The reactionary politics of economic nationalism

20 February 2009

On Tuesday, General Motors announced plans to cut its workforce world-wide by 47,000, with 26,000 jobs to be slashed in Europe alone. The main German engineering union, IG Metall, and its shop stewards organized in works councils at GM's German subsidiary Opel, reacted to the announcement by rejecting any joint struggle by GM workers in Europe and North America.

The joint works council at Opel is instead demanding the separation of GM's European factories from the parent company headquartered in Detroit, while it collaborates with Opel management and the German government to impose massive concessions on Opel workers.

Prior to the announcement by GM, the chairman of the Opel joint works council, Klaus Franz, traveled to Detroit to learn of GM's plans from the former financial head of Opel, Fritz Henderson, who is now GM president and chief operating officer. On Monday, Franz sent a four-page letter to all GM employees in Europe in his function as chairman of the European Employee Forum (EEF). The letter was also signed by Franz' deputy, Rudi Kennes.

What is striking in the letter is the lack of any expression of concern for the fate of GM workers in the US or any other country outside Europe. Instead, Franz and Kennes declare that "the competitiveness of the European operations of GM differs profoundly from that of the company in North America." Unlike the latter, the letter states, the European factories are "absolutely competitive."

The letter criticizes the restructuring plan for GM's European operations—internally called the "Renaissance Project"—on the grounds that the plan would have "catastrophic consequences for the GM brand and enterprises in Europe and would mean their end."

In particular, Franz and Kennes warn that the "Renaissance Project" would involve enormous cost outlays by GM, including legal actions arising from the breach of existing agreements, under conditions where no European government or bank would provide loans or credits.

The letter argues that "the loss in value for the Opel and Vauxhall brands and their facilities would be enormous, and would have negative consequences for the value of Opel-Vauxhall on General Motors' balance sheet."

It adds that the "Renaissance Project" threatens current negotiations between European management and the EEF as well as ongoing talks with unions and shop stewards who are attempting to realize "labour cost savings of $750 million" in 2009.

Franz and Kennes propose an alternative restructuring concept which would also lead to the destruction of thousands of jobs and huge wage cuts. Their plan also involves a massive transfer of taxpayer money to the European auto companies.

They advocate the separation of the European brands Opel and Vauxhall from the GM mother company. European state subventions will only begin to flow, they argue, when it is absolutely clear that the American management will be denied any access to European tax funds for GM's European plants.

Implicitly accepting plant closures and layoffs at newly independent European units, they write: "In line with market requirements, Opel-Vauxhall must undertake any necessary restructuring or adaptations of volume. The sale of factories could be carried out in a socially and financially acceptable manner."

Opel shop stewards and the IG Metall union are working closely with the German government and the heads of those states where Opel plants are located. On Monday, the minister-president of the German state of North Rhine Westphalia, Jürgen Rüttgers, traveled to Detroit to discuss the future of Opel in Germany with GM management.

In announcing its "restructuring" plans, GM made clear that the elimination of 26,000 jobs "outside the US"

© World Socialist Web Site

remained company policy and that European Union officials would have to commit themselves to implementing cost reductions in Europe totaling $1.2 billion.

On the same day, Franz signaled his readiness to implement precisely such measures. Together with the president of GM Europe, Carl Peter Forster, and the chairman of the board of Opel, Hans H. Demant, Franz signed a joint statement announcing negotiations. The statement declared that “in view of the crisis in the European automobile market” it is necessary to undertake “clear measures to ensure that the European business of GME (General Motors Europe) is put on a long-term financially stable basis.”

With this statement, the works councils and trade unions are assuming responsibility for the implementation of mass redundancies, attacks on working conditions and wage cuts.

In each of the four Opel plants in Germany (Rüsselsheim, Bochum, Eisenach and Kaiserslautern) management finances more than thirty full-time works council officials, who earn far more than an average production worker. In cooperation with union shop stewards, these works councils form a network aimed at suppressing any independent movement by workers. Whoever dares to oppose the union and its officials risks intimidation and retaliation.

Although Franz heads the European shop stewards organization EEF, he is quite prepared to play one European factory against another in his function as head of the shop stewards committee at Opel's main German plant in Rüsselheim.

Many workers are angry over the stance taken by the union and works councils. One worker wrote on an Internet blog of GM workers, “It is outrageous the way in which Franz… ensures on behalf of management that other plants are closed. I sympathize with the plight of the Belgian colleagues, they have my solidarity."

The actions of the shop stewards and IG Metall bureaucrats exemplify the reactionary logic of economic nationalism, to which the unions are wedded and which is bound up inexorably with corporatist collaboration with big business and the state. It seeks at every point to split the working class—including workers employed by the same transnational company—along national lines, in order to subordinate the workers to the requirements of each national group of capitalist owners.

Economic nationalism has produced nothing but disasters for the working class in every country, and is preparing even greater catastrophes.

The jobs and wages of GM workers can be defended only through the mobilization of workers on both sides of the Atlantic and internationally.

The global integration of production has provided an unprecedented objective foundation for the international unification of the struggles of the working class. There is virtually no other branch of industry where workers are so closely linked in the production process as the international auto industry. At the same time, the revolutionary developments in telecommunications and computers make possible a degree of united action greater than in any previous period.

The splitting role of the unions must be decisively rejected. Action committees of rank-and-file workers, independent of the unions and works councils, should be established in factories and work places to link the struggles of auto workers internationally. They should spearhead strikes and factory occupations to oppose plant closures and layoffs.

Industrial action must be combined with a new perspective—the political independence of the working class to fight for a workers' government and the socialist reorganization of society. This includes the nationalization of the major corporations and banks. Only then will it be possible to establish democratic control over the economy and prioritize social needs above the profit interests of a tiny minority.

The crisis is an expression of the failure of capitalism. It is a global crisis and requires a global and revolutionary solution. In opposition to all forms of nationalism, the *World Socialist Web Site* and the International Committee of the Fourth International advance the program of socialist internationalism.

Ulrich Rippert

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site