

Unions leading race to bottom for British car workers

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In the past months, workers in British car plants have seen their pay and conditions reduced to a similar level to those in the United States and other countries where massive attacks on pay and conditions have been imposed.

The working week has been increased, wages either reduced or frozen and many have been forced to accept flexible working practices. No-strike deals have become commonplace. New hires on lower pay are being used to undermine the position of the existing workforce.

Under conditions where the UK is mired in deep recession, a number of triumphant articles have appeared in the British press claiming that the car industry is bucking the trend and showing the way for the rest of manufacturing to bring about a revival of its profitability.

The articles cite a production increase of 22 percent, the number of cars being manufactured up by 1.3 million, workers being employed and taken on in factories that were only recently expected to close, a £500 million surplus between imports of cars and exports, and investment up by around £4.5 billion.

A *Daily Telegraph* article, “How Britain won the global car war,” exemplifies the celebratory tone of these articles:

“Remarkably, the UK car industry seems to be enjoying something of a renaissance. So remarkable, in fact, that industry veterans—hardened by years of failure—keep pinching themselves to make sure it’s real... Over the past 18 months, virtually all those involved in the British automotive industry have announced expansion of some form, a collective total of around £4.5bn of new investment.”

How is this phenomenon to be explained? After all,

the car industry had been written off as the worst example of what was wrong with British industry—beset by old and obsolete plants, poor management and portrayed for years as the bastions of trade union militancy. The central reason is the super-exploitation of car workers in the UK and achieving this has been the central preoccupation of the trade unions over an extended period.

The role played by the unions has been to offer up their members’ pay and conditions for sacrifice. The unions in Britain, Germany and France have fully engaged in and promoted a divisive struggle by car workers, which has already resulted in the closure of the GM’s Opel car plant in Antwerp, Belgium. As a partner in the exploitation of the workforce, the unions are helping management use high unemployment and the threat of transferring production to another plant overseas as a means to pressure workers to accept ever higher levels of exploitation for lower rates of pay.

On August 13, following the summer shutdown at Jaguar Land Rover’s (JLR) plant in Halewood, Merseyside (now owned by the Indian company Tata), workers switched to three-shift, continuous production. Some 1,000 new employees were taken on at 20 percent lower pay than the rest of the workforce. Half of the Halewood workforce of around 3,400 is now on this lower rate, and half are under age 25. When the older workers retire, no one will be left on the current pay levels. Such are the levels of productivity that the plant is now producing one vehicle every 77 seconds.

Most of JLR’s vehicles (80 percent) are going to China to be used as the latest fashion items for the nouveaux riches. These exports are serving a niche market that is likely to be as fickle as the tastes of those buying the cars. However, the changes made to facilitate this production increase are permanent.

In contract negotiations three years ago, the unions at JLR agreed that new employees at the firms' three UK plants would start as agency workers for a year on 80 percent of normal pay and afterwards would become permanent staff on 90 percent of normal pay. In the past two years, JLR have utilised the new conditions to take on 8,000 new workers in the UK.

Tony Woodley, the executive officer and former general secretary of Unite—the largest trade union in Britain—told the *Financial Times* September 9 that the union was seeking an agreement with Tata like that made with General Motors, in which a pay freeze, an increase in weekly hours from 37 to 40, shift working and flexibility and other major concessions were made in return for paper promises that the nearby Vauxhall plant in Ellesmere Port, Cheshire would stay open until 2020. He described the negotiations on a new two-year contract with Tata attacking the hard-won rights and conditions of the workforce as “delicate and interesting.”

GM is now investing £125 million and will be taking on 700 employees at the Ellesmere Port plant—which currently employs 2,100—to build the next generation of its Astra car, expected to arrive in 2015. At the same time, GM is preparing to close its plant in Bochum, Germany with the loss of 3,000 jobs.

The British unions have made it clear that they view the closure of the Bochum plant as a positive development, since it will lead to more jobs in the UK. John Fetherston of Unite described the Vauxhall deal as a “saviour” for Ellesmere Port. The Conservative/Liberal government's business secretary, Vince Cable, said the plant had been saved by a “team UK effort” in which he included Unite officials led by Woodley.

Nissan and BMW are expanding their UK operations for similar reasons. Nissan has announced it is to expand its Washington, Sunderland, plant—increasing the workforce there by 3,000 and moving to 24-hour production for the first time in the plant's 26-year history. BMW is to invest £250 million in its three UK sites, in addition to the £500 million it announced in 2011.

Toyota and Honda are also taking on new employees and planning new product lines for their plants in the UK. In April, the total number of cars built in the UK was up nearly 10 percent on one year ago.

While lean production and flexible working were originally developed by Japanese companies such as Toyota, such techniques for increasing production are now widespread.

The fact that Unite is now a full partner in the exploitation of the workforce was hailed by Roger Maddison, the union's car industry national officer, who stated, “We've seen a lot of the car industry leave the UK. Thankfully, a lot of that is coming back now because we're much more flexible on shifts, mobility of labour, and so on.”

The onslaught on the car workers is the clearest manifestation of the unions' transformation into industrial policemen. The super-exploitation they have already ensured is imposed is just a foretaste. As the negotiations with Tata make clear, they are looking for further ways to drive up the profitability of the car manufacturers at the expense of the workforce. These levels of exploitation will then be used by the auto conglomerates to further to pressure car workers throughout Europe and internationally to accept similar changes.

Kenny Smith, plant convener for Unite at JLR Halewood, said, “They [JLR] needed to keep the plants full, and came up with the reduced starters' rate. We weren't too happy with it, but we said, ‘Let's see what the art of the possible is'.”



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