

# Germany: redundancies loom at Opel

Dietmar Henning  
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*“The most important aim of all works committees, to ensure there will be no sackings, has been achieved.”* Klaus Franz, chairman of the Opel joint works committee

*“There will be no compulsory redundancies and no plant closure—this is the most important message to employees.”* Berthold Huber, deputy chairman of IG Metall

With these promises, the Opel joint works committee and the IG Metall engineering union agreed last December to the destruction of 10,000 out of 32,000 jobs at Opel factories across Germany. Barely four weeks later, it has become clear that these promises were false. Outright redundancies as well as the closure of entire plants—Bochum and Kaiserslautern are targeted—are still on the agenda.

In December, the works committees and IG Metall came to an agreement with Opel management that at least 6,500 of the 10,000 job cuts would be achieved through redundancy packages and transfers to so-called job-creation companies—2,900 in Bochum and 3,500 in Kaiserslautern. However, up until now, relatively few workers have declared their willingness to be transferred to these companies. At the same time, the company has so far refused to pay high redundancy amounts to older workers.

The works committee and union have therefore agreed to set up an arbitration committee in February to decide which workers must leave the company—involuntarily. In other words, sackings. The arbitration committee is to be led by Dr. Günther Roßmanith, a judge at the Hessen state industrial tribunal, and will comprise four representatives of the works committee and union and four from Opel.

On December 23, as the establishment of the arbitration committee was announced, the *World Socialist Web Site* warned about its role: “Inside this commission the works committees, more than the

company representatives, will decide which workers will go. This is because they and their confidants in the union know the composition of the workforce inside and out. They will place all the ‘lazy sods,’ the ‘slackers,’ the ‘work-shy,’ and above all insubordinates on the list.”

The *Financial Times Deutschland* reported that by January 10, fewer than 100 workers in the Bochum plant had signed up for transfer to the job-creation company. Since then, this number has apparently doubled, according to the works committee. However, this is still fewer than 10 percent of the 2,900 workers whose jobs are slated to go. Just as few workers in the Rüsselsheim factory have been as unwilling to give up their jobs.

The reason for these low numbers is, in the first instance, the realistic assessment of workers who realise that they would have hardly any job opportunities if they transferred to the job creation companies. Earlier experiences with similar companies in the steel industry have shown that they act as little more than a halfway house to unemployment.

In Bochum, the job-creation company BAQ is ready to accept unemployed Opel workers. In Rüsselsheim and Kaiserslautern, the company is Mypegasus. Both of them have close relationships with IG Metall. One of the partners of Mypegasus is Peter Hunnekuhl, the legal advisor for IG Metall. In this way, the trade union stands to directly benefit from selling out its members.

A further reason for the low numbers is the delaying tactics of Opel management. They have been exercising their right, contained within the December agreement to cut jobs, to reject applications for redundancy payments.

“Long service workers with high claims for redundancy payments, who have expressed interest in voluntarily redundancy, have been turned away by the human resources department in Bochum,” reported the

head of human resources in the works committee, Lothar Marquardt. Other workers who want to voluntarily leave have also had their applications rejected, because the firm supposedly needs them.

When the joint works committee and IG Metall agreed in December to the job cuts at Opel, they insisted that workers would receive unprecedented redundancy payments. Workers with several years of service were to receive more than 200,000 euros, according to the works committee's calculations. It is now clear that this was nothing more than crude window dressing—and a lie.

The head of the Bochum works committee, Rainer Eienkel, reported that company management only wanted to pay redundancy to those workers whose jobs are to be cut this year. "Numbers of workers have expressed the desire to go in 2006 and 2007 at the earliest, according to management," said Eienkel, in an attempt to shift the blame. "Opel is suddenly no longer in a position to make good on its commitments."

Eienkel is a member of the joint works committee and hence participated in all its decisions. If he reacts now as though he were surprised, it is only because he is also a member of the arbitration committee, which has to decide on sackings, if, by January 31, they do not find 6,500 "volunteers."

This was the reason for the change made at the top of the works committee in December. The previous chairman, Dietmar Hahn, ruled himself out for this hangman's job inside the arbitration committee, citing health reasons. The decision of who is going to go at the factories is fast approaching, and the works committees are becoming nervous.

Added to this is the fact that the closure of entire plants has not been entirely ruled out. The *Süddeutschen Zeitung* newspaper quoted General Motors CEO Rick Wagoner on January 11 as saying, in no uncertain terms, "There is no country in the world in which I can rule out the closure of factories." Competition is hard and ruthless, overcapacity huge. "If we are not successful in Europe, then we will close factories."

Despite various rumours to the contrary, GM's decisions relating to the future development and production of new models in Europe have still not been finalised.

In this respect, the head of Opel, Hans Demant, said

that the contract for the development of the most important model of the firm, the small-sized Astra, will not necessarily be given to Rüsselsheim. He could also assign it to another GM development centre, such as the GM head office in Detroit or the Suzuki or Daewoo subsidiaries. Even the decision about where to produce the new Astra, which is currently built in Bochum, is still open. The decision over where to produce the new mid-sized model has also not been made—there is currently a war of competition between the Rüsselsheim factory and the Swedish facility in Trollhättan.

The Opel works committees are attempting in their own way to "trump the competition." They are currently negotiating a so-called future contract with management. "We are working very hard, and I expect an agreement to be reached in a few weeks," announced Opel joint works committee chairman Franz. Opel head Demant declared: "There exists no horror scenario; only a few loose threads have to be tidied up in order to make the factories fit for the future."

By "a few loose threads," the Opel chief was pointing to wage premiums attached to special work, which according to the company are currently 20 percent above the standard wage. The works committee has already signalled its willingness to accommodate the company's demands and drastically cut the wages and working conditions of Opel workers.

For the Kaiserslautern plant with its 3,000 workers, which the GM Europe vice president Carl-Peter Forster originally wanted to sell back in 2002, Opel now wants to "find a solution" by the end of the year, according to press reports. In plain English, this means that the works committees are currently in negotiations with management about either closing the plant or selling it off.



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