

General Motors-Holden to eliminate 500 more jobs in Australia

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GM's Australian subsidiary, General Motors-Holden (GMH), announced yesterday that it will eliminate 400 more jobs from its assembly plant in the Adelaide suburb of Elizabeth in South Australia, and 100 engineering positions from its development and design facility in Melbourne, Victoria. The sackings will take the number of job losses in the Australian car industry to close to 2,000 in the past 12 months alone, not including the thousands of lay-offs in components firms and other companies that support auto production.

The Elizabeth plant is being set up for complete closure. Since the onset of the global recession in 2007, its workforce has been slashed from 3,050 to barely 1,600 with the latest cuts. Some 170 jobs were eliminated just five months ago. Production has been cut from 600 units per day to only 335. As many as 1,000 more jobs in associated industries are likely to be destroyed.

GMH chairman Mike Devereux claimed that the sackings were being carried out because the Australian dollar's rise against the Japanese yen over the past year had made production uncompetitive against imports. The situation, Devereux said, was "beyond the control" of the company. He accused the Bank of Japan of deliberately devaluing the yen.

Prime Minister Julia Gillard's federal Labor government has used the high Australian dollar to justify widespread restructuring throughout manufacturing industry, which has led to an avalanche of job cuts and plant closures. Just last Thursday, Royal Dutch Shell announced that it will sell or close its 59-year-old oil refinery in Geelong, Victoria, threatening the jobs of around 450 employees and hundreds of contractors.

While declaring his thoughts were with the Holden workers, the Gillard government's acting Industry

Minister Gary Gray backed GMH's announcement, declaring that it was "part of the broader move to make its operations more competitive and ensure it is well placed to retain production in Australia." Gray confirmed that Holden would continue to receive its share of assistance under the government's \$5.4 billion New Car Plan.

The state Labor government in South Australia suspended its financial assistance to GMH, accusing the company of breach of contract, but refused to rule out resuming subsidies. Premier Jay Weatherill suggested that the state government would try save some jobs through talks with the company, but admitted: "We always said this was about securing Holden but it may be a smaller Holden."

Likewise, the trade unions are assisting the company to carry out its restructuring. Australian Manufacturing Workers Union state secretary John Camillo said his union was opposed to forced redundancies, but would "sit down with the company" and "work with Holden as we have in the past" to impose so-called voluntary redundancies. As in the past, the unions are working might and main to defuse the anger of workers and block any struggle to defend jobs.

The job destruction by GMH has been long-planned and is part of a global process. Everywhere, the auto companies use the same tactic. They declare that production is uncompetitive and demand concessions from workers and greater government subsidies in order to maintain their operations and boost profits. In every country, the governments and the unions work with the corporations to devastate the lives of workers in the interests of corporate shareholders.

As Australian GM workers face the prospect of unemployment, 700 workers at the Bochum plant of GM's German subsidiary Opel are being sacked this

month, with 2,000 more jobs to go when the plant closes in 2016. Across Germany, 20,000 GM-Opel workers face wage cuts and speed-up, in the name of making production in that country “internationally competitive.” As in Australia, the main union—IG Metall—is collaborating fully with GM in Germany to impose its demands.

In the United States, the United Auto Workers (UAW) and the Obama administration have worked with GM, Ford and Chrysler to shut down dozens of factories, eliminate 35,000 jobs, cut the wages of new-hires in half, ban strikes for six years and slash the pensions of retirees. In Brazil, GM has cut back production and sacked close to 1,600 workers from its major plant in São José dos Campos, also to achieve “greater competitiveness.” In Japan, tens of thousands of car workers have lost their jobs since 2008.

In Australia, GM, Ford and Toyota have repeatedly restructured their operations at workers’ expense, with the full collaboration of the unions and the assistance of federal and state governments. GMH alone has received close to \$2.2 billion in government subsidies over the past 12 years, as it has downsized its workforce. Barely a year ago, the company extracted another \$275 million from the Labor government in Canberra and the South Australian and Victorian state governments, and secured union assistance to sack 170 workers, by threatening to end production in Australia completely.

In 2009, in the midst of the global financial crisis, the unions used a similar threat by the company to pressure the Elizabeth plant workforce into accepting a week-on, week-off roster, in which they were only paid 50 percent of their wage on the off-week.

Workers around the world are being pitted against one another into a never-ending lowering of conditions. For workers in every country, the corporate pursuit of “international competitiveness” means their reduction to poverty wages and the most ruthless forms of exploitation. In Australia, manufacturing jobs have been decimated, plunging working class areas into mass unemployment and deprivation.

The precondition for the defence of jobs at GMH and across the car industry is the rejection by workers of the entire framework dictated to them by the companies, the Labor government and the trade unions. Workers should not pay for the crisis of the global capitalist system. The alternative is the fight for a socialist

perspective to reorganise society on a world scale to meet the social needs of the population, rather than the profit interests of a wealthy few.

To wage such a fight, GMH workers at Elizabeth and other plants have to break with the unions, form their own rank-and-file workplace committees and turn to other sections of workers under attack in Australia and around the world. That can be done only on the basis of a political fight for a workers’ government and socialist policies, in order to place the banks and major industries, including the car industry, under public ownership and the democratic control of the working class.



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