

GM prepares to close German plant

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General Motors and the company's European Works Councils are preparing the next round of cuts at its European subsidiaries, Opel and Vauxhall. The closure of the plant in Bochum in Germany is now on the cards. Wages at the plant are to be massively reduced and working conditions worsened for the remaining workforce.

At a staff meeting on Monday in Rüsselsheim, Germany, GM's European chief Karl-Friedrich Stracke said that he would present the new restructuring plan to the executive in June. This is not just a savings plan, he said, but "a comprehensive strategy with which we will quickly return to profitability, irrespective of market fluctuations."

Given the heavy losses currently at Opel/Vauxhall this can mean nothing other than a drastic reduction in labour costs. In the first quarter of this year GM recorded large losses of \$256 million (€200 million) in its European division. On this basis the sum to be recouped by factory closures and wage cuts amounts to around \$1 billion or €800 million per year.

The German magazine *Focus* quoted last week from a "strictly confidential production plan". According to the plan the main Rüsselsheim plant is running at only 65 percent capacity, the Eisenach plant at 66 percent and the Bochum plant at 77 percent. In Gliwice, Poland, Zaragoza in Spain and Ellesmere Port, England the corresponding figures are even lower.

Stracke told 8,000 Opel workers in Rüsselsheim: "Given the expected demand only two Astra plants are economically necessary", and then only on the basis of a three-shift system. Currently three plants—in Rüsselsheim, Ellesmere Port and Gliwice—produce Opel's best-selling cars in two shifts. Stracke did not say which plant would lose production because he is currently in negotiations with all of the plants to cut wages and attack working conditions. He is seeking to play off workers at these facilities against each other.

In mid-April the *Frankfurter Allgemeine Zeitung* reported that "production chief Peter Thom was

proceeding from plant to plant making harsh demands". The article referred to a "long list of demands."

This list of demands requires introducing a three-shift system at all plants. The concessions made by the works councils in 2009—no wage increases and cuts to holiday and Christmas pay—are to be retained, additional payments for weekends abolished and "flexible working hours—to be introduced depending on demand". In future "up to a quarter of the workforce should consist of temporary workers" and at peak times "as many as 30 percent."

In recent weeks the most likely scenario has leaked out, namely that GM plans to shift production of the Astra from Rüsselsheim to Gliwice.

In exchange for losing the Astra, Rüsselsheim will take over production of the Zafira, a move which would inevitably lead to the closure of the Bochum plant. Initial plans for such a move, combined with demands for drastic wage cuts, were presented to the works council in Rüsselsheim in January of this year.

According to a policy paper called "Global Assembly Footprint" cited in *Der Spiegel*, the Bochum plant will be closed by 2015 at the latest. The Bochum factory currently employs 3,100 workers. Another 2,000 are employed in subsidiary companies and around 15,000 in supply companies.

The plant in Ellesmere Port with 2,100 workers, which, along with Bochum was threatened with closure, will remain open. The local shop stewards and the trade union Unite have agreed to further cuts in order to increase the profitability of the plant. These concessions include wage cuts and the introduction of a three-shift system. GM has promised to invest in the plant and increase the number of the workforce. Official confirmation is expected on Thursday when the British Economy Minister Vince Cable is due to visit the plant.

The European workforce are facing a broad offensive aimed at slashing their wages and rights to the level GM has established in Poland, Korea and other low-wage

countries, as well as in the United States.

General Motors has imposed brutal forms of exploitation in its American plants, conditions which are now to be exported to Europe. In close cooperation with the Obama administration and the United Auto Workers union, the company has slashed its US workforce by 31,000 in the last three years. Wages have been reduced by almost half for new hires and working conditions have deteriorated dramatically.

Formerly, production costs in the US were comparable to those in Europe. Now US costs are cheaper by the factor of \$2,000 per auto, contributing to GM's record profits last year.

A key role has been played by the president of the United Auto Workers union, Bob King. The son of a personnel director at Ford, King exemplifies the transformation of the UAW into an organization fiercely antagonistic to the interests of workers.

King has now been sent to join the board of Opel AG to closely cooperate with the German union, IG Metall (IGM), in the attacks on workers in Europe. He has especially close relations with the new chairman of the joint works council at Opel, Dr. Wolfgang Schäfer-Klug.

Schäfer-Klug stated this week that he opposed any action by workers at Opel. This was not the way to go, he lectured. Another unnamed works council member told the press that "a strike would be the wrong answer. Whoever goes on strike will probably be the first to be targeted by management."

GM is confident that IGM, which has worked closely with Opel management in the past, will agree to the sorts of drastic concessions already implemented by the UAW in the US. "The new management team maintains a productive working relationship with the union", declared GM spokesman Selim Bingol.

The Opel and Vauxhall works councils have consistently supported internal company competition to drive down costs. On the basis of "securing the plant" thousands of job cuts and drastic wage cuts have been accepted by the unions. The works councils have been working with the management behind the backs of workers to prepare new cuts since last December.

The Bochum works council led by Rainer Einkenel has intervened in the latest round of assigning blame to other sections of workers. "Production at Bochum is much cheaper than in other plants", he wrote in a recent pamphlet. "We demand a proper and transparent cost comparison. Anything else would be a betrayal of the Bochum workers."

"The Astra plant in Ellesmere Port (England)" is as old as the one in Bochum, "the Rüsselsheim plant" is considerably older, Einkenel continued. In comparison to the other plants, the Bochum plant was highly flexible. He went on to accuse his union colleagues in Rüsselsheim of conducting secret negotiations with management to transfer the Zafira production to Rüsselsheim. "Is the closure of Bochum being secretly prepared?" he queried.

The playing of one plant against another by the trade unions and works councils inevitably strengthens management. The most recent example was the closure of the Opel plant in Antwerp, Belgium, with the loss of 2,600 jobs. This was carried out with the agreement of the German, British and Spanish trade unions, which categorically rejected any joint action to defend the jobs of Belgian workers.

The workers at the Bochum plant are due to attend a workplace meeting on Monday to prepare the impending closure. It is expected that the state premier, Hannelore Kraft, and her economics minister, Harry Voigtsberger, (both of the SPD) will also attend.

The defense of all jobs at all plants together with the defense of wages and benefits is only possible by breaking the control of the IGM/UAW bureaucracy and their works councils. This requires, however, a political struggle against social partnership and class collaboration.

Jobs and social standards can only be defended on the basis of a political perspective that prioritizes the needs of the population rather than the profits of big business—that is, on the basis of a socialist program.

At the heart of such a program must be the close collaboration between European workers and their colleagues in the US and around the world.

In order to break the control of the unions and their works councils, factory and action committees must be established to organize combined international action such as strikes and the occupation of factories threatened with closure.

We call upon all Opel, Vauxhall and GM workers to contact the editorial board of the WSWS to organize this struggle.



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