

European auto crisis requires a socialist answer

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Bad news for auto workers is emerging on an almost daily basis from the corporate headquarters of European auto makers. General Motors is demanding far more radical job cuts at its European plants than previously planned.

Just three days after the sacking of Opel boss Karl-Friedrich Stracke late last week, his successor, Thomas Sedran, announced the dismissal of 500 Opel managers. The *Frankfurter Allgemeine Zeitung* reports that at a special session of the Opel supervisory board on Tuesday, Chairman Stephen Girsky called for even more drastic measures, involving the dismissal of one-fifth of all executives. This would amount to 2,400 staff in upper- and middle-management.

This restructuring of management is part of a program of massive job cuts at GM-Opel, which includes the closure of one or more European plants.

Last week, the French carmaker PSA Peugeot Citroën, which established a partnership with General Motors in March, announced it was cutting 8,000 jobs in France and closing its plant at Aulnay, near Paris.

Fiat CEO Sergio Marchionne has declared that his company has “one plant too many.” Already in 2011 Fiat closed one of its factories, Termini Imerese in Sicily. The company’s main factory in Turin is under threat due to poor utilization, along with a plant in northern Italy.

The *Financial Times* reports that Ford is also considering closing one of its European plants. The company has already wound down its production capacity in Europe and applied for the introduction of short-time working in Germany.

The crisis in the European car industry is not of a temporary or conjunctural nature, but is rather a direct result of the international economic crisis and the

austerity measures imposed by European governments at the behest of the banks. The number of auto registrations in Europe has fallen by 21 percent compared to 2007—one year before the collapse of Lehman Brothers. This year alone a 7 percent decline is expected.

The *Frankfurter Allgemeine Zeitung* quoted an auto study that states: “The reason for the crisis is not just general insecurity regarding further economic development, but growing mass unemployment among those aged up to 25 years, with a third of this group out of work in southern Europe. The auto industry is in danger of losing an entire generation of customers.”

The situation is especially severe in Italy. Between 1980 and 1990, car production increased from 1.4 million to 1.9 million vehicles, only to collapse by almost two thirds in recent years. The number of workers in the industry has decreased by 42 percent, to 170,200.

In France, the number of auto workers has more than halved in the past three decades, with most of the decline taking place over the past three years.

The German companies VW, Mercedes and BMW have been able to expand their sales and production capacity, but only due to their sales in Asia, especially China, and in some Latin American countries. The deepening global recession will inevitably have a severe impact on the corporations that are currently regarded as market leaders.

As was the case in the US, European carmakers are using the crisis to impose mass layoffs, wage cuts and drastic cuts in benefits in order to reduce the living conditions of auto workers to the level of the 1930s. In this respect, European managements rely on the closest collaboration with the trade unions—in the case of Germany, with IG Metall and its works councils. There

are many indications that the announced layoffs of management by Opel are bound up with plans to integrate IG Metall functionaries more directly into leading management positions.

In recent years, the works council at Opel under the guidance of its former head Klaus Franz played a key role in the planning, development and implementation of flexible wage and working programs aimed at driving up productivity and slashing the workforce. Franz, whose team included a number of industry experts, has been described as a “secret personnel director”.

Under his successor, Dr. Schäfer-Klug, the managerial role of the works councils has increased. Schäfer-Klug has a doctorate in sociology and was spokesman for the joint works council for a number of years and coordinator of its international work until joining the works council officially just two years ago. He was then quickly elevated to take over from Franz.

On the same day in early January 2012, he took over as chairman of the works council in Rüsselsheim, chairman of the joint company works council and president of the European works council. He also took a seat on the Opel Supervisory Board as deputy chairman.

In June, the works council and IG Metall submitted their own reorganization plan for Opel. This so-called “Germany Plan” included sweeping rationalization measures, including job cuts, benefit cuts and wage reductions. As a first step, the union forfeited a proposed wage increase of 4.3 percent—a move that saved the company €19 million.

On June 28, all of the employee representatives on the supervisory board—including Bochum works council members Rainer Eienkel and Dirk Bresser—voted in favour of the reorganization plan submitted by Opel Chairman Karl-Friedrich Stracke. When Stracke resigned shortly afterwards under pressure from Detroit, the works councils and IG Metall welcomed the change at the top with the elevation of Thomas Sedran, a man who had worked for years for the US consultancy firm Alix Partners and developed brutal cost-cutting plans for Opel.

The works councils and IG Metall represent the interests of the company, not the workers. They have integrated themselves fully into management and propose—as they wrote in a joint statement with the executive board—the “strengthening of the Opel brand,” not the strengthening

of the rights of the employees.

Workers seeking to oppose layoffs and wage and benefit cuts are now forced into a battle on two fronts—against both corporate management and the works councils and IG Metall.

The defence of all jobs in all plants, together with the defence of wages and benefits, is possible only if the stranglehold of the trade union bureaucracy and its works councils is broken. This requires a political struggle against the system of social partnership and class collaboration that is firmly anchored in Germany.

GM/Opel management and their cohorts in IG Metall claim that the preservation of jobs and wages is not possible under current circumstances. In so arguing, they are acknowledging that the capitalist profit system is incompatible with the needs of the vast majority of the population. Jobs and social standards can be defended only on the basis of a political perspective that places the needs of the population above the profit interests of big business, i.e., on the basis of a socialist perspective.

The focus of this perspective is the closest cooperation between European workers and their colleagues in the US and worldwide. Workers in all countries must fight to secure the right to a well-paid job and a comfortable retirement. This requires a struggle against the capitalist profit system and its super-rich elite, which is driving working people into poverty and misery.

In order to break the control of the unions and their works councils, it is necessary to establish factory and action committees to organize joint international action, strikes and the occupation of plants threatened with closure.

We call on Opel and GM workers, and auto workers internationally, to contact the editorial board of the WSWs in order to organize a global campaign against these attacks.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact