Workers strike against mass layoffs at European GM plants

Helmut Arens
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General Motors employees took strike action in a number of European plants January 25 to protest the decision by GM to close its Vauxhall factory in Luton, Great Britain. The company plans to cease production of the Vectra model in Luton at the beginning of 2002 with the resulting loss of 2,000 jobs.

Altogether about 40,000 of the total 80,000 GM workers in Europe took part in stoppages. In the company's main factory in Rüsselheim, Germany, 7,500 stopped work for two hours, in Bochum, 5,000, in Kaiserlautern, 2,000 and in Eisenach, 800. Stoppages also took place at works in Antwerp, Belgium and at factories in Spain and Portugal.

Workers taking part in the protest in Rüsselheim emphasised the international character of their action. They declared their solidarity with the Luton workers to representatives of the press: “It is finally time to conduct a joint struggle.” One striker explained over a microphone that many workers could find themselves in the same situation.

The closure of the Vauxhall works in Luton is part of extensive plans to cut back production, which will involve the loss of 5,000 jobs in Europe over the next months. One thousand seven hundred jobs are due to be cut in the company's German Opel factories this year. Over the last months there have been a number of spontaneous stoppages at the company's Bochum plant. In Rüsselheim a reduction of 4,000 jobs has been taking place over the past three years arising from the construction of new production facilities.

The programme of cutbacks in Europe is bound up with a global restructuring by the company in line with the huge economic downturn and collapse of profits in the US, together with prolonged sales problems in Europe. On a world scale plans have been made to eliminate at least 16,000 jobs.

Traditionally the car industry is one of the first branches of industry to feel an economic collapse. In the US, the end of a decade-long boom has already had substantial repercussions for the big auto concerns. Last December alone sales of GM cars in the US were down 17.9 percent. Experts expect sales to fall by an additional 20 percent over the next three years. This would mean that around 3.5 million fewer cars would be sold.

In light of the already detectable economic decline, far fewer people are able to afford a new car. In the last quarter of 2000, GM profits more than halved from the 1999 figure of $1.3 billion, to $609 million. In response to falling sales, GM and DaimlerChrysler have temporarily closed a number of factories. It is expected that Ford Motor Company will follow suit.

In Europe, GM's main problems come in the form of its German acquisition Opel, which has a stagnating share of the German market (down this year from 13.8 percent to 12.2 percent) as well as losing ground in Europe as a whole. Last year the company recorded losses amounting to 835 million marks. Even the company's own studies exclude any rapid return of Opel to a profitable situation.

As well as the economic downturn in the US, European car companies are already confronted with substantial overproduction problems, which threaten profits. The production capacity of the European car industry amounts to 21 million units, but just 15 million cars are being sold. This means that in Europe nine factories, with an average workforce of 8,000 workers, are surplus to requirements. Due to high investment costs it is necessary for the factories to run at almost total capacity in order to make profits. But as a result, over-production is continually on the increase and competitive pressures are intensifying.

Although the car industry constitutes a part of industry which has already been most affected by globalisation, there is nevertheless a world-wide rush to complete new mergers. The international intermeshing of interests is aimed at synergy effects to reduce costs and exclude rivals.

Daimler-Benz first bought out Chrysler and then integrated the Japanese Mitsubishi car company into its group. GM took over Saab and a 20 percent stake in Italian FIAT. Renault has established a strategic alliance with Nissan, Japan's second biggest auto concern, and has bought a controlling interest in the Korean giant, Samsung Motors. Ford has taken over Volvo and Mazda as well as the British luxury car producers Jaguar and Aston Martin. Last year Ford also took over Rover from BMW. Volkswagen, also seeking partners in Europe, has purchased the Swedish truck firm Scania and is rumoured to be interested in a take-over of BMW itself. In addition, VW has factories in the US, Brazil, Mexico and South Africa. Peugeot-Citroen is also regarded as a candidate for a VW take-over.

The noisy complaints at mass meetings by the Opel trade union committee over “serious management mistakes” on the part of Opel/GM serve to cover up the real extent of the crisis in the car industry. Having agreed to all the restructuring measures of past years which have resulted in massive job losses, the trade union committees fear that in future they will no longer be required. In the past, deals agreed by the unions guaranteeing non-compulsory redundancies were directed at preventing any principled struggle to defend jobs and served to strengthen those managers who favoured the American “hire and fire” system.

In order to retain their influence and not least their own jobs, the European car industry trade union committee has called for the “concluding of a European agreement on conditions of employment”. The committee's demand for “no compulsory redundancies” merely serves as a cover for the imposition of “voluntary” agreements and early retirement. The General Secretary of the European Engineering Trade Union, Rheinhard Kuhlmann, emphasised that against the background of globalisation an “increase in workers' rights and participation” is necessary.

The hollowness of the rhetoric over international solidarity by the trade union bureaucracy is made clear by the fact that neither the Opel trade union committee nor Germany's biggest trade union, IG Metal, sent a delegation to the mass meeting of Luton workers on January 20. They also turned down an application for travel costs to the meeting made by a delegation of Opel workers from the Bochum plant.