

GM: More Opel factories in Europe threatened with closure

Dietmar Henning
4 February 2010

Following the closure of the Opel factory in Antwerp, Belgium, further European factories face closure—in particular, the Bochum factory in Germany.

On Monday, the European works councils met with the chairman of the board of General Motors in Europe, Nick Reilly, at the Opel headquarters in Rüsselsheim, Germany. At the meeting, Reilly presented his plans for the reorganisation of GM Europe, which bears the name “Viability Plan VI.” The plan was first made available to the work councils in November of last year and proposed the closure of the Opel plant in Antwerp plus the axing of a further 8,300 jobs across Europe.

Following the meeting on Monday, the work councils complained that the plan put forward by Reilly reportedly included the elimination of an additional 2,000 jobs. This would bring the total number of job losses to around 10,000, with 4,800 jobs to go in Germany. GM Europe currently has a total workforce of 48,000. A speaker for the company management declared that the additional 2,000 job losses were of workers who had already signed a part-time work agreement for older employees in 2006. Nevertheless, the chairman of the European joint works council, Klaus Franz, accused the company of “breaking its word.”

Such complaints by Franz and the work councils are aimed exclusively at covering up their own role over many years in facilitating the destruction of jobs. They have put their signature to scores of contracts involving the systematic dismantling of jobs, together with wage cuts and worsened working conditions. They bear full responsibility for the current situation.

Already last year, they had agreed to the closure of the plant in Antwerp and were prepared to slash additional thousands of jobs in close cooperation with management. This is clear from a letter from the works council chairman at the Bochum factory, Rainer Eienkel, sent at the end of October 2009 to joint works council boss Klaus Franz that made clear that both men were in favour of closing the factory in Antwerp in order to limit job reductions in Bochum.

In his letter, Eienkel stresses that he was not alone in endorsing the closure of Opel Antwerp; Franz was also in favour. The letter reads: “1. The closure of the Antwerp plant was part of the GM-Viability Plans 1 and 2. You were well

aware of this and supported it since February 2009. 2. The transfer of the Astra 3 door model to Bochum is part of the Magna Business plan from September 21, 2009. You were aware of and accepted this.”

The text of the letter is representative of the nationalist and divisive politics of the trade unions and works councils, which have sought to unload the full burden of the current economic crisis onto the backs of the working class.

In Bochum, the works council chairman Eienkel is intent on ensuring that job cuts and closures take place at other factories—whether Antwerp, Luton in England, or Eisenach in east Germany. The work councils at these factories respond with the same tactic, arguing that they are much more productive and are prepared to offer much more extensive concessions than the workforce in Bochum.

The works councils are vehemently opposed to any joint action by Opel workers in Europe and GM workers in the US to prevent closures. When Reilly announced recently that Antwerp was to be closed down, Eienkel warned, “Antwerp could be just the start. There is a great danger that after this closure [!] others could follow.”

One week later, on January 28, Eienkel declared: “Strike action is the very last measure we would resort to.” He preferred to rely on negotiations “in a small circle with Nick Reilly”...who had promised, “You in Bochum will not be closed. You will stay open and get the new model Zafira.” According to Eienkel, this meant that Bochum had been promised what no other factory had been. In fact, just one day later, Reilly made a similar pledge to works councils representatives in Eisenach, telling local politicians that new models would be produced at the factory beginning in 2013.

The reaction of the works council seems absurd. On the one hand, they declare their outrage at the closure of Antwerp, which they condemn as a “flagrant breach of contract,” while on the other, they praise the empty promises made by Reilly regarding the future of German plants.

There is a purpose, however, behind what appear to be absurd remarks. Even under conditions where all factories are under threat, the works councils refuse to organise a common struggle. Instead, they do all they can to stifle any opposition, accepting one closure after another in salami fashion.

“The issue is the observance of contracts,” Eienkel stressed. The plant in Bochum is covered by a so-called Future Contract—a contract agreed by the unions in 2005 that sacrificed half the workforce—i.e., 5,000 workers—in exchange for a promise to keep the factory open until 2016.

Irrespective of his comments, Eienkel knows that management will not respect such a contract and that the next Opel factory to be closed is Bochum.

This is clear from an examination of the continual axing of jobs at both the Antwerp and Bochum plants. In 1988, the workforce in Antwerp totaled 12,000. Then, in the winter of 1988/1989, part of the plant was shut down with the loss of 3,000 jobs. Further job losses occurred as a consequence of the reorganisation of production in 1997 and 1999, and again following the implementation of the Olympia programme in 2001.

In 2004, the works council chairman at Antwerp, Rudi Kenneth, told the *World Socialist Web Site* that there was no alternative to job cuts: “There is an over-capacity of 350,000 cars in Europe. In 2004, 5,600 worked at Opel in Belgium.”

“Then we were given the job of saving \$100 million and we did it,” Kenneth boasted. “The last restructuring took place on June 1 this year when another 1,000 jobs were lost.”

As a result of trade union concessions, the current workforce at Antwerp now totals just 2,600 and the factory is to be closed completely this summer.

Rudi Kenneth is a trained accountant and has worked at the Opel plant in Antwerp since 1976. He was elected onto the works council in 1983.

His colleague in Bochum, Rainer Eienkel—a former member of the Stalinist DKP (German Communist Party)—took over the chairmanship of the works council at the end of 2004. Eienkel is more careful than Kenneth in his choice of words, but the chain of events in Bochum demonstrates that he plays the same role in practice as the accountant Kenneth.

At the start of the 1990s, around 20,000 worked at the Opel plant in Bochum. Since then, the works council has agreed a succession of “Future Contracts” involving substantial cuts to jobs and wages. Many ranges of production were outsourced or sold off to foreign or subsidiary companies manned by younger workers earning much lower wages.

“The Future Contract 2005,” which allegedly guaranteed production at Bochum until 2016, reduced the workforce to fewer than 5,000 workers. After years without wage increases, the one-time well-paid Opel workers now earn less than the lowest contractual wage level for engineers.

The latest cuts demanded by Reilly will mean that the remaining 3,000 poorly paid employees will produce just a single model, the seven-seater Zafira for specialised markets. The closure of the Bochum factory is in the cards—and management will not wait until 2016.

The works councils and trade union bureaucrats have declared that they are opposed to further plant closures and

redundancies, but their agreement to such measures is ensured when it is necessary to prevent a “worst case scenario.”

According to the *Handelsblatt* business paper, based on information from “company sources,” Opel management is working precisely on such a scenario—a “plan B”—should the works councils fail to agree to salary and wage reductions of €265 million per year. In this case, Reilly is threatening to close additional plants. For their part, the work councils will impose this on the company’s workforce.

However, even a new round of wage cuts and worsened working conditions will not save jobs. On the contrary. There are at the very moment discussions on insolvency for the company and thus the destruction of nearly 50,000 jobs at GM in Europe—not to mention the many thousands of lost jobs in associated industries, logistics and service industry.

According to its own information, Opel is threatened with a liquidity crunch in the middle of the year if it does not receive €3.3 billion in the form of state aid from European governments. However, the German government in particular has made it clear it is reluctant to provide such aid. Since the election of a new German government last October, Chancellor Angela Merkel (Christian Democratic Union) has adopted an increasingly confrontational stance with the working population, which is to bear the full burden of the international economic crisis.

The threatened closure of Bochum and other plants can only be prevented by a policy based on unifying all the workers employed globally by GM together with other autoworkers.

Such a struggle demands an openly hostile attitude towards the opportunist and nationalist policy of the work councils and trade unions. Any defence of jobs at Opel can only be undertaken by challenging the role of these highly paid servants of management.

In order to break the influence of the trade union bureaucracy and the work councils, it is necessary to establish independent factory committees. They must develop contact with all European GM works, GM staff in the US and workers in other auto factories and industries. The struggle against the globally operating companies requires an international socialist strategy. Measures for the defense of production facilities—including factory occupations, strikes and mass demonstrations—must then be made the starting point for a broad political mobilisation against large corporations and government.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact