

# Germany: Opel works council demands planned wage cut be kept secret

Dietmar Henning  
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A ferocious controversy has broken out between the works council at Opel Bochum and the overall Opel works council at the company's Rüsselsheim headquarters. Last week, when the Bochum works council chairman, Rainer Eienkel, spoke about the threat of short-time work and wage cuts, the main Opel works council leader, Klaus Franz, reacted furiously.

Franz said there had been "irresponsible" talk about things that were not yet intended for public consumption, upsetting the workforce unnecessarily. In an interview with the *Frankfurter Rundschau*, Franz called on all works council representatives to close ranks. He said a conference of European works council representatives was being planned which would consider the possibility of short-time working, a reduction in work hours with a partial wage adjustment, and an extension of working time.

Talking about cuts in production was not serious at this point and "damages the brand," he angrily told the *Frankfurter Rundschau*. He warned against causing panic unnecessarily, saying that talk about cuts in production and job losses could create a "self-fulfilling prophecy." Nobody knew how the market would develop next year, he added.

Rainer Eienkel lifted only one corner of the veil of silence, revealing just a small fraction of the secret deals and agreements with management. As works council leader in Bochum, he is under great pressure from workers who occupied the factory for one week four years ago and are threatening to do so again. He considers it advisable to prepare the workforce for what is coming.

"Next year, production of the Astra in European factories will be cut by around 20 to 30 percent," he told the *Rheinische Post*. The Astra is produced in Antwerp, Belgium, in Ellesmere Port, Britain, in Gliwice, Poland, and in Bochum, where a workforce of nearly 7,000,

including 5,000 direct Opel employees, build the Astra and Zafira models. Opel is the German subsidiary of General Motors.

Eienkel also explained what the consequences of this cutback in production would be: "What is under discussion is either cutting out the night shift in Bochum, 70 days short-time working next year, or a reduction in the number of hours worked per week from 35 to 30 with a corresponding cut in pay."

Cutting the night shift would mean further job losses, which Eienkel says he does not favour. He would prefer either short-time working or reduced hours. In both cases, this would mean an average loss in income of 15 percent, he told the press.

Since Opel workers are presently remunerated according to the engineering and electrical industry contract, this would mean being paid below the agreed wage levels. Four years ago, workers at Opel Bochum still received a 14 to 17 percent premium above the effective contract rates.

Faced with Eienkel's revelations, the works council chairman at Opel's Eisenach plant, Harald Lieske, warned against a "price-cutting" war between the various Opel production sites. On Sunday, he told the *Deutsche Presse Agentur* that he hoped to be able to agree a reduction of working time to 33 hours per week and a wage cut for all German Opel plants.

He told the daily *taz* that a whole catalogue of cost-cutting measures was under discussion at Opel. Beyond a reduction in working time, zero pay increases and a cut in the Christmas bonus were also possibilities.

Eienkel, who is evidently in daily contact with the *Rheinische Post*, went further last Friday: "I don't think it is impossible that GM separates from Opel," he told the newspaper. This is something the company chiefs at GM's Detroit headquarters and Opel Rüsselsheim have "categorically denied."

On Monday, Eienkel told the same newspaper: "We are kept permanently busy working out what to do in a worst case scenario." He did not say exactly what he meant by this, but nevertheless made it clear that the works council was considering what measures would be needed if the factory closed.

Opel overall works council Chairman Franz calls this panic-mongering and is trying to muzzle all the works council representatives. He has been supported by the employer's spokesman, Jörg Schrott, who sought to deny the details that Eienkel had revealed. "We do not know anything about these figures," he said, but added that next year Opel would respond flexibly to the market situation, adapting the number of cars it built accordingly.

Franz's attempt to impose silence makes it clear how he sees the task of over 100 full-time works council representatives at the four German Opel factories. Regardless of the fact that the works councils are elected by the workforce, in his opinion they serve the interests of the company. It is well known that Franz would like the position of Opel personnel chief, and this is already being considered. It is in his office that the plans are presently being prepared for short-time working, wage cuts, and job losses.

As at Volkswagen and the other auto manufacturers, Franz has ensured that the full-time works council representatives enjoy extensive privileges, creating a network of mutual back-scratching. In this regard, the scandal at Volkswagen, where works council members consorted with prostitutes at company expense, was not a mere aberration. Now Franz is relying on these corrupt structures in order to strangle any resistance on the part of the workers and protect the interests of the company management.

Despite their differences, Franz and Eienkel agree on one question. Both reject any form of joint struggle to defend the jobs and wages of all workers at Opel's various production locations, despite the daily revelations about cuts in production, short-time working, dismissals and welfare cuts.

According to the president of the Federation of German Automobile Manufacturers, Matthias Wissmann, "The automobile markets are collapsing at a pace and to an extent that has never been seen before." The employers' organization expects 2009 to be the weakest year in Germany since reunification in 1990, anticipating only 2.9 million purchases of new cars—down 200,000 compared to the already poor year that was 2008.

Opel management anticipates the same situation. While

new car sales in November shrank by approximately 18 percent, for Opel it sank by 36 percent.

On Tuesday, the *Süddeutsche Zeitung* reported that the automobile manufacturer Daimler had announced short-time working at its Mercedes car plant in Sindelfingen due to a substantial fall in sales. Affecting nearly 20,000 workers from mid-January, it is the first time in 15 years that the company has resorted to such drastic measures.

The components industry is also directly affected. The largest German automobile parts supplier, TMD Friction, recently announced bankruptcy. This brake manufacturer has factories in 15 locations, employing 4,500 people. Its turnover last year was €690 million. The enterprise was taken over in 2001 by a British private equity company and was then sold to a hedge fund.

In view of this situation, a joint struggle by autoworkers at all locations becomes ever more urgent. The hostile exchange between Eienkel and Franz casts a sharp light on the role of the works councils and their close links to company management. It makes clear that the defence of jobs, wages and social conditions is possible only in a fight against the co-management of the works councils.

It is necessary to hold the works councils to account and demand the disclosure of all secret contracts and confidential arrangements with management. There must be an immediate halt to all negotiations behind the backs of the workforce. Works council representatives who participate in meetings of the company economic committee must provide full information to the staff and be prepared to answer their questions. Eienkel too knows far more than he is saying.

The Bochum works council includes numerous so-called "oppositionists." However, their actions now show what is to be made of their "opposition" to the union bureaucracy. The claim that they too are bound by Franz's call for secrecy cannot be accepted. Management's preparations to drastically reduce production, shut down sections or even whole plants, means Opel has effectively broken the contract and the workforce can no longer be expected to observe its so-called *betriebsfrieden* (factory peace).



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