

Swedish court grants Saab bankruptcy protection

Jordan Shilton
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In a decision that will temporarily prevent the collapse of Saab, an appeals court in Sweden granted the automaker three months' bankruptcy protection last week. The ruling reversed a previous district court judgement that there was no viable basis for the company to restructure.

The move gives Saab until December to restructure its operations, during which time it will be protected from its creditors, including suppliers. Estimates suggest that total debt at Saab stands at €150 million, part of which is unpaid salaries to its 3,700-member workforce for August. While in bankruptcy protection, these salaries will be paid by a state-backed fund.

The court's ruling appears to be a final desperate attempt to avert Saab's immanent collapse. The decision itself does not hold out much confidence in the automaker's future, merely stating that, "In this case, the appeals court deems that a more in-depth probe could show that there is a basis for a successful reorganisation."

In taking this stand, the court is serving the interests of the handful of financial speculators who control the Trollhättan-based firm. Led by Dutch owner and CEO Victor Muller, they will be given a free hand to "restructure" the company, a process that will involve new attacks on wages and working conditions, as well as lay-offs. If Saab is able to survive beyond the end of the year, it will be on the basis of a cost-cutting offensive against the workforce.

Meanwhile, Muller and his associates are seeking to create the conditions where the Saab brand can be marketed to China and other low-wage economies, with the company's remaining assets off-loaded to various private investors.

One of those private investors is Vladimir Antonov, a Russian businessman with close ties to Muller and

Saab's parent company Swedish Automobile (formerly Spyker). Antonov was initially kept out of the deal that saw Spyker buy Saab from its former owner General Motors, at the insistence of the US car maker. But over recent months, Muller has been seeking approval from Swedish regulatory authorities to permit Antonov to take over Saab's facilities in Trollhättan and then lease it back to the company. In the increasingly likely event of Saab being wound up, this would leave Antonov in control of a facility which could be sold to developers for a handsome profit.

Muller's other proposal to raise capital is to sell Saab designs and technological know-how to auto firms in China. He has claimed that €245 million will be invested by Pang Da and Youngman.

Given the previous record of Muller and Swedish Automobile, such claims should be treated with suspicion. Earlier this year, Saab had reportedly secured long-term financing from several "partners" in China, but each deal unravelled almost as quickly as it had been announced. As a result, production at Saab has been at a virtual standstill since April, with workers' salaries dependent on a number of short-term loans offered by financial groups with links to Muller.

The deepening crisis for Saab workers has been created with the full collaboration of the trade unions. They have acted as the public relations arm of management throughout, and they have failed to defend even the most basic interests of their members. When Muller and Swedish Automobile first assumed control of Saab in early 2010, the three trade unions represented at Saab shared a platform with the Dutch financier, hailing the new owner as offering a secure future for the company and its workforce. This was in spite of the fact that serious questions about Spyker's financial capacity were already apparent.

When production was halted in April, it was the unions who rallied to the defence of management with claims that workers would maintain their “loyalty” to the company. Even when salaries were not paid on time in June and July, the statements issued by the unions contained no criticism of management. At no point did the unions advise that any action be taken by workers, with even a token protest deemed too risky by the bureaucracy.

By early September, with salaries to all employees overdue for a third month running, the unions were forced to take steps to secure their members’ wages, if only to placate growing anger within the workforce.

Unionen and Ledarna, unions representing managers and other white collar workers, were the first to call for Saab to be declared bankrupt on September 12. Even this belated step was taken reluctantly, with one of the union’s attorneys declaring it was “very tragic” to take such action.

Unionen chair Cecilia Fahlberg made clear that her organisation was still firmly aligned with the company, stating that if Saab’s bankruptcy protection was approved by the court, the petition to have the company declared bankrupt would be withdrawn. “Unionen plans on contributing to having a future hearing of the district court’s ruling before the bankruptcy filing,” she added.

The main union for some 1,500 manufacturing workers involved, IF Metall, followed suit on September 20. Its statement noted apologetically, “It is a painful decision, but we have to secure salaries for our members and therefore cannot wait anymore.”

One day later, the appeals court announced its decision to grant Saab bankruptcy protection, allowing the unions to withdraw their petitions. With workers’ salaries to be paid from a state-backed fund for the time being, all three unions have committed to offering their full support to the company during the restructuring period.

In effect, this treacherous stance will sanction a looting operation by management at Saab. The unions are agreeing to the entire company being “restructured”, which will include job cuts, wage reductions and outsourcing of production to cheap labour locations. In addition, all signs indicate that plans are afoot to sell off any assets of value which Saab still holds, such as its factory facilities and design

plans.

Saab workers must urgently learn the lessons of the past several years. An object lesson in “restructuring” is provided by the experience of US auto workers at Ford and Saab’s former owner GM.

The US automakers utilised periods of bankruptcy in 2008-09 to launch a massive programme of state-sanctioned cuts that saw the elimination of thousands of auto jobs across Michigan and other states. With the full support of the United Auto Workers (UAW), contracts were executed that slashed workers’ wages by half, removed any remaining pension entitlement, and cut other benefits. With the negotiation of a new contract under way at GM, the union is preparing to hand over even more concessions in terms of pay and working conditions.

If Saab workers are to defend their jobs and livelihoods, they must undertake a decisive break from the trade unions, which function as an appendage of management. Saab workers must begin preparations for the creation of independent rank-and-file committees, controlled by trusted workers, to take the struggle out of the hands of the bureaucracy.

This must be bound up with the turn to an internationalist and socialist perspective. Saab workers must fight to unite their struggles with auto workers across Europe and in North America, where job and wage cuts and outsourcing to cheaper locations are the norm.



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