

# GM confirms closure of Saab

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Despite last-minute talks with Dutch sports car maker Spyker on a potential sale, General Motors has confirmed that it will push ahead with its plans to wind down operations at Saab. The closure eliminates 3,400 jobs at Saab facilities, as well as 8,000 to 12,000 posts at suppliers and sub-contractors in Sweden. Internationally, 1,100 dealerships will face the threat of closure.

GM officials announced on December 18 that talks with Spyker had broken down, with no hope of a deal in an acceptable time frame. A statement noted that an “orderly wind-down” of Saab operations would begin, with GM Europe’s new head, Nick Reilly, commenting: “In order to maintain operations, Saab needed a quick resolution. We regret that we were not able to complete this transaction with Spyker Cars. We will work closely with the Saab organization to wind down the business in an orderly and responsible manner. This is not a bankruptcy or forced liquidation process.”

Notwithstanding Reilly’s assertions, the impact on working people who depend on Saab for their livelihood will be devastating. Acting on the announcement, some suppliers were already revealing plans for layoffs prior to the Christmas break.

Advertising agency Lowe Brindfors, which depended upon Saab as one of its main clients, outlined plans to cut 20 percent of its workforce. Dashboard maker International Automotive Component Group (IAC) said that job cuts would be announced this week. IAC employed as many as 2,000 in Sweden. The onset of the crisis in the auto industry has seen this cut in half, to just 1,000 workers.

GM moved to break off talks amid fears that Spyker’s dependence on Russian investment, in the shape of Vladimir and Alexander Antonov’s Convers Group, would pose a risk to commercially sensitive technology and production equipment to which Spyker

would gain access. Similar considerations were at work earlier this year when GM reversed its position on the sale of its Opel brand to Magna, deciding instead to hold on to its European operations and implement cost-cutting measures. Although Saab operations form a much smaller portion of GM’s overall production, the latest Saab models have been manufactured on the same platform as those at Opel.

Had Spyker bought Saab with Russian backing, GM feared that a competitor in the Russian market could have gained access to technology which would result in the Detroit-based automaker losing a vital competitive edge.

Although Spyker submitted a revised bid shortly after GM announced Saab’s wind-down, which was purportedly not dependent upon Russian financing, GM maintained its opposition to selling Saab. Playing a role in its considerations was the fact that Convers Group would continue to hold a 29 percent stake in Spyker, meaning that the acquisition of GM technology by Russian firms could not be ruled out. Auto analyst Matts Carlsson told Swedish Radio, “They are probably figuring that they would rather take the cost associated with shutting down (Saab) so as to not end up with competition in five, ten years.”

Sweden’s right-wing Alliance government responded to the shut-down by attempting to shift the blame entirely onto GM. Enterprise Minister Maud Olofsson pointedly declared that she regretted that GM did not want to sell Saab, noting that the decision was taken by the automaker alone. Olofsson commented, “I don’t think GM really knows how the wind-down is going to take place, but GM has to take its responsibility.”

This theme has been closely linked with the promotion of Swedish nationalism. When Saab entered bankruptcy protection in February, the government united with the trade unions to criticise GM ownership and call for a Swedish owner to take control. During

the negotiations with the Koenigsegg Group, which signed an initial agreement to purchase Saab in June, the Swedish owner was championed by the unions with the claimed that it would guarantee production in Trollhättan.

In this way the government has sought to posture as a defender of Saab's workforce. In fact, the Alliance government bears significant responsibility for Saab's shutdown.

It has consistently refused to provide direct aid to the automaker since it entered bankruptcy protection in February, with Olofsson noting earlier this month that the state did not have the expertise or the money to do so. This is in contrast to the multi-billion kronor (approximately \$200 billion) bank bailout passed by the government earlier this year in an attempt to secure Sweden's financial system from massive losses in Eastern Europe, particularly in the Baltic region.

The government followed GM's announcement by attempting to reassure workers that they would receive state support to deal with the loss of their jobs. Olofsson chaired a meeting December 21 with unions, local authorities and Saab representatives which discussed government support for the town of Trollhättan. Commitments were made to provide limited support for the formation of local businesses and the development of re-training programmes for the unemployed.

The government has been able to claim that it will protect those affected by the shutdown thanks largely to the trade unions, which have worked to boost illusions in Alliance. The unions advanced a nationalist response to the global onslaught on auto jobs, designed to keep workers in Sweden separated from their colleagues internationally.

Although there has been the threat of layoffs throughout Europe at GM's sites in Germany, Britain, Belgium and Spain, the unions never called for any united action by auto workers to defend their jobs. Instead, union officials worked consistently to blind workers to the consequences of a potential takeover by promoting the reliability firstly of the Koenigsegg Group and then of Spyker.

As well as promoting Koenigsegg as a Swedish owner for Saab, the unions failed entirely to warn workers about the imminent collapse of the deal—something which was a distinct possibility from

the start. When in June an initial agreement between GM and the Koenigsegg Group was reached, questions immediately emerged on whether Koenigsegg had the necessary finances or the ability to manage an outfit of Saab's size.

The unions took no notice of this, and when a turn was made by Koenigsegg to Chinese automaker Beijing Automotive Holding Co. (BAIC) for financial backing in September, union officials stepped up their rhetoric. Notwithstanding the involvement of a Chinese company, they insisted that Saab was being bought by Swedish owners who would guarantee production in the country. At the same time as the unions made such statements, Christian von Koenigsegg and representatives from BAIC were in talks about the potential for setting up production facilities in China in order to cut costs.

Having championed Koenigsegg, the unions were taken unawares by the collapse of the deal in November. Workers seeking to oppose the destruction of their jobs were offered no perspective upon which to base their struggle, but were instead encouraged to put pressure on the government to intervene to save Saab. Union officials also urged GM to give fair consideration to any new offer, going so far as to send an open letter to the GM board advocating the new bid submitted by Spyker.



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