

# Britain: Unions agree to Vauxhall/GM restructuring programme

Tony Robson  
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Unions at General Motors' British subsidiary Vauxhall in Luton have agreed to restructuring plans that will see an end to car production at the plant. The Transport and General Workers Union (TGWU), the smaller engineering union (AEEU) and the white-collar MSF have ruled out any further industrial action to prevent job losses and wound down their "Save Vauxhall Jobs" campaign.

In February, TGWU members at the plant had voted by 58 percent in favour of strike action to defend their jobs.

The pretext for the unions abandoning any further opposition was GM's withdrawal of compulsory redundancies. But GM has stipulated that this is conditional on workers accepting redeployment at its nearby subsidiary, IBC Vehicles, on inferior rates of pay. IBC Vehicles, which produces the Vivaro van, was formed as a joint venture between GM and Isuzu in 1987. GM aims to redeploy around 1,200 workers to IBC, with the remainder of the 2,000-strong workforce transferring to Vauxhall's Ellesmere Port plant, some 150 miles away, or taking voluntary redundancy.

The IBC plant also produces 35,000 Frontera four-wheel drive sports utility vehicle per year. A small section of the Luton plant will be used by IBC to produce the Frontera, which is due for replacement in four years time. IBC is said to only have its future secured for 10-12 years.

GM announced its global restructuring programme last December, in response to the economic downturn and worldwide glut in cars. The company is looking to cut production by 500,000 units per year and has welcomed the deal with the British auto unions. Vauxhall chairman Nick Reilly said, "It's a positive step forward for everyone involved. We can now look to the future with a strong, restructured, manufacturing

base here in the UK".

GM recently said that it would take whatever action was necessary to return to profitability by 2002. Its chairman said: "I don't want to grow old waiting for it to happen".

The company's resolve to boost its profit margins and uphold shareholder values is in stark contrast to the abject failure of the unions to defend the interests of their members. TGWU chief negotiator for the auto industry Tony Woodley said of the deal, "We have no enforced redundancies and the possibility of a second model. It is a second best solution but it is better than what could have happened".

Just two months ago, the unions had promised to mount a vigorous campaign to prevent the plant's closure on the basis that it would devastate the local community. The TGWU estimated that five times as many jobs would be lost in the supply chain and related industries as a result of Luton's closure, and stated that the jobs of future generations should not be sold off.

The agreement arrived at by the unions with management falls well short of this rhetoric. It is, however, the inevitable outcome of the actual campaign the unions mounted from day one.

December's closure announcement by GM met with immediate opposition from the workforce. Vauxhall workers stormed management offices and police reinforcements had to be called in.

The role of the unions has been to dissipate this opposition. The closure announcement undermined the main contention made by the unions—that job security could only be guaranteed by workers sacrificing their pay and conditions to make the company globally competitive. The unions had agreed two years earlier to reductions in pay and holiday entitlements, in order to maintain production at the plant. Throughout, they have

stressed the critical role they have performed in increasing productivity.

The unions were also determined to ensure that opposition to the Luton closure did not assume the form of an international struggle against job losses. The plants closure was announced as part of a wave of redundancies globally by the car giant, including 10,000 in the US.

GM had also said 6,000 jobs would be axed in Europe by 2002. At a demonstration in Luton in January, union delegates from other European plants facing job losses spoke from the platform about the need for “international solidarity”. In practice, however, the campaign proceeded along nationalist lines. While there was much talk about “global problems” requiring “global solutions”, the actual content of this was spelt out by Bill Morris, general secretary of the TGWU, who called for a “European Forum to explore how the burden of these losses is to be spread across European operations.”

In other words, rather than a struggle to unite auto workers across national boundaries in a common struggle against job losses, the survival of the Luton plant was to take place at the expense of auto workers livelihoods throughout Europe.

In early February, the unions advocated that Vauxhall and IBC should be merged. A circular distributed around the factory urged, "It is our objective that both IBC and Vauxhall should become one entity".

Even during the run up to the two-day industrial action against the closure last month, the unions urged workers to transfer to IBC before February 19 or else their conditions could not be guaranteed. At no stage was any alternative proposals put to the workforce by the unions. The workforce was thus presented with a *fait accompli*: either accept a deal with worse conditions or face redundancy.

The outcome at Luton demonstrates once again that the unions today do not function as defensive organisations of workers, but as an extended arm of management in implementing cost reductions and driving up exploitation.

*See Also:*

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