

Swedish Saab workers go unpaid for second month

Jordan Shilton
3 August 2011

Crisis-hit automaker Saab announced last Tuesday for the second month in a row that part of its workforce would not receive their wages on time. The failure to pay employees is only the latest sign of the deep financial troubles, which Saab confronts, and it confirms that the company is essentially bankrupt.

The delay for July affected white collar workers and managers represented by the Unionen trade union. In June it was production line workers in the IF Metall union who were forced to wait several days for the wages to be paid.

In spite of the claims of Saab owner Victor Muller that this is merely a temporary problem with funding, all the signs point to the conclusion that Saab has virtually no funds available, and is only existing on a month-to-month basis thanks to short-term loans from a financial group with links to Muller and Russian businessman Vladimir Antonov.

The resolution of the wages crisis in June was secured when a loan from Gemini Capital was made to Saab. This month, the company is claiming that payments from a deal with a Chinese supplier worth around €20 million has been delayed.

On top of the delays to their wages, workers at Saab facilities in Trollhättan have seen production at a virtual standstill since April, when the company was no longer able to pay suppliers. This has not only impacted workers at Saab; workers in the supply chain have been laid off as orders from the automaker dry up.

Full responsibility for this situation must be placed not only on the company, but also the trade unions, which have colluded with management to present Saab's new owners as offering a viable future for workers.

Even now when the ability of their members to meet

basic living costs is at stake with the failure to pay their wages, the unions insist that they will take no action against the company. Asked if they would take bankruptcy action against Saab, a representative of Unionen declared to the Dagens Industri newspaper, "No. Not at this juncture. And I don't think that Saab is going bankrupt."

This is yet another attempt to sow confusion among the workforce about the real dangers which they confront of a complete collapse of the company sooner rather than later. For the past two years, the unions have tied the fate of over 4,000 workers to a number of new financial backers, even though serious questions were apparent from the outset with each of them.

Before the sale of Saab by General Motors to Dutch automaker Spyker, IF Metall and Unionen boosted the bids of the Koenigsegg Group, a tiny manufacturer of less than 50 cars a year, as well as a bid from a Chinese firm. Spyker, which at the time of the acquisition employed little more than 100 workers and manufactured around 30 cars per year, was in no financial position to support the building of vehicles on the scale required to make Saab a viable concern.

Having been in existence since 2000, Spyker had never turned a profit and was largely kept funded by Muller and his connections. Although the agreement of a 400 million Euro loan from the European Investment Bank (EIB) allowed production to continue for just over a year, this money has now been expended with little hope of any secure long-term funding emerging.

The unions and Saab have recently been claiming that the financial basis for the firm's long-term existence would come from Russian Businessman Antonov, who was willing to buy Saab's facilities and lease them back to the company. On Thursday, it emerged that a condition of the EIB loan was that Antonov could not

be involved in the ownership of Saab.

Explaining the decision, an EIB spokesman declared that this information had been communicated to the Swedish government at the time the initial loan was approved in early 2010. Given that the unions were involved with high-level talks with both management and the state throughout that period, it is hard to believe that they were not informed also. They have thus spent the past year telling members that Antonov's support would secure the company's future, while in reality it was known that the EIB would veto any attempt by him to be directly involved with the company.

Spyker, or Swedish Automobile as it has now been re-branded, is also holding out the hope that funding from Chinese sources will give a new injection of finance into the firm. But this will at best be slightly more than 200 million Euros, and as a spokesman recently admitted, such support may take until September or October to be agreed to by Chinese regulators.

Even with this support, analysts recognise that no sustainable existence for Saab will be possible. "The situation has deteriorated for Saab over the last two, three or even ten years. I see no solution to the problems," German auto analyst Ferdinand Dudenhöffer commented to Dagens Industri.

Responding to claims by Muller and his associates that support from China would resolve the financial difficulties he added, "I don't know if they have the ability to give Saab a cash injection. But even if they can, sums like €50 million won't suffice to turn Saab around." "There really is no place for the Saab business model on the market," he concluded.

In the face of this reality, the unions have nothing to offer Saab workers. As well as boosting illusions about the possibility of a new financial injection, the main role of the bureaucracy has been to urge the right-wing Alliance government in Stockholm to step in. Stating that the failure to pay its members' wages was "the worst case scenario for our members in Trollhättan", IF Metall appealed to the department of enterprise to step in with financial support.

Coming after a period of more than two years in which the government has refused to intervene with any financial aid, this must be seen as a conscious attempt by the union leadership to divert any protest movement, which develops among Saab workers into safe channels. If workers are to defend their jobs and

livelihoods from the threat of destruction, it will require a complete break from such organisations. The only viable basis upon which Saab workers can conduct a successful struggle is through the adoption of a socialist programme which aligns their struggles with auto workers across Europe and internationally.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact