

European GM auto workers face US-style attacks

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In the course of the past week two press articles have reported on secret negotiations taking place between the management of GM Opel and representatives of Germany's biggest trade union, IG Metall. According to the reports the company's plant in Bochum is to be closed after 2016 and almost one-third of all jobs at the company's administration headquarters in Rüsselsheim are to be shed.

On September 12 the *Wall Street Journal* reported that General Motors (GM) was working with the company works councils and the IG Metall on a restructuring plan for its European subsidiary, Opel which contained "a final agreement on the closure of the obsolete plant in Bochum". The newspaper declared its report was based on testimony from "several people who were familiar with the matter." The negotiations between management and the unions are due to run until the end of October.

The Opel Bochum plant currently employs about 3,100 workers directly, with an additional 2,000 employed in subsidiary firms and suppliers. The plant produces the company's Zafira model and has now been earmarked for closure when production of the Zafira ends in 2016. According to information from the *Wall Street Journal*, GM expects to save \$2 billion (1.5 billion euros) with the closure.

In addition to the closure of the Bochum plant, job cuts are being planned in the company's other three German plants in Kaiserslautern, Eisenach and Rüsselsheim. To facilitate new layoffs, GM intends to extend its redundancy program and has already introduced short time working in the three plants.

On the *Journale* day as article, *Frankfurter Allgemeine Zeitung* (FAZ) reported that almost one third of the workforce is to be shed in central administration in Rüsselsheim. This amounts to a total of 1,000 jobs. Having already cut 500 jobs in middle management in Rüsselsheim, Opel is now planning extensive cuts for other administrative staff. According to the FAZ report, the job cuts are to be carried out "promptly".

The company's works councils immediately denied the content of both articles. The Bochum Opel works council chairman Rainer Eienkel announced: "There has been no negotiation on the closure of any Opel plant, certainly not the plant in Bochum." Any such reports were "absolute rubbish", he blustered. The Bochum plant was the only one operating at full capacity on the basis of a three-shift operation. "The cost of closure would be enormous," Eienkel declared, and said it would be a burden for GM for a considerable period of time.

The European works council chairman, Wolfgang Schäfer-Klug, also denied negotiations regarding the future of Bochum. The automaker had no plans for "extensive" staff cuts and reports of 1,000 jobs to be cut in the administration at Rüsselsheim were simply wrong, he claimed.

At a staff meeting in Rüsselsheim on Friday, Schäfer-Klug once again disputed the press reports in front of the assembled workers but did not deny that negotiations on job cuts were taking place. He confirmed that the company executive had made a request for staff cuts in administration but did not specify how many. In internal works council meetings he has referred to 100 to 150 job cuts. At the staff

meeting, Schäfer-Klug said that in the context of a 20 percent decrease in sales and corresponding loss of revenue, it was only natural that cuts be made in administration.

It is no secret that the works councils, IG Metall and GM management have been negotiating for months behind closed doors over wage cuts and job losses. The chairmen of the various works councils meet with Opel managers at their respective factories. Schäfer-Klug and the Hessian IG Metall representative, Armin Schild, also meet regularly with the GM management but all sides refuse to make public any information on the content and progress of their talks.

Nevertheless the aim of the secret negotiations is clear. In June the IG Metall presented its own redevelopment concept for Opel, known as the "Germany Plan", which includes job cuts, plus cuts in wages and social benefits.

As was the case in the past the works councils and IG Metall are ensuring that union members and the Opel workforce as a whole pay the full price for the euro crisis and subsequent drop in auto sales. All of the denials of complicity with management made by the union are a smokescreen aimed at disorienting and silencing the workforce.

The *Wall Street Journal* reported that GM was keen to announce the conclusion of its talks with the works councils and IG Metall by the end of the third quarter, i.e. the end of October. Opel has been losing market share for years and has already run up losses amounting to 500 million euro in the first half of this year. The company wants to send a message to investors that it plans to aggressively deal with its problems via a new wave of sackings.

GM is under pressure from its own shareholders. The investment bank JP Morgan, recently called upon GM to stem its losses and completely ditch its European business, including Opel and British-based Vauxhall.

The list of GM shareholders includes the US administration of Barack Obama. Following its intervention following the 2008-9 financial crisis, the US government continues to hold a stake of 26.5

percent in GM. Despite the plant closures and drastic cuts to the wages, pensions and benefits of American auto workers implemented by the Obama administration, GM's stock price is still far lower than prior to the crisis.

It is therefore virtually certain that Opel and Vauxhall workers will face the same sort of shock therapy administered to GM workers in the US. To this end GM vice chairman Stephen J. Girsky and the chairman of the American Auto Workers Union, Bob King, have both been sent by GM to participate on the Opel Supervisory Board, where they will work alongside the IG Metall.

In order to defend themselves against this onslaught, European auto workers must unite with their international counterparts in America, Canada, and elsewhere. They must organize themselves independently of the unions, which have emerged as the most important tool of management to enforce attacks against workforces on both sides of the Atlantic.



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