

# German and British GM plants threatened with closure

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American car giant General Motors (GM) is seriously considering the closure of several European plants. As the *Wall Street Journal* reports, the company, which last year made the biggest profits in its history, is no longer willing to accept the losses being made by its European plants and is planning drastic cuts.

The planned capacity reduction does not exclude plant closures, the report said. The plants in question include Opel Bochum in Germany, with 3,100 employees, and Vauxhall's Ellesmere Port operation in Britain, with a workforce of 2,100.

Opel's supervisory board will meet on Wednesday to consider a business plan that foresees the likely closure of the two plants, thus reducing manufacturing capacity by 30 percent. Although the plan does not explicitly mention plant closures by name, it already includes the savings that would accrue.

Opel headquarters in Rüsselsheim has not denied the report and has refused to comment in the press. Last year, GM pushed through massive savings and worsened working conditions for its workers in Europe. Despite this, corporate headquarters in Detroit is talking about \$750 million in losses and overcapacity in the European business. There are two plants too many, Detroit says.

Management point to the massive impact the euro and financial crises have had on the auto industry in Europe, and the high losses, especially in southern Europe. In these difficult times, Opel must be restored to profitability, they say. In reality, the extreme exploitation of auto workers in the US is now to be imposed in Europe. In 2009, GM filed for bankruptcy and laid off 31,000 workers in the United States. For new-hires, wages were reduced by almost half, and working conditions dramatically worsened for all employees.

The announcement of plant closures heralds a general attack on GM's European workforce at Opel and elsewhere. The closure of entire plants will not only hit Opel/Vauxhall workers and their families, but the employees of numerous suppliers and service providers as well. In Germany, Opel already uses many subcontract workers who are not GM employees, but who would also lose their jobs due to the plant closure.

A supervisory board member from the German IG Metall union said of the new plans, "We know the key points of the new business plan that could be presented on Wednesday. This includes plant closures; there would not be any growth at Opel." Opel's works council chair, Wolfgang Schäfer-Klug, said, "This is clearly just speculation." He sought to play down the threat of plant closures and suggested GM apparently "only" wants to extort further concessions.

The Bochum works council chair, Rainer Eienkel, commented on the latest closure threats for Bochum, "I have six closure plans in my desk drawer. So far we have been able to prevent all of them." What cynicism! In reality, each "prevention" has meant the slashing of thousands of jobs, plus wage cuts. Each additional concession by the works council has only brought closure nearer.

The plant, which in the 1970s employed 25,000 and in 2004 still had 10,000 workers, when staff threatened to occupy the factory to prevent closure, will now face closure despite all the sacrifices made by the workforce.

In 2009, GM tried to sell Opel, but then decided to axe 8,300 jobs throughout Europe and close its plant in Antwerp, Belgium. Opel employees gave up their holiday pay and Christmas bonuses, and the union agreed to suspend the 2011 wage increase of 2.7 percent until February 2012.

Only last month in Bochum, a restructuring programme agreed to in 2010 came to an end. This has seen 1,400 jobs cut in recent months, with another 300 planned by 2013, when transmission production ends in Bochum. To reduce costs in Bochum even further, the works council has agreed to the employment of Polish workers paid at Polish wage rates in the German plant.

The works council, which has signed off on all the job and wage cuts in the name of preserving “German” production, is now calling on management to hold “constructive talks” about a realistic business plan up to 2016. This is to be the subject of the negotiations on Wednesday.

As before, works council chair Einkenkel is calling for more foreign outlets for cars built at Opel. GM should agree to open the growing markets in China and India, at present closed to Opel as they are currently supplied exclusively with US models. Car market expert Ferdinand Dudenhöffer said, “In terms of Bochum, I’m very pessimistic.” The demand by the works council to open the Chinese markets for Opel is not a real option because high import duties would make it necessary to close plants in China, which would also result in a loss of jobs.

IG Metall Frankfurt District Manager Armin Schild, who also sits on Opel’s supervisory board, warned GM to refrain from layoffs and pay cuts. “Opel and GM’s management is playing with fire,” he said. The trade unions and works council are concerned that they could be consumed by the fire because they have done everything in their power to prevent any effective resistance by the workforce, helping impose one concession after the other on workers on behalf of management.

IG Metall and the works council have done everything possible to prevent any united solidarity action by GM’s European workers, playing off each site against the other. A particularly foul example was the closure of the Antwerp plant, which was agreed to by the German works council rather than waging a fight jointly with the Belgian workers to defend jobs.

The union never lifted a finger when Opel introduced internal competition, in which individual plants must compete for contracts for the construction of new models.

Now, the works council is complaining that the wage cuts agreed in Germany have supported the

development of GM plants in Mexico and Korea, instead of being invested at home. They are demanding that production at those plants be brought back to Germany, meaning the overseas plants would close.

For example, they say production of the SUV off-road vehicle currently built in South Korea should come back to Europe.

That plant closures are now on the agenda in Europe can also be seen from the plans for future cooperation between GM and PSA Peugeot Citroen, in which four plants are being discussed as superfluous due to projected “synergies.” In this respect, the *Frankfurter Allgemeine Zeitung* has reported that Christmas bonuses will again be cut and additional allowances for weekend working are to be abolished. In addition, workers are to forgo any wage increases in the new contract and accept more flexible working hours, as production chief Peter Thom informed the works council.

Opel workers should draw a lesson from their previous experiences. To defend jobs and wages, they must fight not only against GM but also against the trade unions and works councils. Opel and Vauxhall workers must unite across borders and establish independent rank-and-file committees to lead a joint campaign with GM workers in the US in defence of all jobs.



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