

# Sweden: Saab workers protest as GM begins winding down operations

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More than 3,000 workers gathered outside Saab's main facilities in Trollhättan on Tuesday to oppose the shutdown of Saab and denounce the actions of its owner, General Motors (GM). The protest came in the wake of announcements from Detroit on January 8 that a formal wind-down of operations at GM's Swedish division had begun.

The protest was firmly under the control of the unions. Union officials urged Saab's owner to halt shutdown proceedings while new offers to purchase Saab were considered. A large banner at the demonstration read, "Save Saab from GM, Gangster Motors." Another read, "GM—General Mistake."

By focusing the workers' attention on GM, the unions hope to prevent any assessment being made of their own role in bringing about the likely demise of the automaker. In promoting each new bid as offering a secure and viable future, the unions have repeatedly worked to sow illusions in potential buyers while keeping workers in the dark about the real danger of the closure of Saab. At the same time, they have consistently sought to boost the standing of the right-wing Alliance government in Stockholm, which has been held up as being on the side of workers even as it explicitly stated that no state aid to the automaker would be forthcoming.

The bankruptcy of the unions' campaign was on display at the latest demonstration, with appeals made to President Obama to step in and prevent Saab's shutdown. The four leaders of the unions represented at Saab released an open letter to US media outlets, claiming that a closure of Saab would be a waste of US taxpayers' money. With the US government still holding a 60 percent stake in GM, the open letter urged the Obama administration to pressure GM into pushing for a sale.

Claiming that the sale of Saab by GM would "save Saab" is likewise a dishonest statement on the part of the unions. Haakan Danielsson, head of the engineering union at the Trollhättan plant, summed up their view when he asserted

that Saab employees would view a new owner "as a hero." In reality, an examination of the remaining candidates in negotiations with GM confirms that, while a last-ditch sale may result in a reprieve for the Saab brand, its workforce will not be so fortunate.

As GM announced the commencement of official wind-down proceedings, it also stated that it would leave the door open to talks with any bidders who remained interested in Saab. One such outfit, a group fronted by an ex-politician and a group of Swedish businessmen, presented a business plan that would see Saab production cut by more than half, from 93,000 units (the 2008 production level), to around 40,000. Such a reduction in production would necessitate a corresponding cut in jobs.

The Dutch luxury sports-car maker, Spyker, is still in talks with GM. It claims to have secured sufficient financial backing to secure a takeover, but details are few. An examination of the history of Spyker provides little ground for optimism among Saab's employees about a potential takeover.

Since 2000, when Spyker was revived after remaining dormant since the 1920s, it has failed to post a profit and has been kept alive by additional support from its financial backers. In August 2009, CEO Victor Muller acknowledged that financing for operations in 2010 was yet to be secured, an illustration of the precarious character of the automaker's existence. Moreover, much like the Koenigsegg Group, whose bid to purchase Saab fell apart in November, Spyker is a tiny company employing little more than 100 individuals to build hand-made high-end sports cars.

A third potential bidder is a consortium led by a financial firm from Luxembourg, Genii capital, and including British Formula One executive Bernie Ecclestone. The latest offer from them was submitted on Wednesday, and a spokesman noted in a statement that a response from GM was expected within a week.

None of these outfits can seriously be considered as offering a secure future for Saab's 3,400 workers in Sweden, and thousands more at dealerships and parts

suppliers internationally. Rather, the only possible outcome of any sale, which is becoming less and less probable as the wind-down proceeds, would be the exploitation of the Saab brand by its new owner and the slashing of jobs in an attempt to make the new firm profitable.

Any potential owner of Saab would need to strike a deal with GM to share technology, since Saab's current and forthcoming models all depend on GM parts. This has been a major stumbling block in negotiations with Spyker, a third of which is controlled by Russian investors. GM has been reluctant to sanction a deal that could result in vital technological information being transferred to Russia, a market that contains possibilities for expansion.

With competition in the auto industry increasing as sales drop, the manufacturing of new models would have to be developed independently at substantial cost. As Jorn Madslien wrote on the BBC, "Building Saabs that contain little other than Opel parts has not helped preserve the marque's prestige in the past, so a new owner would soon need to develop new models from scratch.

"That would be both costly and time-consuming, and any new cars emerging from such a process would need to prove themselves in the market place."

Notwithstanding the appeals of the unions, GM has again made clear that it feels no obligation to sell Saab. New CEO Ed Witeacre, who took over after Fritz Henderson resigned in December, noted that a sale could have adverse consequences for GM in the long term. Similar sentiments were echoed by GM's European chief, Nick Reilly, who commented, "It's not a matter of us looking for money for it [Saab], it's a matter of somebody having enough financial depth to run the company.

"We have a large car park of owners around the world which we have to support and we want to support. And so if a—I wouldn't say fly-by-night—but if a company comes along that in a year or two decides they can't make a go of it and just closes it down, it's all going to come back to us."

Reilly's concerns were driven by the bleak outlook for auto sales in Europe. He noted that sales in 2010 would likely drop by up to 10 percent compared to last year, and he predicted that they would not return to the levels of 2005-2006, when 17 million autos were sold in Europe. The fall in auto purchases will be driven this year by the ending of a number of government subsidy schemes designed to encourage consumers, as well as the ongoing impact of the economic crisis, particularly rising joblessness.

In this regard, Reilly was critical of the continuing delays to secure government loans to support GM's other European divisions, Opel and Vauxhall. Noting that a total of €2.7 billion was being sought, a sum which will fund the restructuring of GM's European operations through the

implementation of up to 9,000 job cuts, Reilly complained that the delays in negotiations were affecting the sale of Vauxhall and Opel models. "I think it's difficult to imagine that there's been zero effect," he said. "This has been dragging on for a long time and people will get put off [by] a company whose future is uncertain."

Facing such problems, the decision to complete Saab's wind-down at a cost of between €50 million and €100 million is preferable to selling the automaker to a firm that cannot guarantee Saab's long-term existence. Making this clear, as the unions appealed for GM to consider new bids, it was announced that Stephen Taylor and Peter Torngren would be appointed as wind-down supervisors, immediately replacing the Saab board and CEO Jan Ake Jonsson. AlixPartners, a firm that specialises in the restructuring of companies, has also been hired by GM to aid in the wind-down process, which is expected to last several months.

Saab workers face the necessity of intervening independently in defence of their jobs and livelihoods. Should the protests remain firmly under the control of the trade unions, they will be used merely as a means of allowing the increasingly frustrated workforce to let off steam. In the event a deal is thrashed out between GM executives and any of the potential buyers, it will be at the expense of Saab workers, who will face pressures to downsize and cut production costs. The interests of Saab workers lie not with appeals to potential bidders to "Save Saab," but with the thousands of auto workers internationally who are confronted with the same prospect of mass layoffs and cost-cutting as the auto corporations seek to return to profitability. The struggle to unite auto workers in Sweden with their colleagues internationally is a task which can be carried out only on the basis of a socialist programme.



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