

Lessons from Detroit

German DaimlerChrysler workers face political tasks

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The following statement was posted July 23 on the German WSW site. Since then, the union leadership has capitulated to DaimlerChrysler's demands for wage concessions and other give-backs. A statement on the union sell-out will be posted in English later this week.

Protests and solidarity demonstrations continued after July 15, when some 60,000 DaimlerChrysler employees went on strike at the company's main plant in Stuttgart and at many other locations in Germany. The actions were in response to a declaration by management that it would shift production of the new Mercedes C-class model elsewhere unless the workers accepted wage cuts and other savings totalling 500 million euros.

It is necessary to issue a blunt warning to the workers: however justified, rage and indignation are not sufficient to fight off these attacks.

The DaimlerChrysler executive board's extortion is very real, and if the work force allows the IG Metall union to limit resistance to noisy protests and a few radical speeches, while the *Betriebsrat* (joint management-union works council) negotiates a compromise, the consequences will be dire. They will not long be limited to the company's present demand for workers to forgo part of their wages. Management regards the compromise proposed by the *Betriebsrat* as a prelude to new demands for longer working hours, reduced bonuses, the abolition of sick pay and the destruction of jobs. The downward spiral will accelerate.

The DaimlerChrysler workers are called upon to take advantage of the fact that they are employed in a transnational corporation alongside co-workers in the US, and draw the lessons from the bitter experiences of their American colleagues.

American auto workers have never lacked militancy, courage or a readiness to fight. They have not only resisted by means of protest actions and token strikes, but have halted production at several plants for weeks at a time. Striking workers who tried to prevent the scabs hired by management from entering the factory have been attacked by the police, hauled before the courts and given harsh sentences. Nevertheless, the workers could not be intimidated.

But because they lacked their own independent political party—one that represents their interests—and the unions tied them to the Democratic Party, even the most militant struggles could be defeated. For workers in Detroit, where not only Chrysler, but also Ford and General Motors have their headquarters, and which previously boasted massive auto plants, the subordination of the workers to the Democrats has had devastating consequences.

Today, many of these plants are closed, standing as industrial ruins. Where production continues, conditions are worse than in the 1970s and 1980s. Vacations, rest breaks and industrial safety have been sharply curtailed. Many workers have had to sell their homes, or have been plunged into debt and forced to take whatever jobs have come along. Working class neighbourhoods have become derelict.

No German worker should say, "This cannot not happen here in Stuttgart Untertuerkheim and Sindelfingen." This is precisely what will happen! And it will differ from developments in America in only one respect: it will happen many times faster.

Like their brothers and sisters in America, the DaimlerChrysler workers in Germany are confronted with fundamental political questions. Many American workers have found it difficult to appreciate that the struggle against the employers' attacks is a political struggle, which calls for a political programme and a party that fights consistently against capitalist exploitation and oppression.

Here in Germany, the same problem is posed in a somewhat different form. For many decades, most workers regarded the Social Democratic Party (SPD) as a party that represented their interests—at least in regard to social questions. Many are quite clear that ever since the party supported the Kaiser in World War I, the SPD has abandoned a genuine socialist perspective. But many have also believed that as a reformist party, the SPD could still prevent the dismantling of workers' rights and the lowering of their living conditions. And for a number of decades—above all, in the 1970s and 1980s, and even at the beginning of the 1990s—the hope prevailed in many factories that capitalism could be given a socially progressive face and that the "social market economy" was not just a propaganda cliché.

Many large-scale enterprises, and particularly Daimler, cultivated this perspective of social partnership and the notion that all those associated with company—from the apprentice right up to the chairman of the board—were members of one big "family".

Edzard Reuter, who rose to be company chief at the end of the 1980s after a twenty-year career in management, is still an SPD member today and endeavours to preserve the image of a "socially responsible management". He is the son of Ernst Reuter, who joined the Bolsheviks in 1918, even becoming a people's commissar on the Volga for some months before returning to Berlin and joining the German Communist Party. He later joined the SPD, and after World War II became mayor of Berlin and a close friend of Willy Brandt. The stress on "social responsibility" has not prevented his son from making Mercedes Benz the largest German arms manufacturer.

The present conflict and the brutal extortion of the workforce mark not only a final break with the posture of "social responsibility" on the part of management—the entire policy of social partnership has turned into its opposite. While in the past the Social Democrats claimed that capitalism could be given a "social face," today it is a Social Democratic government that carries out the sharpest attacks on past social gains.

Chancellor Gerhard Schröder said recently that he was very worried about the conflict at DaimlerChrysler and warned of a "conflict of principles". In the *Financial Times Deutschland*, Schröder said, "Those

who create ideological battle lines in this question can only unsettle people and harm the economy. My advice is to regulate these things in the factories and to talk about it as little as possible.”

Schröder fears that the dispute could spread, encouraging resistance by workers at other companies. Opel, Volkswagen, MAN and a whole series of large-scale enterprises have already declared their intention to follow the example of Siemens and DaimlerChrysler. Schröder is quite conscious of the connection between the devastating social cuts his government is pushing through and the attacks being launched in the factories. He knows only too well that his government’s “Agenda 2010” cuts programme has opened the sluice gates and encouraged the employers to launch an all-out attack on wages and working conditions. This is why he is warning against a “conflict of principles”, which would be directed against his coalition government with the Green Party.

But such a conflict of political principles is precisely what is necessary.

The workers at DaimlerChrysler and all other German factories confront the task of drawing up a political balance sheet of social democracy’s reformist policies and adopting a socialist perspective. This requires an understanding of the objective causes for the attacks being made by the government and the employers.

It is not simply a matter of management’s “greed for excessive profits,” as claimed in one DaimlerChrysler union flyer, which bore the headline “Clip Management Round the Ears!” The intensification of the struggle for international competitiveness lies behind the attacks by the employers and the government.

Ten years ago, when Jürgen Schrempp took over the leadership of the company, he developed it systematically into a corporation operating and producing internationally. The union with Chrysler in the spring of 1998 was the largest industrial merger in history. The driving force behind this was the need to create ever larger enterprises that operate globally and can hold their own in all important world markets, particularly the three most important centres of world capitalism: North America, Europe and Asia.

At that time, the management in Stuttgart and Detroit declared that the company would grow in all locations. They claimed it would not be cutting jobs, but rather creating additional ones. But the reality of recent years is completely different. In the winter of 2001 in Detroit, DaimlerChrysler announced the scrapping of 26,000 jobs and the shutdown of entire shifts at several US locations. The effect in Detroit and other cities was devastating.

In Germany, the company constantly increased productivity and developed new markets in Asia, Eastern Europe and Russia. However, the increasing international pressure also bore down in Europe and Germany, and management sought to utilise the possibilities of shifting production to locations with far lower wages to threaten the work force and push through concessions.

This past spring, the management in Stuttgart announced that it would not provide the Japanese car maker Mitsubishi with urgently needed financial support, despite DaimlerChrysler’s involvement in the company. This, however, did not represent the beginning of a retreat from the Asian market, as some commentators claimed. Rather, the decision was bound up with plans to expand DaimlerChrysler’s activities in China. This means DaimlerChrysler employees in Germany and America will be pitted against workers in China, where wages are far lower than in Japan.

Under conditions of globally operating and producing enterprises, it is impossible to defend union wage rates and working conditions on the basis of a national reformist programme. This is the reason for the complete transformation of the SPD and the trade unions. In the past, they could exert pressure on companies in order to gain concessions for the workers; now they apply pressure on the workers and declare that wage cuts, longer working hours and the dismantling of social reforms must be accepted in order to prevent production being shifted to other countries.

In the face of globally operating companies, the working class needs its

own international strategy. In May 1998, this was the central question addressed in a comment by the *World Socialist Web Site* on the merger of Chrysler and Daimler Benz:

“The Chrysler-Daimler merger demonstrates the urgent necessity for the working class to develop an international strategy to fight the attacks of globally organized capital. It demonstrates the backwardness and stupidity of those, from union bureaucrats to middle-class ex-radicals, who seek to limit the working class to struggles within a national framework, or waged by purely trade union methods. It underscores the incapacity of the old nationally-based labor organizations to provide an effective means of struggle for the working class.

“The capitalists organize their operations on a global scale, and the working class must respond in kind. The accelerating pace of the global integration of production is an objectively determined process, fueled by the revolutionary developments in technology and the inherent drive of the productive forces to overcome the stifling limitations of the national market.

“To ‘oppose’ globalization is no more viable than to oppose the law of gravity. The question is: on what basis, and in whose interests will this process be carried forward? In so far as globalization takes place on a capitalist basis, carried out from above by the transnational corporations and the industrial and financial elites of the various countries, it will mean ever more brutal attacks on the working class.

“If, on the other hand, the working class unites its forces internationally and carries out a revolutionary political struggle against the profit system, establishing its control over the productive forces, the vast potential of the global economy will be harnessed to dramatically raise the material and cultural level of the world’s population.

“The International Committee of the Fourth International is the only political movement which seeks to unite the international working class in a common struggle, based on a socialist program. The Chrysler-Daimler merger is another powerful proof that only the perspective of socialist internationalism offers a way forward for working people.”

This analysis is of great significance today. There is no quick and easy short cut to drive back the attacks of management. The DaimlerChrysler work force must prepare for a long political struggle and unite with their colleagues in the US and around the world for the building of a party that advances an international socialist programme.



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