

Czech trade unions support mass redundancies in the auto industry

Markus Salzmann
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A wave of redundancies is sweeping the Czech auto industry and the biggest Czech trade unions are working hand-in-hand with company managements to implement dismissals.

The Czech Automobile Industry Federation estimates the loss of over 10,000 jobs in the next few months. At the start of the October, the federation had predicted the loss of just 3,000 jobs by the end of the year.

The Czech auto industry has grown considerably in the past few years, primarily due to the setting up of factories by western auto manufacturers. On a per capita basis, only Japan produces more cars than the Czech Republic—which has been given the nickname the "Detroit of the East".

A total of 120,000 workers are employed directly in the auto industry, with an additional 150,000 in associated industries.

Auto subsidiaries have been particularly hard hit, with a number of company's announcing dismissals. Bosch Diesel in Jihlava and Cadence Innovation in Liberec have sacked 300 workers. CTK press agency has named a number of other companies planning redundancies because of the economic crisis: Saar Rubber Czech, Stival Automotive, Schott Electronic Packaging, Kiekert, Isolit Bravo, Witte Automotives Nejdek, Hella Autotechnik.

The first dismissals have already taken place at auto manufacturers. At the end of October, the biggest Czech car manufacturer, the Volkswagen subsidiary Skoda, halted production for a week and dismissed

1,500 temporary workers. Although the company sold 15 percent more vehicles compared to last year, its profit level slumped by nearly a quarter to 8.7 billion crowns (€350 million). Turnover dropped by 2.2 percent to a total of 158.1 billion crowns (€6.4 billion).

Further cuts are now being planned. A Skoda spokesman announced that additional production capacity will be cut in order to reduce personnel levels. Of the company's original total of 4,000 temporary workers, only 2,500 have retained their jobs.

The Czech auto unions have been calling for the shedding of temporary workers for some time. The unions have played off workers against one another, arguing that most temporary workers come from Poland and Slovakia and their dismissal would protect the jobs of Czech workers.

Nearly all the country's trade unions developed in the 1990s, following the reintroduction of capitalism in the wake of the so-called "democracy movement". Their ideology is invariably based on vehement anticommunism and nationalism. In 1993, they openly welcomed the division of Czechoslovakia in two independent states and demanded a series of working restrictions for Slovakian workers.

The Czech unions also developed a close collaboration with company management and official political circles. Following the collapse of the country's Stalinist bureaucracy, they demanded rapid free market reforms, well aware that this would lead to the destruction of many thousands of jobs and the erosion of living standards. The unions supported all of the wage and welfare cutbacks and company privatisations

implemented by Czech governments as the price for entry into the European Union.

Against a background of industry crisis and mass redundancies, the union leaders have made clear they intend to deepen their co-operation with management and pass the burden of the crisis onto ordinary workers.

In an interview with German radio, the chairman of the Czech industrial workers trade union, Josef Stredula, deplored the unwillingness in government circles to accept the union's offer of co-operation. "The government has already rejected three offers for discussion," he complained.

In a letter drawn up in conjunction with the employers' association, Stredula outlined his requests to the government. These included the suspension of all European Union guidelines regarding safety and environmental protection, which "would deliver a further blow to the automaker's ability to compete". That, according to Stredula, "is something one could not afford in the auto-production country of the Czech Republic".

"The industrial workers trade union now stands shoulder to shoulder with the automaker's federation," was the conclusion drawn by *Deutschlandfunk*.

When the government recently made an unrealistic prognosis about the country's future economic growth, stating that the republic would hardly be affected by the economic crisis, the trade unions reacted angrily. "Everywhere there are dark clouds, only the Czech Republic is bathed in radiating sunshine," scoffed Stredula. "We should get round the table and say openly how difficult it will be for all of us. Only then we can make the correct decisions."

With the current conservative-Green Party government in Prague in deep crisis and playing for time until the next elections, the unions are seizing the initiative. It will not be long before they demand further wage cuts and the closure of factories. They have already unofficially negotiated with employers over the implementation of wage cuts, dismissals and the closure of a number of plants—all in the name of

protecting the competitiveness of the Czech economy.



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