

# Germany: Opel workers oppose cuts in holiday pay

Ulrich Rippert  
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At the Opel auto works in the city of Bochum, resistance is mounting against continuing wage cuts, the dismantling of tariff agreements and deteriorating working conditions. Opel management's plans to withhold holiday bonus payments provoked strong opposition at a plant meeting recently held in Bochum's RuhrCongress conference centre.

A speech delivered by Holger Kimmes, the company's chief personnel officer, was interrupted a number of times by loud booing and hails of derisive whistling. Kimmes reported that management had arranged with the joint works council to put on hold this year's holiday bonuses for all 25,000 workers in Opel's German plants. The measure is part of the "Opel rescue plan," which is also backed by the IG Metall trade union and the works councils.

Following the announcement, more than two dozen employees—far more than usual—took to the hall microphone to denounce the decision as unacceptable. For a three-week vacation period, the holiday bonus amounts to €500 and is a fixed part of the wage structure. Several speakers said that Opel's failure to honour the second stage of the tariff increase of 1.2 percent, won last February, was painful enough. In addition, short-term working—first introduced at the start of the year—has resulted in wage cuts amounting to several hundred euros per month.

When the chief personnel officer responded by saying that everyone knew the alternative to freezing holiday bonuses, he set off another chorus of jeering whistles. Two days later, some 200 workers from various shifts assembled at the Opel plant in Bochum and spontaneously decided to stage protests with self-made placards, declaring, "We won't be blackmailed." In particular, many workers were incensed by the fact that Klaus Franz, chairman of the joint works council, had supported the suspension of holiday bonuses in one of the works council's information circulars a month ago.

In view of the mounting opposition, the Bochum works council felt compelled to issue its own declaration in tandem with the IG Metall administration. This declaration stated that the decision on holiday payments was an "independent measure on the part of management." The IG Metall union in Bochum and the works council at the Bochum Opel worksite had come to "absolutely no agreement" about the freeze in payment of the holiday bonuses. Management's behaviour was "unacceptable," they stated, and the right to the holiday pay was "assured by tariff regulations."

Accompanying this formal declaration, the Bochum works council initiated legal proceedings to place a temporary restraining order on management. Last Friday, the Bochum Industrial Court refused to grant the restraining order. According to the court's ruling, the works

council fails to meet the legal requirements to act as a representative body for the affected workers. Every Opel worker whose holiday bonus is withheld is obliged to undertake an individual complaint against the deduction.

The trade union offered its members legal representation in this respect, but the union's lawyer, Michael Dornieden, explained that this kind of legal challenge only very rarely has the prospect of success. He pointed out to the press that every single Opel worker would have to argue to the court that he or she is financially unable—even to the extent of being unable to secure a loan—of meeting the costs of a booked vacation.

The actions of the works council in Bochum are aimed above all at keeping workers under control and suppressing any outbreak of independent action. Confronted with growing opposition, it adopts a slightly more radical tone. Rainer Eienkel, head of the Bochum works council, appeared before the court in a fighting mood, knowing full well that the challenge had little chance of success. A lawyer later said that the court's ruling was not unexpected because any other outcome would have meant "breaking new judicial ground."

There is a great deal of evidence to show that the turn to the industrial court was part of a shabby manoeuvre on the part of the works council. It was not the IG Metal union—as party to the wage agreement—that challenged the non-payment of the contractually agreed award, but rather the works council, which was not the contracting party. The IG Metal union refrained from appearing as plaintiff because its executive committee supports the renouncing of holiday bonuses. Now the works council is using the ruling and authority of the court to argue to workers: "Look, we've tried everything. Collectively opposing the cutting of holiday bonuses is impossible and an individual challenge will have little chance of success."

This type of deceitful manoeuvring on the part of Opel's works council in Bochum is nothing new. At employee meetings and in personal conversations, Eienkel stands airily aloof from the resolutions of the Rüsselsheim works council, trying to give the impression he disagrees with them. At meetings of the joint works councils, however, he votes for all the major resolutions.

The facts here speak for themselves: According to unchallenged reports from the media, the joint works councils unanimously voted on June 5 to set up a limited public company, which will operate a 10 percent "employee capital interest" business at the soon to be created Adam Opel AG.

The financing of this capital investment is to be achieved through wage reductions, cuts in holiday and Christmas bonuses and other austerity measures—all at the expense of the employees. The joint

works council is also intent on pursuing this course.

The Bochum representatives in the joint council—Rainer Einenkel, Franco Biaggiotti and M. Wilde—also endorsed the election of an executive board for the new company. The board consists of Klaus Franz and three trade union lawyers. When Franz declared, “Through this model of worker participation in the form of a limited public company, a new way will be opened in difficult economic times for workers to share in the opportunity of forging a new beginning in line with their respective contribution to recovery,” his claim drew no objections from other members of the joint works council.

Instead Einenkel, together with the leaders of the works councils from the other German plant sites, will take a post on the supervisory board of the new workers’ investment company.

To claim that this has anything to do with extending the employees’ co-management rights (Mitbestimmungsrechte) is to deliberately mislead. In reality, such a company will cater exclusively for the interests of major shareholders and trade union functionaries, as well as the members of the works councils. It will fulfil a number of tasks, all of which will be to the detriment of the employees.

Firstly, it will enforce the planned wage cuts, the withdrawal of Christmas and holiday bonuses and the scrapping of pay rises.

Secondly, it will give the impression that these painful financial sacrifices on the part of workers will be reinvested and workers will gain shares in the company and influence in its decision-making. Thus employees will become more tightly bound to the company and will be able to be mobilised more easily against the workforces at other plant sites in Germany and abroad.

Thirdly, a section of trade union functionaries and works council members will rise from their role as co-managers to become joint owners. Not the employees, but some of the works council members—financially aided by cuts from the income of exploited workers—will become major shareholders and thus, more than ever before, representatives of the interests of Opel management.

When the National Labour Ministry drafted the new “Law for the Sponsoring of Workers’ Capital Participation” at the start of the year, it made no bones about its intentions. The text of the law reads: “In this way it will be possible to counter the polarisation of society, bind employees more closely to the factories and eventually improve the financial foundations of the factory.”

In addition to Bochum, opposition to the IG Metall and the works councils is developing at other Opel plants.

In an Internet forum one worker employed at the company’s plant in Eisenach, in eastern Germany, demanded more information from the works council. He reported that there was considerable dissatisfaction on the production lines because workers remained in the dark over the different takeover plans for the company. He noted that many workers feared that they would only be informed of what was taking place after major decisions had already been taken and declared: “We cannot allow ourselves to be blackmailed.”

A spokesperson for the works council then answered this criticism by declaring that he could not report on his own on what was taking place.

The worker responded angrily: “You are a works council official who has been elected by us and you have a task to fulfil on our behalf! And that includes informing the workforce over issues that are of importance for our future. I do not know what the problem is or who you have to ask first before you tell us the truth!”

Pressured, the works council member then gave some details of the demands being raised by the Magna consortium as conditions for its

takeover of Opel. The Magna takeover bid is openly favoured by IG Metall. Magna’s demands include “no contractually agreed special payments, (i.e., no holiday bonus or Xmas pay), no new wage increases and the dismantling of existing contractual bonuses, etc....”

“In addition, Magna expects increased flexibility with regard to working time, i.e., six-day working weeks in three shifts, two hours extra work per week, up to 30 percent of posts to be filled by temporary contract workers, and no overtime payments.”

One female worker at the Eisenach plant then countered and declared that cuts to bonus payments already agreed by IG Metall had resulted in pay cuts of €300 per month. “You go home with around 1,300 for six days work—when the work is there. In the event of short-time working the losses are even more drastic. I do not need anyone to tell me what I think about it: We have to do something! If the IGM [IG Metall] agrees to these cuts then it is signing its own death sentence. It should never have come to this!”

Just a few days later, on June 9, the European works council largely agreed to the terms laid down by Magna. In a letter to Magna the European council pledged to ensure savings of €265 million in cuts to wages and social payments. The council also assured that this amount would be taken from the “remaining workers,” i.e., from the workforce that remained after the planned destruction of 10,000 to 12,000 jobs. This amounts to cuts of around €450 for those 49,000 Opel workers who are able to retain their jobs.

The events at Opel make clear that any serious struggle to defend wages, working conditions and every job is only possible in a concerted struggle against the IG Metall and the works councils. The construction of independent factory councils pledged to the defence of jobs and workers’ rights—rather than the profit interests of Magna—is becoming increasingly urgent. The trade unions are in the process of transforming from co-managers into co-owners of the company and are taking an increasingly hostile stance towards employees and union members. Workers must take up a socialist perspective and prepare for an offensive of all workers at all of the company’s international locations.



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