

# European trade unions oversee auto industry restructuring

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Across Europe, the trade unions are playing a key role in imposing mass layoffs, wage cuts and the closure of entire plants. Nowhere is this clearer than in the auto industry.

The German IG Metall trade union has sanctioned the closure of the GM-Opel plant in Bochum—the first auto plant shutdown in Germany since World War II. In Belgium, the Belgian Metalworkers Federation (ABVV-Metaal) has also given the green light for the closure of the Ford plant in Genk.

These are just a prelude to a radical downsizing and restructuring of the European auto industry, which is to be carried out entirely at the expense of workers. Just as in the US, where the 2008 financial crash was followed by the Obama administration's forced bankruptcy and restructuring of General Motors and Chrysler, the economic crisis in Europe is being used by the global auto giants to slash tens of thousands of jobs, drastically roll back the living standards of workers and introduce US-style labor "flexibility," ie., the right to hire and fire at will.

Car sales fell another 10.2 percent last month, the lowest February sales in 23 years. Sales across the continent are expected to fall to 11.4 million units this year down from a peak of 15.1 million in 1999.

Industry analysts say production capacity totalling at least five million units has to be slashed. This is the equivalent to the closure of twenty assembly plants, ten engine works, ten transmission and thirty stamping plants, eliminating in total 115,000 jobs.

Since then, hardly a week has gone by without the announcement of mass layoffs in Europe. PSA Peugeot Citroen plans to cut 8,000, Ford 6,000 and Opel at least 2,600 jobs. These cuts will be accompanied by the loss of tens of thousands of jobs in related industries. Germany's so-called premium brands BMW and Daimler have drawn up their own plan to cut one billion euros. The Fiat subsidiary Iveco wants to close five of its European truck production plants.

The unions declare that plant closures, reduced working hours and wage cuts are necessary and inevitable to reduce

"overcapacity" and make the European auto industry competitive again. The reality is auto workers are being forced to pay for the crisis of the capitalist profit system they did not create.

With the full support of the unions auto companies and banking conglomerates are transferring the full burden of the crisis onto workers and wiping out the social gains won throughout the struggle of generations of workers.

Starvation wages in Eastern Europe, China and other Asian countries are systematically exploited in order to reduce labour costs in the rest of the world. In the US, the Obama administration worked with the United Auto Workers union to wipe out tens of thousands of jobs, attack pensions and slash starting wages by half. Now the same procedure is being brought to Europe.

The decimation of the auto industry is inextricably linked to the austerity programs of the European Union, which are destroying the livelihoods of working people in Greece, Spain, Portugal and many other countries. Large portions of the population in Europe can no longer afford a car due to the austerity measures. In Spain, the number of new registrations last year plunged by 37 percent, by 26 percent in Italy and 18 percent in France.

In other words, the crisis of "overcapacity" is the direct result of a drastic reduction in purchasing power and living standards. In turn, this is being used to justify even greater attacks on workers.

The aim of the restructuring in Europe, just as in America, is to enable the auto companies and the big banks that stand behind them to reap huge profits on the basis of a sharply reduced number of car sales. This will require savage attacks on jobs and wages and a return to conditions of exploitation in the factories not seen since the 1930s.

Workers cannot defend themselves through the trade unions, which have been transformed into corporate syndicates that operate directly on behalf of the corporations. The social cuts, mass layoffs and plant closures are often planned and worked out directly in union headquarters.

A typical example of such integration by the unions into

management is IG Metall. An expose in *Business Week* documented the business operations of IG Metall. Every year the union collects around 460 million euros from members and has assets estimated at two billion euros. This money is invested in equity shares of companies, thereby making the union an influential player with its own financial interests, which are separate from and hostile to its members.

No less than 1,700 IG Metall representatives sit on the supervisory boards of German companies, big and small. Its officials are generously compensated and their incomes merge with management. A part of their supervisory board payments flows to the Hans Böckler trade union foundation and is tax deductible. In this way the union is financed by business and the government, in addition to its membership fees.

The 50,000 factory stewards of IG Metall have a legal guarantee against redundancy and many of them are able to avoid work and concentrate entirely on “union activities.” In addition to 80,000 works council members, the union functions as a factory police force to suppress any opposition from workers.

The right-wing policies of the trade unions are a direct result of their unconditional defence of the capitalist profit system and their nationalist program. Rather than fighting to abolish capitalism, they function as partners in the exploitation of the working class, helping to shape capitalist business strategy in order to defend their own upper middle class and aspiring bourgeois interests.

A typical representative of the modern trade union executive is Oliver Burkhard. The previous district head of IG Metall North Rhine-Westphalia, on April 1 Burkhard will take over as personnel director of the steel company ThyssenKrupp and be given a seat on the corporate board. In his new post, which will involve dismantling thousands of jobs, he will receive a seven-figure salary.

Based on the nationalist program of defending their “own” capitalist class, the trade unions block any efforts by workers to unify their struggles across national borders and instead collaborate with corporations in the global struggle to lower production costs and increase “competitiveness.” This has led workers into a fratricidal struggle, which pits workers in each country, each region and each factory against one another to see who will work for the worst wages and conditions.

The more openly the unions shift to the right and expose their hostility to the working class, the more they are shielded by the Left Party in Germany, the NPA in France and other pseudo-left groups, which have intimate links to the corrupt trade union bureaucracy.

The defence of jobs, wages and social benefits requires a relentless fight to break with the unions and build new

organizations of struggle, including rank-and-file action committees in the factories that are completely independent of the unions.

Workers must reject the argument that their jobs and livelihoods must depend on the profitability and competitiveness of the corporations. A well-paid and secure job is a fundamental and inalienable right that must be defended at all costs.

This requires an international strategy. A European-wide struggle must be launched to defend the jobs of all workers. This should be linked up with the fight of auto workers in North America, Asia and South America who are facing the same battle.

Above all workers need a socialist strategy. The crisis of the capitalist system and the global auto industry is not a justification for the pauperization of the working class but the overthrow of the profit system and the reorganization of the European and international economy on the basis of a rational plan to meet human need, not private profit.

The auto companies—along with other large corporations, banks and large fortunes—must be transferred to public ownership and placed under the democratic control of working people. The guiding principle of economic life must be meeting the needs of workers and society as a whole, rather than the boosting the balance sheet of billionaires, bankers and other speculators.

The most important prerequisite for the realization of such a socialist perspective is the building of a new international revolutionary workers’ party. We urge workers in Germany, France and throughout Europe to contact the *World Socialist Web Site* and Socialist Equality Party to carry out this fight.



To contact the WSWS and the  
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