

# Germany: Union demands auto workers give up wage rise

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The IG Metall union is calling on auto workers at Opel Bochum to give up a wage increase of 2.1 percent agreed in the last contract, but that is yet to be paid.

This would mean auto workers at General Motors' German subsidiary being paid below the union negotiated rate for the industry. The 3,000 workers present at the meeting of the Opel workforce in Bochum last week were outraged over the proposal. It was met with fierce protests, with one worker angrily asking the union speaker, "Are you crazy?"

The night before the meeting, GM CEO Rick Wagoner had resigned. But the workers wanted to know from the union officials and works council delegates what cuts they had been negotiating with management: How many and which plants were to be closed? Did this include Bochum? If not, how many jobs are being reduced, and what loss of income can workers expect?

Both the Bochum works council chair Rainer Eienkel and Olive Burkhard, the IG Metall district leader in North Rhine-Westphalia, said they were unable to answer these questions. That is simply a lie. The works council delegates and district union representatives have been in constant negotiations with Opel management and it is known that they are ready to agree far-reaching concessions. At the same time, they have agreed with management to keep the details confidential.

While saying they had no information about the extent of the job cuts and the planned wage cuts, the union bureaucrats demanded at the meeting that Opel workers agree to forego the previously negotiated 2.1 percent pay increase covering the auto industry.

In response to the indignant reaction of those workers present, Burkhard announced he would take a vote about the proposal—however, not at the meeting but later in a postal ballot.

The IG Metall then sent out ballot papers to all union

members at Opel, asking them to either accept or reject relinquishing the wage rise. A cover letter expressly recommends acceptance, arguing that the current situation at Opel is critical, and threatening, "The future of the enterprise is in acute danger.... You know exactly what is at stake for you and for Bochum." The letter is signed by Burkhard and the IG Metall leader in Bochum, Ulrike Kleinebrahm.

The letter continues, "The only solution to permanently secure jobs and a future at Opel" is to establish an independent company, Opel Europe AG. To this end, the European executive committee is planning "a reduction in personnel costs." Burkhard and Kleinebrahm make no secret of the fact that they support this.

Opel has so far arbitrarily retained the recently agreed pay rise. In their letter, although the union leaders admit that this breaks the law ("the raise can be implemented judicially"), they call on union members to retrospectively sanction this breach of the law by agreeing to its indefinite suspension in a new contract. "The IG Metall district leadership in North Rhine-Westphalia and IG Metall Bochum recommend the agreement of this [new] contract, in order to win some time to be able to work out a solution for Opel."

The union is thus calling for wages to be lowered, even though the continuation of production at the plant is still being questioned by management of the group. Auto workers are being asked to make sacrifices, although they do not bear any responsibility for the crisis. The profits of those who have ruined the company are to be secured by lowering wages.

Burkhard claims €14 million can be saved in Bochum through giving up this pay rise. For the company's top managers, however, there is no talk of cutbacks. Former GM CEO Rick Wagoner insists that his contract be honoured, that he be paid in full for his contract and receive an additional €17.5 million in pension

entitlements in return for his resignation. The IG Metall and the works council delegates, however, are proposing the voluntary surrender of the auto workers' contract, meaning lower wages.

The arguments of IG Metall are completely false. The union claims that the agreement does not mean “that you are giving up your entitlements.” They write, “When a viable business model for a new Opel Europe AG is established, the IG Metall will negotiate about whether, and to what degree, the relinquished pay increase can be used as an employee contribution—for example in the form of employee share capital [stock].”

But for the company bosses in Europe, a “viable business model” means from the start the saving of billions of euros. That is what the works council delegates and trade union leaders are negotiating at present with management. They have already agreed to it, but do not yet know how they are to sell it to the workers. Clearly, the works council and IG Metall have “discovered” the model for “employee share capital” being promoted by the Left Party and its chair Oskar Lafontaine, and are trying to use it as a means to sweeten the bitter pill confronting auto workers.

The money the company will save is not going to be paid out to workers in the future, but is to be converted later into shares for employees. By means of employee shares, auto workers are to be tied to “their” company, which only makes them even more open to blackmail. If the company fails, they not only lose their jobs, but also their share holdings—and this is what is being proposed by Bochum works council chair Eienkel.

The sum of €14 million in unpaid wages is only the beginning. Further cuts, the selling off of factories as well as plant closures are just round the corner. Klaus Franz, chair of the overall works council, has already announced the sale of the Opel plant in Eisenach. He has also said that if there is an employee share scheme, then the workforce would also be prepared to do without their Christmas bonus and holiday pay, as well as going without the agreed pay rise.

In other words, if a “viable business model” is developed, the money has already disappeared.

“If the plans for an Opel Europe AG fail, the company must pay the agreed wage rise,” write Burkhard and Kleinebrahm in their letter to IG Metall members. This is also wrong. The alternative to the “rescue plan” is insolvency. In the case of bankruptcy, the contract would be deemed null and void, and in this case there would certainly be no additional payments for a previously

agreed wage rise.

Earlier agreements made by the IG Metall and works council for auto workers to forego pay rises or give up benefits have already brought about a systematic degradation of conditions for Opel workers. Since the last contract agreed in 2005, which was supposed to secure the future for Opel Bochum, half of the jobs at this plant have been wiped out, amounting to nearly 5,000 positions. Four years later, not a single job has been secured.

For years, the trade unions have divided workers—in one country against others, from plant to plant, and inside the factories between the permanent staff and those employed as subcontracted workers, temporary staff, etc. The holding of an individual postal ballot is a further attempt to destroy workers' solidarity. Individual union members are being isolated from their co-workers at home over the Easter holidays. Surrounded by their understandably anxious families, they are expected to decide on the issue “for themselves alone.” In addition, the counting of the ballots will be supervised by the union and can easily be manipulated.

The *World Socialist Web Site* and the Partei für Soziale Gleichheit (PSG, Social Equality Party) call on all Opel Bochum workers to vote “no” and withdraw the IG Metall's mandate to negotiate on their behalf. It is necessary to build defence committees independent of the trade unions and works councils to defend all jobs worldwide and to preserve wages and benefits. This must be done in coordination with fellow workers in GM's other European and American plants.

The principled struggle against all concessions must be made the starting point for a broad political mobilization, based on a socialist and internationalist perspective.



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Socialist Equality Party visit:

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