

Bridgestone closes plants in Australia and New Zealand

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Bridgestone announced last Friday it will close its tyre production plants in Australia and New Zealand at the cost of 875 jobs. The Salisbury factory in Adelaide, South Australia employing 600 workers will close next April. The Papanui plant in Christchurch, NZ employing 275 will cease production before the end of this year. The closures, which end tyre production in Australasia, are part of a global restructuring of the auto industry, in the wake of the worldwide financial crisis.

Bridgestone executive director Andrew Moffatt bluntly declared that tyre manufacturing in Australia and New Zealand was no longer viable. While the company's operations in Australia made a profit last year, it recorded losses in New Zealand over the past two years. In the half year to June, Bridgestone's Japanese parent company suffered a loss of \$A9.84 million.

The closure will have a devastating impact in South Australia. The Northern Adelaide Employment Services Area, which includes Salisbury, has the third highest unemployment rate in Australia. It was 9.1 percent in March, nearly double the national average. Among youth, the jobless rate was estimated to be between 23 and 33 percent in the City of Playford, which covers the Salisbury-Elizabeth region, once dominated by the vehicle and whitegoods industries. These figures vastly understate the impact of under-employment—losses of working hours and full-time jobs.

Workers at the nearby General Motors Holden plant in Elizabeth have been forced to accept “job-sharing” and drastic cuts to their hours and wages. The arrangement, promoted by the trade unions as a means

of avoiding retrenchments, has left workers and their families so destitute that many have recently demanded outright redundancies instead.

South Australia's treasurer Kevin Foley claimed to have been kept in the dark and accused Bridgestone of “appalling corporate behaviour that dishonours the company”. The state Labor government is not concerned about the plight of hundreds of workers who are about to lose their jobs, but the political fallout from another major plant closure. Last year Mitsubishi shut down its auto plant in South Australia with the loss of 930 jobs and hundreds more in associated parts production.

Like Mitsubishi, Bridgestone has received financial assistance from state and federal governments for more than a decade. Industry Minister Kim Carr refused to reveal how much aid had been handed over to the company in federal funds since 2001 via the Automotive Competitiveness Investment Scheme, saying the “level of assistance is commercial-in-confidence”. The trade unions have also assisted the company by enforcing greater productivity and speed-up on the work force.

Having bent over backwards to boost Bridgestone's profits, the Australian Manufacturing Workers Union (AMWU) along with the state and federal Labor government are now intent on smoothing the way for the plant's closure. The focus of all these efforts to put together a retrenchment package that will forestall any opposition by workers to the closure and loss of jobs.

Far from opposing the closure, the unions present it as a fait accompli, fostering demoralisation and

resignation among workers. AMWU state secretary John Camillo declared it was most important “to ensure those people who would soon be out of work were retrained and reskilled to find alternative jobs”.

Offering retaining and job search assistance, along with redundancy payouts, has become the unions’ standard operating procedure. Over the past two decades, the AMWU and other unions have presided over the destruction of hundreds of plants and tens of thousands of jobs in the manufacturing.

AMWU secretary Camillo falsely claimed last week that Bridgestone workers would rapidly find alternative employment. However, Australian Institute for Social Research executive director, Associate Professor John Spoehr, told ABC News that it would be “particularly difficult” for laid-off Bridgestone workers to find jobs, pointing out that “around about one third of manufacturing workers that lose their jobs during downturns end up as long-term unemployed”.

Bridgestone workers across the Tasman Sea in Christchurch face a similar fate. Like the AMWU, the Engineering, Printing and Manufacturing Union and the Rubberworkers Union have no intention of defending jobs, settling instead for the company’s assurance that it will pay workers full redundancy and holiday entitlements.

The Bridgestone closures in Australia and New Zealand are part of an ongoing global restructuring of the auto industry at the expense of workers in every country. Facing falling profits and massive overcapacity, auto companies are closing plants and shedding jobs while seeking to find ever cheaper sources of labour and parts. Bridgestone, for example, has production units in Thailand and Indonesia.

The Obama administration has led the way, working in close collaboration with the United Auto Workers (UAW) union to force the bankruptcy of General Motors and Chrysler to halve the hourly wages of new recruits and impose drastic cuts to benefits. In return for its services, the UAW has become a major shareholder in GM and Chrysler, giving it a direct financial interest in driving down its members’ conditions. Ford workers

in the US are currently opposing a similar concessions contract (see: “Mass opposition to Ford-UAW concessions contract”).

Across Europe and Japan, workers are facing a similar onslaught. According to a recent BCC Research report, Japan’s vehicle exports have fallen by nearly 70 percent since 2008. Toyota, considered one of the world’s more successful brands, suffered a 56.2 percent drop in exports, while its global production was down by 39.1 percent year on year, the largest fall on record.

Meanwhile, Chinese workers are being increasingly exploited as sweatshop labourers by the multinationals. The movement of vehicle production to China has resulted in it becoming the world’s largest producer of tyres, accounting for 9 percent of the global market. Between 2004 and 2008, China’s tyre production capacity surged by 152 percent and is projected to jump another 16 percent by 2010.

In every country, governments and unions are working hand-in-glove with the auto industry giants, while dividing workers along national lines, calling for defence of “Australian”, “Japanese” or “US” jobs, and demanding that workers accept the slashing of jobs and conditions in order to compete against their fellow workers.

Bridgestone workers should reject the closures, and form rank-and-file committees to take control out of the hands of the unions. They should map out a plan of action, including occupation of the plants, and call for support from the entire working class, including auto workers internationally. Bridgestone’s closures underscore the need for a socialist strategy to place basic industry and the banks under democratic public control and reorganise the economy on the basis of social need, not private profit.



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