

# General Motors plans to axe thousands of jobs in Europe

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In response to the accelerating worldwide recession, General Motors (GM) is planning to press ahead with its “Olympia” restructuring programme, which envisages slashing thousands of jobs. Under conditions where the auto market is shrinking globally, Opel, the German subsidiary of General-Motors, is expected to record losses similar to those of last year, i.e. around one billion marks (\$456 million).

The planned measures mean the loss of jobs is likely to exceed the official figure so far given of between 3,500 and 4,000 for Europe alone. In addition, the Opel board has announced a halt to all new recruitment until 2004, as well as introducing a flexible working week of anything between four and six days. Special shifts are to be introduced according to the demands of production. The company is also considering extending the hive-off of specific elements of production, involving inevitable losses of pay for the workforce.

GM is to close its Canadian plant at Ste. Therese, Quebec, with the loss of all 1,400 jobs by September next year. In the US, five factories have been shut down in the past two weeks in order to cut production by a sixth. The number of workers hit is reckoned to be 11,850. Production of the Opel Corsa model is been scaled back from 1,800 units to 900 at the GM factory in Saragossa, Spain. At the Ellesmere plant in England, auto production has already been reduced by more than 20,000 units this year and further cuts are planned for next year. In Eisenach, the factory with the highest productivity in Germany, short-time working was recently announced in order to cut back on Corsa production. The Eisenach factory, in the former East Germany, was built in 1990 on the basis of the latest technology and team-working methods. Opel was able to draw from a large pool of cheap, but highly qualified workers following German reunification.

Especially hard hit will be GM factories in Antwerp, Holland and the Bochum plant in Germany, where an entire shift is to be axed with the creation of three-shift production lines. The measures are aimed at slashing over-capacity in the production of the Astra model, increasing efficiency and slashing costs. Some production has already been transferred to Eisenach. At the Bochum plant alone, the planned measures will lead to the probable loss of 1,000 jobs by the summer of 2002 out of a total workforce of 11,200.

Up until now in Germany, the *Betriebsrat* (management-union factory committees) and the trade unions have been able to nip in the bud any resistance to the company’s plans or divert protests into entirely ineffective actions. This summer, the Bochum workers were threatened with the closure of their entire factory if they took industrial action. As a result of the highly developed internationalisation of production, a strike in Bochum would very quickly lead to the closure of GM plants across Europe. Not only is Opel’s most popular model, the Zafira, made at Bochum, but the factory also manufactures parts that are essential for models produced by other plants.

In August, union representatives gave their approval to the Olympia plan, after claiming that progress in the talks and the vague assurance by management that no European factory would be closed represented a huge success. Opel head Carl Peter Forster had also promised that the destruction of jobs would be carried out in a “socially responsible manner” through early retirement and voluntary redundancy schemes. Now, however, it appears that the GM management in Detroit is no longer prepared to entertain such concessions and is pressing for rapid implementation of the restructuring plan.

A few weeks ago the unions had presented their talks

with management as a achieving a hard fought and acceptable compromise, which would prevent the closure of the Bochum factory and mass redundancies. Now they are standing shoulder to shoulder with the Opel board to force through the cuts plan. In doing this they argue that the Olympia plan and consequent job losses are preferable to the plans of the parent company in Detroit. They maintain that workers understand the need to cut back on expensive over-capacity and are simply demanding an “overall plan” to this end.

The chairman of the Bochum *Betriebsrat*, Peter Jaszczyk, described this latest announcement by Forster as a “deliberate indiscretion” aimed at putting pressure on the workforce. In addition, Forster’s comments, he said, made clear that the Olympia project was being “remote controlled” by GM headquarters. Jaszczyk allowed a leaflet to be circulated which reads: “General Motors undermine the authority of Forster” and went on to argue that the Opel chairman deserved the trust of the company workforce. The IG-Metall trade union representative in the state of North Rhine Westphalia, Peter Gasse, was also full of praise for Forster and declared that he had made an enormously positive impression with the workforce. As if it makes a difference to the workers whether Detroit or the Opel board in Rüsselsheim, Germany orders the redundancies!

Jaszczyk went onto make the chauvinist proposal to spare the Bochum jobs at the expense of the Italian workers at the Bertoni plant, who are currently producing the special models the Astra coupé and cabriolet. This policy of dividing off German workers and playing them against those in another country has long been a staple component of Jaszczyk’s politics. He has also argued that the Bochum plant should be spared in terms of cuts or closure because it has higher levels of productivity than the company’s factory in Antwerp.

A split between workers from Opel and Fiat, ratified by the trade unions, was also worked into the agreement for the Powertrain joint venture between both companies. The agreement stipulates that only workers originally coming from Opel will retain their social insurance payments and wage level, while former Fiat employees will get nothing.

Engines and gears are developed at Powertrain, which has 16,000 workers across Europe. Out of this total,

1,320 previously worked at the Opel plant in Bochum, 1,180 in Kaiserslautern and 250 in Rüsselsheim. After a strike by Opel workers, the management, at that time headed by former Opel chief Robert Hendry, guaranteed German Powertrain workers long-term employment and clearly defined production limits. The value of such “guarantees”—celebrated by the *Betriebsrat* as great victories—has been shown barely a year later.

According to Opel management, these special conditions can no longer be adhered to and their end is evidently in sight, although no agreement with the *Betriebsrat* has been announced. Forster had already stated in August, “it was no longer possible to exclude consequences also for the areas of motor and gear production”.

The Olympia plan, together with the founding of the Powertrain joint venture is part of the worldwide restructuring of the auto industry. Enormous levels of over-capacity developed during the previous boom as a result of globalised production. According to the latest company estimates, at least 90 auto factories worldwide are superfluous to demand. From a total of 21 million autos produced in Europe, just a third are being sold. The restructuring concepts worked out by all the major auto companies are aimed at cleaning up the market and will inevitably lead to mass redundancies in production facilities and subsidiary concerns everywhere. Not only is it clear that the trade unions and *Betriebsrat* have no answer to these plans, the example of Opel shows that they function as a vital lever for the successful implementation of company restructuring strategies.



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