

Over 170,000 on short-time working in German auto industry

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More than 170,000 workers in Germany's automobile industry have already been put on short-time working, and the total is growing daily.

Companies in economic difficulties because of an "unavoidable temporary loss of work" may apply to implement a maximum of 18 months' short-time working (in which all employees in an enterprise see their working hours equally reduced); previously it was just six months.

This means the shutting down of entire factories or departments and the workforce sent home for weeks or months. During this time they receive 60 percent of their wage, or 67 percent if they have to provide for children, from the Federal Labour Agency. If the company's order book does not improve after the 18 months, dismissals threaten.

At BMW, 26,000 employees at plants in Bavaria and Berlin will be put on short-time working in February and March. At Daimler, short-time working will be introduced for 39,000 workers, and the world's largest automotive supplier, Bosch, will put approximately 10,000 onto short-time working in the next weeks.

The tire manufacturer Continental has announced it will introduce short-time working at the majority of its 50 German factories, affecting 50,000 employees from February 1. Likewise the Schaeffler Group (LuK, FAG, INA). How many of Schaeffler's worldwide staff of 66,000 will be affected has not yet been decided or announced. Starting this Friday, automotive supplier Grammer is placing approximately 2,000 workers on short-time working because of declining demand.

Small and medium-size subcontractors are particularly hard hit by the crisis in the automobile industry. One in five of the 300,000 medium-size enterprises in the European auto industry are in jeopardy due to the economic crisis, declared European Union vice-president Günter Verheugen (Social Democratic Party—SPD). Verheugen is pleading for a restructuring and consolidation of the auto industry, which would translate into shutdowns and reduced capacity with

mass redundancies.

In the meantime, Ford, Opel and Germany's largest car maker, Volkswagen, have announced short-time working. Although VW recorded massive profits last year, the company is putting approximately 60,000 of its 92,000-strong workforce in Germany on short-time working. Between February 23 and 27, many plants will not be working, the exceptions being research and development, as well as some parts of the component factories.

Behind the rapid spread of short-time working, accompanied by large cuts in income, lies the sharp drop in European and international car sales in the last quarter. In Germany, the number of new registrations fell to its lowest level in 17 years. The collapse in the last quarter means a decrease of 1.8 percent to 3.09 million new registrations for the whole of 2008. On average, German manufacturers sold over 5 percent fewer cars.

General Motors' European plants have been particularly hard hit by the collapse in sales. Sales of Opel and Vauxhall cars decreased by ten percent to 1.46 million autos in 2008. These two brands account for approximately three-quarters of GM's entire European business. Altogether, GM sold 2.04 million vehicles in Europe last year, about six percent less than in 2007. The third quarter already saw GM's European business record an operational loss of approximately US\$1 billion (€780 million).

GM's worldwide turnover last year fell by eleven percent to approximately 8.35 million vehicles, with the decrease being particularly drastic in the fourth quarter as sales fell by 21 percent to approximately 420,000 cars. In 2008, GM sold nearly two-thirds of its cars outside the US.

Class collaboration

In the auto industry, the various works councils and IG Metall trade union collaborate closely with management to

impose the consequences of the crisis onto the workforce and suffocate all resistance.

To throttle back production, Opel has announced short-time and flexible working, with a resulting loss of income for its workers. Management and unions have been negotiating this for weeks and months at a European level. The conditions agreed to by the Opel works council members at GM's European headquarters, under the leadership of Opel works council chair Klaus Franz, are then put into practice by the different local works councils. Among other things, working time is to be generally shortened and the nightshift dropped in all European plants. How this is implemented on the ground is being negotiated in the individual plants.

After several weeks of no production at Opel Bochum, earlier in January, local works council chair Rainer Eienkel announced the plants would begin working again. He said all three shifts, including the nightshift, would be restarting.

On Monday and Friday last week, however, the assembly lines were stopped again. How long production will be halted is uncertain, but the break will last at least into February, affecting approximately 3,000 employees. The works council is currently negotiating extending short-time working to one hundred days.

There has been short-time working at Opel's Eisenach plant since the autumn, with the work week cut from 38 to 33 hours. For January and February, an additional five days' short-time working each month was announced.

Eienkel of the Bochum works council claims as a great negotiating success the fact that Opel is paying a 2.5 percent subsidy in addition to the state-funded payments to those on short-time working, and is also recompensing workers for every other hour that production is cut. According to Eienkel, this means employees can afford both short-time working and shorter hours.

These meagre amounts are being used to keep the workforce calm. In return, the works council is supporting Opel in its appeal to the federal government to provide state subsidies for the auto industry. These subsidies do not benefit workers, but are intended to maintain German factories at the expense of GM's other plants. The constant cuts in wages and conditions, and the invocation of the need to defend "German production" to the detriment of factories and workers in other countries are two sides of the same coin.

Together with management, Opel Works council chief Klaus Franz is negotiating with the federal government about financial support for the company.

According to *Handelsblatt*, Franz's constant meetings with Opel managers and government representatives involve both ensuring that state guarantees are forthcoming, as well as

securing greater influence for Opel with parent company GM, particularly in the development of new models.

Franz fears that in future, GM will increasingly develop its new models in the US. For example, the next Saab 9.5, the Opel Zafira and a new generation of four-cylinder engines and transmissions could be developed in America instead of at Opel's Rüsselsheim works.

In a press interview, Franz expressed his hope that the state funding he is negotiating together with Opel management will make GM's German subsidiary more independent: "Opel can make itself financially more independent in Germany and Europe by taking up credits for investments with the help of state guarantees—and thus finally having our own bank account." According to the *Süddeutsche Zeitung*, guarantees of over €1.8 billion for Opel should be in place by the end of March; this is not confirmed, however, by the company.

Franz considers unrealistic a complete separation from the parent company: "We sell 1.6 million vehicles in Europe. Thus we are below the critical size needed in order to organize the enormous investments necessary now for technological set-up."

Even if Franz considers the independence of Opel not possible at present, his entire perspective is directed toward securing the German plants, and in particular Rüsselsheim, at the expense of other Opel works in Europe and GM plants worldwide. For decades, the works councils, and the unions which stand behind them, have been agreeing to concessions at the expense of the workforce, allegedly to secure jobs. They consciously play one location off against another, instead of mobilizing working people in a common defence of jobs.

This nationalist policy is used to manoeuvre autoworkers into a trap. In America, the leaders of the UAW have already agreed to a strike ban as part of the state rescue operation for GM and Chrysler. In addition, autoworkers must accept mass redundancies, plant closures and massive cuts in wages and benefits, otherwise the US government threatens to abandon its rescue operation.



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