

# Sellout at Brussels Volkswagen plant

## Trade unions organize destruction of 3,200 jobs

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Two days before Christmas a spokesperson for Volkswagen announced the definitive destruction of 3,200 jobs at the auto company's Forest plant in Brussels. The Forest factory currently employs 5,400 workers.

The workforce has occupied the factory since November 17 in an attempt to prevent redundancies and the plant's possible closure. These workers have now been stabbed in the back by the trade unions and work councils involved in the dispute. The unions have agreed a deal with Volkswagen that corresponds entirely to the demands made from the outset by the German management: production of the company's Golf model will cease by the end of 2007 with production being transferred to two German plants in Wolfsburg and Mosel/Zwickau.

The deal means that Belgian trade unions have followed the path already taken by the main trade union representing Volkswagen workers in Germany—the industrial union IG Metall—and the works council in the Wolfsburg VW headquarters, which had opened the way for the transfer of the Golf production through a previous contract involving longer working hours at German VW factories with no extra pay.

Instead of the estimated volume of 200,000 autos over the next two years just 84,000 are planned for production in Brussels: 14,000 (Golf), 46,000 (Polo) and 24,000 of a model which remains unspecified. Just 2,200 of the current total of 5,400 jobs will remain.

At the same time, the increase in production of the Polo model at the Brussels plant has drawbacks for Volkswagen workers in other locations. Auto workers employed in other European VW factories that produce the Polo—such as Pamplona and Martorell in Spain or Bratislava in Slovakia—could now also be confronted with redundancies and cuts in production.

The future of the Brussels plant has been guaranteed for two years, up to the end of 2008, but it is basically unclear what will then take place. There are many indications that the plant could be closed completely and the Volkswagen spokesperson ominously referred to the factory's future as uncertain.

There has been some talk of producing the new Audi A1 model in Brussels, but any firm decision is based on whether "production of this Audi small car in Brussels would be profitable." VW management is already demanding fresh

concessions. The current 35-hour week is to be abolished and extended to 38 hours without extra pay. Negotiations on a contract will be carried out by the works councils.

Volkswagen is prepared to free up considerable funds to finance the redundancies at its main Belgium plant. The total cost of compensation and early retirement payments to workers is estimated at around €300 million. Any worker taking voluntary redundancy is entitled to compensation ranging between €25,000 and €144,000. The company plan is to encourage 900 workers over the age of 50 to quit the company as part of an early retirement scheme.

For its part, the Belgian media has reported on "astronomical" compensation payments, which are "unprecedented" for the country. The newspaper *Le Soir* ran its report with the headline, "A Social Plan Made of Solid Gold." The redundancy package has been the butt of criticism in particular from business circles and the country's conservative government, which fear that other companies will face demands for similar payments when they implement their own future redundancies.

However the payments amount to no more than a blip on the balance sheet for a company which has an annual turnover of €95 billion. VW management is much more concerned about freeing itself from a workforce in Brussels that has a reputation for militancy and readiness to take industrial action. The sellout of the labour dispute at the Forest plant, together with the complete or partial closure of the factory, is part of a company offensive against the wages and conditions of all VW workers, which makes the €300 million in compensation a worthwhile investment from the company's standpoint.

To this end management can rely entirely on the support of the trade unions and works councils. This is clear from the events in Brussels. The Belgian trade unions expressed their "satisfaction" with the deal and have prepared a "information document" for distribution to the workforce prior to the strike ballot due at the start of the new year. Such a stance amounts to a joint campaign by the trade unions in cooperation with VW management to win support for the deal and put pressure on the workforce to call off their strike.

The German work councils and the IG Metall union have failed to make any statement on the deal, but in view of their

cooperation in the transfer of production of the Golf model to Germany, together with their own long history of sellouts at German factories, there can be no doubt that the union bureaucrats support the deal.

Volkswagen workers must reject this pressure and decisively vote down the agreement struck between VW and the trade unions. The destruction of jobs in return for compensation payments, which can evaporate very quickly for the unemployed worker, not only undermines the position of the working class as a whole, it also threatens the future of a new generation which will be denied jobs. This is part of a process which has turned what were previously industrial heartlands, such as the steel and coal industries in Belgian Wallonia and the German Ruhr area, into wastelands—with devastating consequences for the entire population.

According to company releases, about 2,000 workers have already agreed to the Volkswagen redundancy plan. This does not mean, however, that the workers concerned have agreed to the destruction of jobs, but represents rather a vote of no confidence in the trade unions. The sellout of the workforce by the trade unions and work councils is widely regarded as signed and sealed. Workers no longer expect the unions to undertake any principled fight for the right to work.

The militant action by workers and the occupation of the Forest factory remained fruitless because the German Volkswagen works councils and the IG Metall union sabotaged any common struggle by European workers. While telegrams expressing solidarity were piling up in Brussels the works councils and union officials were systematically working to isolate the striking workers.

No attempt was made to initiate effective solidarity measures at any of Volkswagen's main factories in Germany. In fact, the Volkswagen European works council did everything it could to limit any form of support to hollow calls for solidarity and to prevent any common struggle for a principled defence of all jobs.

In a statement of the *World Socialist Web Site* published on November 25, 2006, entitled "Set up Defence Committees Independently of the Works Council and Trade Unions!" we wrote:

"The problem is that the trade unions and the works councils hold the opposite point of view. They are collaborating intimately with the executive and are the main instrument for implementing management policies at the expense of the workforce. This role played by the work councils and the trade union bureaucracy has been especially evident in the case of this latest move by Volkswagen....

"In order to liberate themselves from the straitjacket and patronage of the works councils and mount a principled defence of all jobs at all VW plants, workers must build independent committees that establish close and direct connection between the workforces at different plants in different countries. The existing works councils operating at a European and

international level are strictly opposed to such an initiative. They describe themselves as co-managers and are part of the company conspiracy against the workforce."

This analysis has now been confirmed in the most painful way. When the mass redundancies were announced during the Christmas holidays in Belgium the response by the company works councils and trade unions was deafening silence. In fact, the next round of harsh economic measures and cuts at VW has already been introduced with the trade unions once again working hand in glove with company management.

Wolfgang Bernhard, chairman of Volkswagen's VW brand, has already announced new 10 percent production increases for the coming year. In an internal memo to the company's management he demanded: "With regard to costs this means concretely a further production increase of 10 percent through an across-the-board introduction of the Volkswagen production system." He also demanded drastic increases in efficiency in all areas, which are not directly related to production. An additional €1 billion can thereby be saved in terms of material costs.

A works council meeting is scheduled at the Volkswagen Brussels plant on January 4 and a vote on the "offer" from VW is set for the same week. Following weeks of militant struggle the industrial dispute by the Brussels workforce has been sabotaged and isolated by the trade unions and company work councils. Now workers are being asked to give their approval to the lingering death of the factory, their jobs and futures. They should decisively reject and vote down the deal.

The painful experiences at Volkswagen Brussels once again raise the issue of a perspective for a principled defence of jobs at all locations. This poses the necessity of a complete break with the trade union strategy of "co-management" and corporatist social partnership. A new perspective must proceed from the international character of modern production and the common interests of workers worldwide. It must take up the struggle for a socialist transformation of society, which places social interests above the profit margins of big business and the banks.



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