by British and German car workers. The unions' "Defend Rover" campaign is advanced under the slogan, "Save British manufacturing". Tony Woodley, the TGWU's chief negotiator, said that what was taking place was a "Battle for Britain". Union propaganda focuses exclusively on calls for a consumer boycott of BMW, together with appeals for the government to find another buyer. This reached tragi-comic dimensions when AEEU leader Sir Ken Jackson stated, "James Bond should abandon BMW for future films."

Autoworkers throughout the world face common problems. There is a worldwide crisis of overproduction in the industry of around 30 percent, which is particularly acute in Europe. The equivalent of all US car production could be eliminated and worldwide demand could still be met. The five corporations that lead volume manufacture of cars—General Motors, Ford, the more recently merged DaimlerChrysler, Toyota and Volkswagen—are all involved in a wave of acquisitions and mergers designed to consolidate their position as global operators. DaimlerChrysler is well on the way towards acquiring Japan's Mitsubishi Motors and VW is interested in BMW.

These corporate mergers are accompanied by sweeping rationalisations and job cuts. General Motors, for example, has shed 300,000 jobs in the past 20 years, and plans more. Press coverage of BMW's decision has overshadowed the threat by Ford to close its Dagenham plant as part of the restructuring of its European operations, including factory closures in Portugal, Poland and Belarus, and possibly Belgium.

Last February the *Daily Telegraph* wrote, "If car plants are to be treated as centres to generate wealth, rather than branches of social security, Longbridge should close." The *Economist* that same month said, "There is a particular madness in pouring money into marginal car factories. All told there are 300 vehicle assembly plants in Europe. The industry needs to shut down 100 of them."

The prescriptions advanced by the *Telegraph* and the *Economist* are being followed not just by the Blair government, but by every major car manufacturer—through plant closures, mergers, downsizing and hundreds of thousands of job losses. It is estimated that 200,000 jobs will disappear in Germany's auto industry by 2010.

Like their counterparts internationally, Britain's union leaders are incapable of elaborating a viable strategy to safeguard jobs.

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Their call to defend “British jobs” warrants careful examination. It is premised on the identification of the trade unions with management, subordinating the interests of Rover workers to the needs of the employers. This policy of corporatism has been pursued by union leaders in every country for more than two decades and has already led to the destruction of hundreds of thousands of jobs. There is no reason to assume that it would have any different outcome today.

There is no common ground between the concerns of the union leadership and its members. Workers want to secure well-paying jobs and decent conditions. In contrast, the trade union bureaucracy has worked to defend its privileged existence by imposing every attack demanded by management. In the name of making the company globally competitive, the union leaders have pushed through 13,000 job losses at Rover over the past six years. The constant demand for greater productivity and longer hours has embroiled Rover workers in a fratricidal struggle against their class brothers and sisters throughout the industry, from which only the employers can benefit. Every increase in productivity and every cut in wages sets a new benchmark that must be surpassed—and it becomes ever harder to do so.

The recurrent demand of the two main auto unions, the Transport and General Workers Union (TGWU) and the Amalgamated Engineering and Electricians Union (AEEU), is that British workers must pursue this divisive struggle with the utmost vigour, in order to convince their employers to cut jobs elsewhere.

No doubt, there will be all manner of militant statements made on the platform at today's rally. But this is only a smokescreen to conceal whatever backroom manoeuvres are being carried out by the union tops. The TGWU and AEEU are seeking another buyer for Rover. But what are they offering as an inducement? Further job cuts? Longer hours? Speed-ups?

The promotion of nationalism is the vehicle through which the bureaucracy seeks to subordinate the interests of working people to those of the major corporations. It acts as an ideological weapon to discipline the workforce on behalf of management. The union hierarchy is well rewarded for carrying out this essential task, with high salaries, knighthoods and even places in the House of Lords.

The calls made by various radical groups for the Blair government to renationalise Rover are futile. Labour has demonstrated again and again that it is the avowed representative of big business interests, not working people. Moreover, no government in the world today is prepared to contemplate a return to the type of nationally protected industries that existed in the immediate post-war period, epitomised by the old British Leyland corporation from which Rover emerged.

The working class cannot combat globally organised capital by calling for a return to the narrow confines of the national market. Modern industry and economic life are international, dominated by major corporations that have been reorganised as global concerns. They call the tune in demanding subsidies from government, reduced corporate taxation, the decimation of social services and an end to legal restrictions on the exploitation of labour.

In such a highly integrated world economy, Rover jobs cannot be defended on the basis of policies of national protection or consumer boycotts of German goods. If this were to be implemented, it would be at a cost of exporting unemployment to other countries. History demonstrates that it would provoke tit-for-tat retaliatory measures, which would rebound on its instigators by accelerating the trade war for control of markets.

Either the working class develops its own strategic response to the globalisation of production, or it will suffer the consequences. Rover workers must link their struggle with that of all autoworkers internationally. A crucial first step would be to make a direct appeal to rank-and-file BMW workers in Germany, calling for solidarity action based on the demand for no job cuts and no concessions.

A united movement of European workers would be capable of realising the progressive potential represented by the development of globalised production and the technological advances on which this is based. It would take democratic control of the major corporations and reorganise production to meet the needs of society, rather than the enrichment of a handful of company chiefs and major stockholders.

The defence of jobs and living standards cannot be confined to strikes and other forms of industrial action, however important these may be. It must be conceived of as a political struggle, because it challenges the fundamental interests of the ruling class. The biggest obstacle to such an undertaking is the leadership of the trade unions and a Labour Party which is tied to a defence of the profit system and its own nation state. A new workers' party must be built on the basis of a socialist and internationalist programme.

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