

Germany: Opel cuts over 10,000 auto jobs

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Workers at Opel auto plants in Bochum walked out Thursday as soon as the parent company, General Motors, announced it was cutting 10,000 jobs in Germany. The company will also cut 2,000 jobs outside Germany from its 63,000-strong European workforce.

Production at the Bochum plants, in the Ruhr area, continued to be disrupted on Friday, but operations were maintained as usual at Opel's main plant in Ruesselsheim, near Frankfurt am Main, the seat of the company-wide joint union-management committee, known as the Betriebsrat (works council).

IG Metall union leaders refused to call any official action, citing the union's "non-disruption obligation" to the company. Instead, they said they would be arranging "informational meetings." Union officials concentrated their efforts on restarting production where it had been disrupted by workers' protest actions.

The decision of the Detroit-based board of directors came as a shock in Bochum and Ruesselsheim. Former Opel boss Carl-Peter Forster, who is now GM's number two in Europe, said on Thursday, "We will spare no effort to rapidly implement the planned measures." GM plans to save half a billion euros (\$623 million) by 2006 by cutting jobs and benefits.

Over 4,000 of the 9,600 jobs in Bochum are to be cut, with 3,100 of these going next year, according to the Betriebsrat. Clearly, the closure of the entire assembly plant is being discussed. Some 4,000 jobs are to be slashed in Ruesselsheim, where nearly 20,000 are employed, 5,500 of them working directly on production lines. According to GM, a further 1,000 jobs are to be cut at other divisions, such as Opel Powertrain.

As with its competitors such as DaimlerChrysler and Volkswagen, GM's announcement of massive job cuts is a reaction to increasing international competition and sinking sales, particularly in Germany. For four years,

new auto registrations have fallen, with Opel losing out more than its competitors. This year alone, Opel sold ten percent fewer cars in Germany, gaining a market share of 9.4 percent. Some ten years ago, the company's market share was 17 percent.

GM's European subsidiaries—Opel, Saab and Vauxhall—have been registering losses for years. In the first nine months of 2004, the company's losses in Europe amounted to \$397 million.

The workforce is now targeted to pay the price for GM's European losses. It is not only Opel employees who will be affected, but the entire population of Ruesselsheim and Bochum.

Opel is the single largest employer in these two cities. In Ruesselsheim, the next largest company employs only 2,000 people, half as many as are now to lose their jobs at Opel. The massive cuts at Opel will mean large job reductions at companies that supply parts.

Opel began to build up its Bochum plants in the 1960s, providing new jobs that replaced some of those lost from coal mine closures and severe retrenchments in Ruhr Valley steel mills in the 1970s and 1980s. The job cuts announced by Opel will now lead to a further deindustrialization of the Ruhr. According to Bochum Mayor Otilie Scholz (Social Democratic Party, SPD), the effects will be "not dramatic, but catastrophic."

In Ruesselsheim, where Adam Opel began the production of sewing machines and bicycles in 1899, workers are deeply disappointed and angry over management's plans. At the same time, they cling to the hope that some production will remain.

In recent weeks, there were rumours that GM planned to close either the factory in Ruesselsheim or the Saab works in Trollhaettan, Sweden. A decision to close one or the other plant has now been postponed, for the time being.

Saab will initially cut 500 jobs, chief executive Peter Augustsson said. However, GM European chief Fritz

Henderson said that only one plant would build the next generation of the Opel Vectra and the Saab 9-3.

The current GM plan is only the beginning. GM Chief Financial Officer John Devine is quoted as saying the announced job cuts will be followed by further cost-saving measures.

Spiegel Online reported that workers' anger was also being directed against union officials and the Betriebsrat: "They protested against both management and IG Metall with banners and loud shouts. Several banners declared that IG Metall had 'sold out' Opel workers." The *Westdeutsche Allgemeine Zeitung* also reported resentment towards the Betriebsrat: "Suddenly, a Betriebsrat member was denounced as a 'double agent' and 'traitor'."

It is a fact that the Betriebsrat and IG Metall have accepted the destruction of jobs. The union's deputy chairman, Berthold Huber, told Bavarian Radio, "Nobody on our side believes that you can emerge from such a process unscathed."

In another interview, Huber said he understood the "difficult situation" the company was in, and stressed the readiness of the union to cooperate. His main criticism was directed against the way management made the announcement—issuing a unilateral statement without, as usual, first agreeing to a common line with the union and the Betriebsrat.

Klaus Franz, who chairs the all-Opel Betriebsrat and sits on the company's supervisory board, expressed similar sentiments: "We will not emerge from this situation without a reduction in personnel." He added that all possibilities should be exhausted to keep the personnel cuts "as small as possible." He then made clear what he meant, saying Opel staff should be ready to make "concessions" to secure employment at the existing plants.

In North Rhine Westphalia, where Bochum lies, the state government—a coalition of the SPD and the Greens—has been saying for days that it cannot and will not support the workers. In a radio interview, State Premier Peer Steinbrueck (SPD) called for staff at Opel Bochum to "remain calm" and end their strike. At the same time, he said he could not prevent the destruction of jobs in Bochum.

Harald Schartau (SPD), the state economics and employment minister and a former district leader of IG Metall responsible for Bochum, announced on

Tuesday, "There will be no wave of public money. That will not achieve anything."

No support is to be expected from the federal government. Federal Minister for Economic Affairs Wolfgang Clement (SPD), who comes from Bochum and who participated in crisis discussions on Thursday with Schartau, Steinbrueck and Opel management, said he hoped for an "amicable solution." He likewise called on the Opel workforce in Bochum to resume work. He also declared he understood the need for the job-cutting plan, saying employers' cost problems in Germany had to be overcome.

The IG Metall and Betriebsrat have announced a European-wide day of action for Tuesday, October 19. In response to the question, what sort of action was planned for this "day of action," all-Opel Betriebsrat Chairman Klaus Franz said the workers' representatives had been instructed to avoid a strike like that which occurred at GM in the US in 1998.



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