

General Motors Europe: No end to job losses

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“Next year will be brutal”, Klaus Franz, chair of the European Betriebsrat (Works Council) of the General Motors subsidiary Opel, told the press. The attacks on workers agreed in 2010 between the works council, trade unions and management will proceed unabated in the New Year.

By signing the so-called Future Contract some six months ago, the works council and unions agreed the destruction of one in five jobs, and wage cuts costing more than a billion euros. Some 8,000 jobs will go out of a European workforce of approximately 48,000. If the part-time working scheme for those approaching retirement is also included, the figure rises to 10,000. By the end of the year, 5,200 workers will have left the company, estimates Vauxhall boss Nick Reilly. In other words, the company is “on schedule” with its plans.

Works council and trade union representatives have also committed the workforce to contribute €265 million each year up to 2014 towards the restructuring of the concern.

At the Opel plant in Antwerp, Belgium, the last Astra rolled off the production line two weeks ago. Half of the remaining 2,500 workers had already lost their jobs in the summer. Just before Christmas, the last 1,300 workers were sent packing, having all been transferred into an “employment training company”. Currently, the plant is being cannibalised; two production lines will be dismantled and rebuilt at the Opel plant in Bochum, Germany.

The job cuts at the Bochum plant and in the company’s administration in Rüsselsheim have virtually slowed to a stop. Insufficient “volunteers” have come forward who are prepared to accept the severance offers.

The 5,000-strong workforce at the Bochum plant faces the targeted destruction of 1,800 jobs, the second largest job losses after Antwerp. Plant II, which includes gear manufacturing, will close by the end of 2011. According to the works council, nearly 570 employees have so far signed a severance agreement. This means the factory has almost reached its target of 654 by the year’s end, Bochum works council chair Rainer Eienkel noted with

relief, adding, “For now, the pressure is off.”

In reality, considerable pressure had to be exerted on workers to meet this number signing severance agreements. One month ago, only about 200 “volunteers” had signed up. As a result, managers called in workers for individual discussions, in which they were confronted with the stark alternative of agreeing a severance package or facing compulsory redundancy. As one worker at Opel Bochum told the WSW, it’s a “free for all” in the plant; “It’s crunch time”.

That management are now threatening compulsory redundancies despite the Future Contract agreed in August is thanks to the works council and the unions. The Future Contract they signed only excluded compulsory redundancies until the end of the year; such layoffs should merely be “avoided” up to 2016; in other words, they are quite possible.

The Bochum management also used other means to put the workforce under pressure. For example, workers guilty of minor “violations” were given warning letters, facing immediate termination without compensation should the matter be repeated. Anyone forgetting to wear safety glasses, or leaving the break room two minutes late, could expect to receive a caution.

Workers were also threatened with forced transfer to other plants. For example, workers at Bochum could be transferred to Rüsselsheim some 250 kilometres away, because this plant has a shortfall of 300 out of the 3,450 employees management say are necessary to maintain full capacity.

It is expected the Bochum works council will sign a new agreement on January 11, permitting the “temporary use of Bochum workers in Rüsselsheim”, according to Eienkel. From January 26, the first 40 autoworkers from Bochum will transfer to Rüsselsheim for three months. By the end of February, a further 120 will follow in three stages. According to Eienkel, in this way “permanent forced transfers” will be prevented. In reality, it is the first step in this direction. This is made clear by the agreement to pay a “mobility premium” worth €25,000 if a worker

subsequently stays at Rüsselsheim.

Also part of this agreement is the creation of new transfer companies for the months February to June 2011, via which the next “volunteers” will be transferred.

However, this is not the only front on which the Bochum works council and management are collaborating to fulfil CEO Reilly’s plans. They have jointly agreed to push out older workers born between 1955 to 1957, who would receive relatively meagre compensation, using short-time working, transfer companies and unemployment benefits.

They say that workers could be put on zero hours short-time working for 14 months (until February 2012), then be moved into a transfer company before finally receiving unemployment benefit. A 58-year-old worker would receive 24 months of unemployment benefit (worth 67 percent of last net wages), before sliding onto welfare benefits, receiving €364 a month plus a rent and heating allowance.

For those affected this means a slow but sure decline into poverty. It is uncertain whether the “58 years rule” for those receiving unemployment benefit will still exist in two years, or what might replace it. Welfare benefits can only be received once any redundancy pay and savings are used up.

The Opel management and works council will also continue to play the company’s various European operations against each other, in order to enforce further attacks on wages and jobs.

The company has apparently decided to build the new Astra convertible in Gliwice, Poland, which was previously produced in Antwerp. The works council had hoped that Bochum would take over production and thus benefit from the closure of the plant in Antwerp. Alongside the Zafira van, whose production starts next year, the convertible would be the second model series at the plant. Without these, works council chief Eienkel sees the future of the Bochum plant at risk. He blames the low labour costs in Poland of “only about 20 percent of the wage costs in the German plants”.

A bitter dispute has developed between the works council leaders in Bochum, and Rüsselsheim under Klaus Franz, over the construction of the new Astra station wagon. The station wagon, now called the Sports Tourer, is currently built at Ellesmere Port in Britain. If the production capacity is insufficient there, the Future Contract says, somewhat vaguely, that production is to be extended to Bochum.

On his web site, Eienkel now accuses the Opel works

council of demanding “the Astra Sports Tourer be built in Rüsselsheim”. He counters, “The fact is: In the plans of GM and Opel, production of the Astra Sports Tourer (Astra-Caravan) was foreseen for Ellesmere Port and Bochum exclusively—but never for Rüsselsheim.” According to Eienkel, production of the Astra Sports Tourer at Rüsselsheim was only mentioned in the plans of Magna, which originally had been going to take over Opel.

Eienkel insists on the observance of the Future Contract: “This agreement was signed by the management of GM and Opel, including Nick Reilly, all the German works council representatives and the IG Metall union.” Failure to comply, he says, would be a “death sentence for Bochum and tens of thousands of jobs at the Bochum Opel plant and its suppliers”.

This narrow-minded policy, playing off workers at one location at the expense of others, is responsible for ensuring that GM and Opel management have been able to impose their attacks so far. The works councils act as co-managers of the board of directors.

Among the Opel workers, a rumour is circulating that central European works council chair Klaus Franz will be giving up his post to take early retirement in April 2011. But very few workers believe the 59-year-old is leaving Opel. Rather, they think he will follow the logic of his previous policy and switch directly to the Opel boardroom.



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