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Trade union functionaries from car makers Opel in Germany and Saab in Sweden, both owned by General Motors, have started a race to see who can impose the biggest concessions in workers' wages and working conditions. An offer to cut wages and increase working hours in one country prompts a similar response from the other. The subordination of these bureaucrats to the dictates of management in both countries knows no limits.

Since General Motors' mid-October announcement of its intention to cut 12,000 jobs and push through cost cuts worth 500 million euros, the unions have taken on the job of enforcing the cutbacks.

One month previously, GM had made known its intention to combine production of the medium-sized Opel Vectra and Saab 9-3 in the same factory. These models are currently manufactured in Rüsselsheim, Germany and Trollhättan, Sweden, respectively. The announcement was clearly designed to pit workers at the two factories against one another. Now, the unions have taken over the role of blackmailing the work force.

As soon as the GM announcement was made, placing a question mark over the existence of one of the factories, the Swedish metal workers union, together with Saab management, drew up a proposal to undercut Opel workers in Rüsselsheim. It included an offer to extend the work week from 35 to 38 hours and increase the daily operating hours of the factory from 16 to 22 hours through the introduction of a night shift. These measures would cut costs for the company by about 20 percent.

Shortly thereafter, management at Opel, armed with knowledge of this agreement, went into a meeting at Rüsselsheim of the entire Opel works committee, chaired by union leader Klaus Franz. As expected, the meeting put forward its own far-reaching concessions. The works committee proposed to make working hours more flexible and increase the weekly range of working hours from 32-38.75 to 30-40. The union declared that this arrangement could also be extended to other Opel factories in Germany.

The works committee also proposed a wage freeze for several years, in which wage premiums for certain work would be cancelled and offset by wage increases at a later date.

GM headquarters in Detroit made it clear that the offer of the German works committees did not come close to meeting the targeted savings. In 2002, GM announced that it wanted to increase profits to ten dollars per share by the middle of the decade. In 2003, the figure was 5.03 dollars per share. The world's biggest car maker is absolutely committed to imposing the cuts at its European factories required to fulfil the promise of higher profits made to its shareholders.

Over the last few weeks, the works committee and IG Metall, the German metal workers union and the largest union in the country, indicated that further concessions could be made to meet the savings targets. While they didn't inform their membership and Opel workers about the latest stage of negotiations, daily reports appeared in the press about a series of further cuts.

On November 23, the German financial newspaper *Handelsblatt* reported that GM wanted to outsource up to 6,000 positions. Along with 3,000 jobs on the assembly line in nearby Kaiserslautern, it was reported that the planned outsourcing included another 3,000 positions in Rüsselsheim and Bochum. Later, a GM spokesman simply confirmed that outsourcing was one option being considered by the company.

Any relocation of production would undoubtedly mean significant wage cuts. The wage rates at Opel—which would be made null and void by such a move—are twenty percent higher than the standard wage for similar work.

The *Westdeutsche Allgemeine Zeitung*, the social democratic newspaper in the Ruhr area, reported on November 10 that Opel wanted to sell its spare parts and accessories plant in Bochum, which employs 600 workers. The plant produces parts for dealers and car workshops throughout the country. The favourite for the takeover was the US machine manufacturer and worldwide logistics giant Caterpillar. The second favoured buyer was the Stinnes Group, owned by

Deutsche Bahn, the national railway operator.

On November 12, the head of IG Metall, Ludger Hinse, declared in the *Tageszeitung*: “It is not necessary that every employee wear an Opel football jersey [Opel is the main sponsor of the Bochum football club]. What’s important is that there remain jerseys to be worn.” Hinse also said that the planned 4,000 job cuts would not go ahead. “It will be less, a three-figure sum at most.”

The *Allgemeine Zeitung* in the city of Mainz reported just two days later that, according to the chairman of the combined works committee, Klaus Franz, 2,500 jobs would be lost at the Rüsselsheim factory through partial retirements.

On November 16, *Die Welt* reported that the works committee had drawn up an alternative plan to achieve the required half-billion-dollar cost savings, including “partial and early retirement.” On November 25, the *Frankfurter Rundschau* said that the task of the company “in transition” would be to “help those employees whose jobs were cut to find new positions.”

There is no end in sight to the pressure being mounted on wages and jobs from GM headquarters in both the US and Europe. As for the Opel works committee, IG Metall in Germany and the metal workers union in Sweden, they are only too keen to keep participating in this never-ending downward spiral.

From the beginning, the unions on both sides have been enthusiastically supported by their respective governments.

The Swedish government made an offer shortly after the savings plan was announced in mid-October to provide 221 million euros to improve the traffic infrastructure for the Saab factory in Trollhättan and to support the further education and training of its workers. Swedish Prime Minister Göran Persson (Social Democratic Party, SDP) travelled to Detroit in September to personally meet with GM management. Shortly thereafter he went to Zurich to meet GM Europe’s chairman, Frederick Henderson.

The German government as well as the state government in North Rhine Westphalia, both of which are headed by the Social Democratic Party (SPD) and Greens, have so far declared they would refuse to engage in any “meddling.” In particular, the North Rhine Westphalia minister for employment and welfare, Harald Schartau (SPD), who was previously the state head of IG Metall and in this capacity oversaw the union at the Opel Bochum factory, has categorically rejected any government support for Opel and GM.

The economics minister for the state of Hessen, Alois Rhiel (Christian Democratic Union, CDU), in a letter to the German economics minister, Wolfgang Clement (SPD), demanded that Sweden be called upon to adopt the same position. The letter stated that Clement should “under no circumstances allow offers to be made that would impede the competitiveness of Rüsselsheim.” Rhiel spoke of “unfair competition between locations in the form of legally impermissible intervention” by the Swedish government.

Clement replied with a series of platitudes. He declared his readiness to offer “competitive energy costs for the Opel factory in Rüsselsheim.” With Sweden’s Persson meeting with GM’s European head, Clement met with the vice president of GM Europe, Claus-Peter Forster, to campaign for Rüsselsheim. And, like Persson, Clement promised to support training measures for Opel employees.

The aim of both politicians was not to safeguard wages, but rather to guarantee the implementation of attacks on workers’ conditions. The right-wing premier of Hessen, Roland Koch (CDU), made this explicit. He spoke of reducing wages and working conditions in Rüsselsheim to a level that would make them competitive in Europe.

The cuts that will be implemented at Opel in December or January at the latest will only be the prelude for further attacks in the future. General Motors is not the only auto concern to cut wages, increase working hours and attack working conditions. Other auto makers, such as DaimlerChrysler, Ford and, more recently, Volkswagen, and other manufacturing companies have already implemented drastic cuts.

The old social-partnership model of negotiations and compromise, carried out more or less successfully for decades by the unions, has proven useless and has led to the reactionary, nationalist strategy that declares, “I will look after my house and you look after yours.”