

Germany: Opel works councils and IG Metall propose wage cuts

Ulrich Rippert
22 November 2008

The recent request by the Opel company for a federal loan totalling €1.8 billion has led to a fierce dispute. Following the announcement by the German government that it would examine the request and make its decision at the end of the year, opponents of such a loan have made clear their objections. Opel is not a bank, declared the *Süddeutsche Zeitung*. Even if the company were to go bankrupt this would not have "consequences which threaten the economic system as a whole."

Such comments simply ignore the fact that a total of 25,000 workers are employed directly in the company's four German plants and at least a further 50,000 jobs in the supply industry are completely dependent on Opel, the European subsidiary of US automaker General Motors. The cynicism of such comments is hard to top. It is argued that in light of overcapacity in the automobile industry, the complete closure of some plants should be welcomed as part of a process of "cleansing the market."

Opponents and advocates of a government loan for Opel have one thing in common. Both share the view that the burden of the economic crisis should be shifted onto the backs of Opel workers and the general population. The opponents of such a loan favour leaving the company to the whims of the "free market," and are quite prepared to let to Opel collapse. Meanwhile, advocates of the loan are seeking to use the current crisis to implement a new round of wage cuts together with clear reductions in social standards and working conditions.

The most important tool of this latter lobby is Germany's biggest industrial trade union, the IG Metall and its small army of over 100 full-time functionaries who run Opel's work councils.

It should be noted that immediately after details of the financial crisis confronting the company were made public, the German chancellery invited the trade union leadership and the chairmen of all four works councils at

Opel's German plants for talks. German Chancellor Angela Merkel (Christian Democratic Union, CDU) made clear that any agreement to a government loan for Opel would be bound up with "definite conditions." The company must have "future prospects," which means it must be "competitive."

While the talks were proceeding in the chancellery, the Frankfurt district organiser for IG Metall signalled his readiness to accept further wage cuts. Armin Schild, whose scope of responsibility includes the main Opel plant in Rüsselsheim, told German radio that IG Metall is ready to accept "further wage cuts." Justifying this concession, Schild declared that the securing of the future of the company's factories in Germany was the "highest priority."

The chairman of the consortium of Opel works councils, Klaus Franz, had explained one day earlier on German television that "employees will make their own contribution." Last Tuesday, Franz then announced that the works councils had offered a 1 percent reduction for all Opel employees in the recently agreed industrial workers wage contract.

Franz and other works council members are currently using every opportunity to explain their opposition to a demand by company management for a "zero round for Opel workers," but the reality looks different. Basing themselves on the argument that only concessions by workers can secure the future of the factories, the union bureaucrats are preparing to enforce further wage cuts.

The union's policy of "social partnership," i.e., the closest collaboration between the unions and management, has already had devastating consequences for Opel employees and the working class as a whole. Such policies lead not only to welfare cuts and mass redundancies, but to a social catastrophe.

Currently there are a series of commemorations taking place to mark the 90th anniversary of the end of the First

World War. But one question has been deliberately ignored. The slaughter in the battles 90 years ago was a direct result of the betrayal of the Social Democratic Party and the trade unions. Following the agreement by the SPD to fund war credits in 1914, the trade union leaders rushed to the German chancellery to conclude a unique "amnesty" in the interests of big business.

A few years later, following the crushing of the revolutionary workers' and soldiers' councils in 1918/19, the "works council law" was passed. It required work council members to acknowledge the basic forms of capitalist property ownership. Since then these councils have been repeatedly utilised in all major crises to defend the interests of big business against the working class.

The fact that the work councils are elected by workers does not alter their reactionary role. Up to the present they have made a crucial contribution towards suppressing any independent movement of workers. In return they have been rewarded with substantial privileges.

It is necessary to break from the control of this corrupt bureaucracy. This requires a conscious turn towards an international strategy and a socialist perspective.

When the works councils and IG Metall declare that jobs can only be saved at the expense of wage cuts and reductions in social protection, this amounts to an admission of the bankruptcy of the capitalist system. Opel can no longer produce without state support and is dependent on taxpayer funding.

This poses the question: state support for whom and for what purpose? Here two irreconcilable points of view are at odds.

The works councils, IG Metall, the company management, shareholders and government want to use public funds to secure company profits and strengthen the concern against international competition. This invariably means the lowering of wages, a worsening of working conditions and the playing off of employees at one factory or location against their fellow workers in other plants. The last thing on the minds of works council members and union officials is the fate of General Motors and other auto workers in the US, who are also being confronted with enormous attacks on their jobs and social conditions.

The tens of thousands of GM employees in Germany, the US, Sweden, Great Britain, and Australia do not bear any responsibility for the crisis. They were not involved in the casino-type speculation on the stock markets, nor did they benefit from the spectacular benefits and salary hikes awarded by management to their fellow board

members.

Workers must make the crisis at GM and Opel the starting point for a struggle to develop the democratic, social control of auto production. Instead of making billions of tax funds available for securing the profits of its capitalist owners and major shareholders, the company must be nationalised and subjected to the democratic control of working people. Only then will be it possible to develop production in the interest of the auto workers and the population as a whole through the construction of affordable, safe and environmentally friendly autos.

Such a socialist perspective has nothing in common with the travesty of the "state-owned" VEB enterprises of the former East Germany (GDR). There it was a corrupt party and state bureaucracy, embodied in the Stalinist dictatorship, that determined production and—like the trade union bureaucracy—suppressed any independent movement of the working class.

The present crisis requires a courageous initiative by workers. It is necessary to defend every job at every plant and prevent any form of wage-cutting. Action committees must be developed that reject the "social partnership" policy of the work councils and union officials and establish contact with workers at other plants, including in the US and other international locations, to coordinate common means of struggle.

Such a struggle has broad political consequences and requires the building of an international socialist party, which draws from the great political experiences and lessons of past class conflicts. This is the aim pursued by the Socialist Equality Party (Partei für Soziale Gleichheit, PSG) and its affiliated parties in the US and other countries. We invite all Opel employees to contact the PSG and the *World Socialist Web Site*.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact