

Britain: Vauxhall axes 900 car jobs

Niall Green
19 May 2006

On Wednesday Vauxhall, the British mark of General Motors' main European operation Opel, announced that 900 jobs would be lost at its factory in Ellesmere Port, Northwest England. The factory currently employs 3,000 workers making the Astra model. The jobs are to go in August when the plant reduces its three-shift system to two.

The job losses at Ellesmere Port are part of a massive restructuring of GM's operations. GM is facing an overall profits crisis. The company took a \$10 billion loss last year and faces huge competition, primarily from its Japanese rivals. In the US, GM is cutting 30,000 jobs and it has been scaling back its European operations. In 2004 the car giant began shedding 12,000 jobs across Europe. Its Opel factories in Germany have borne the brunt of these cuts, including 6,000 redundancies at the Ruesselsheim factory near Frankfurt.

The future of the remaining jobs at Ellesmere Port is also in doubt. While the Cheshire factory is profitable and the Astra was Britain's second best selling car in the past year, it is one of GM's highest-cost European plants. Like other manufacturers, including the French auto manufacturer Peugeot, which recently announced the closure of its plant in Coventry with production moving to Slovakia, GM is likely to seek cost savings by shifting production to Eastern Europe.

Further job cuts and the transferral of production to lower-cost countries in Europe are likely. In 2004 Fritz Henderson, chairman of GM-Europe, stated that the initial phase of job cuts in its West European factories would be the tip of the iceberg: "We won't close any factories between now and 2006. But after that, we can't guarantee anything." Hourly costs per auto worker in Britain and Germany are approximately €25 compared to €3.3 in Slovakia and €5 in Poland.

While 1.8 million cars were made in the UK last year—a figure similar to that of Britain's car making

height in the 1970s, though with only a fraction of the jobs—industry analysts recognise that this is likely to fall significantly in the coming period. Major investment, primarily by Japanese car makers in the 1980s and 1990s, made up for the loss of British-owned car production, but with fierce competition in the European and world car markets manufacturing jobs in relatively high-cost West European countries are under threat.

Like their counterparts in Europe and the US, the British trade unions have prostrated themselves before GM. Ellesmere Port has been in the firing line of GM's European restructuring since it was announced 18 months ago, yet unions at the UK plant have done nothing to establish a common struggle with the threatened workers internationally. On the contrary, union tops have restricted themselves to making nationalist and protectionist calls. Tony Woodley, general secretary of the Transport and General Workers Union, said, "British car workers are among the best in Europe, but they're the easiest to sack. These decisions are not led by business logic, but by the fact that our laws don't protect our workers."

Amicus, the other main union at the plant, stated that it wanted the job cuts to be spread throughout the other Astra plants in Belgium and Germany. It also made the weak warning that the union would seek to purchase its fleet of cars from another manufacturer if GM did not see sense. "We will be meeting with Japanese manufacturers who employ UK workers and explore options for sourcing our car fleet from them," Amicus General Secretary Derek Simpson lamely threatened.

Job cuts at the plant were expected by unions and industry commentators, and Amicus had been involved in high-level talks with GM chiefs in Germany earlier in the month. Soon after these talks finished, rumours of large-scale redundancies spread throughout Ellesmere Port following a comment by Carl-Peter

Forster, chief executive of GM-Europe, that the British economy was in a good position to absorb laid-off workers.

His remarks were seen as a warning that job losses were imminent. In response, workers at the plant staged an unofficial 24-hour strike on May 11. On Wednesday, workers voted unanimously to reject the voluntary redundancy package put forward by GM.

Acting to bring the workers back into line, unions at the plant stated that they were in discussions with GM management about securing future production of the next generation of the Astra. Unions and management have held talks with the Chancellor of the Exchequer Gordon Brown, who stated that the government would work to secure the future of the factory, with unions promising to cooperate in further improving productivity.

Vauxhall chairman Jon Browning responded favourably to the overtures of the unions, stating that the company “will, of course, work together with our labour representatives to achieve a socially responsible solution for the affected employees.”

The government claimed that it would endeavour to aid sacked workers in looking for new jobs. The Chancellor said that it would “do what we can to help each and every one of the workforce who may be affected by this announcement to find other jobs in the area.” However, the reality for sacked auto workers is that they face little prospect of gaining a decent job. A recent Amicus survey of former workers at the MG Rover factory in Birmingham, 6,000 of whom were laid off in 2005, found that only 200 gained employment with comparable levels of skill, pay and benefits.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact