

# Australia's auto closures pose need for a global workers' strategy

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20 December 2013

General Motors' decision, unveiled last week, to shut its two manufacturing plants in Australia, following a similar move by Ford, with Toyota expected to follow, sounds the death knell for car production throughout the country. It is a concentrated expression of an ongoing, ruthless restructuring of the global auto industry for the benefit of the financial and corporate elite, with devastating consequences for auto workers internationally.

The shutting down of the auto industry in the entire country exposes the bankruptcy of the nationalist perspective of the trade unions and the Australian Labor Party. The globalisation of production has ended the viability of national-based auto industries such as that established in Australia following World War II.

No matter how many concessions and subsidies the unions and the Labor Party offered to the transnational auto companies, the residual existence of past gains and protections for the working class—overtime payments, shift allowances, paid holidays, etc.—took the country off the strategic map of the auto makers and their bankers. Both GM and Toyota declared that Australian labour costs were intolerably high—double those in the US and almost four times those in China.

Much the same is taking place across Europe. When the Obama administration, working hand in glove with the United Auto Workers (UAW) union, halved the wages of new-hires in the US following the 2008 global financial breakdown, it spearheaded a new stage in the international assault on workers. US automakers have slashed their labour costs by 30 percent since 2009.

The car giants and the banks that increasingly control them have a global strategy: utilise their ability to shift production to exploit cheaper and cheaper labour to play workers in one country and region off against their brothers and sisters elsewhere, thereby lowering the

wages and destroying the working conditions of all workers.

The major profit centres have become the US—now a low-wage haven for the auto companies—and Asia, above all, China, where GM is locked in a battle with Ford and Volkswagen for dominance. While GM aims to double its Chinese output by 2015, Volkswagen is building seven new plants there, including one in western Xinjiang province, where minimum wages are even lower (\$US189–\$US215 a month) than in China's coastal industrial belt. Ford, which just announced an \$8.5 billion profit for this year in its US operations—on the backs of thousands of new low-paid workers—is building plants in Hangzhou and Chongqing.

This process is dominated by the same financial aristocracy that was responsible for the global economic crisis in the first place. The rise of finance capital has concentrated corporate ownership in the hands of major banks, hedge funds and investment houses. Names such as Barclays, JPMorgan Chase and Blackrock sit atop the share registers of both GM and Ford, demanding ever-higher rates of return.

As GM announced its decision to shut its plants in Adelaide and Melbourne, while further slashing production across South Korea and closing its plant at Bochum in Germany, some of the planet's wealthiest billionaires were buying up stock in GM. According to the *Sizemore Investment Letter*, “investors certainly have been warming up to GM stock; year-to-date, shares are up over 40 percent...Warren Buffett, George Soros and Joel Greenblatt have all made significant purchases in the past six months.”

To end the ever-deepening onslaught at the hands of these rapacious billionaires, auto workers—from Detroit to Bochum, Xinjiang and Adelaide—need their own global strategy: the unification of their struggles in a

common political fight to overthrow the profit system and reorganise production globally on the basis of social need, not private wealth accumulation.

Far from accepting conditions of super-exploitation, auto workers have engaged in bitter struggles in recent years, including in China, South Africa, India, Europe, South Korea and the US. Struggles such as the two-year battle of Maruti Suzuki workers in India against low pay, management abuses and victimisations demonstrate the determination of the working class to fight, despite mass arrests, police repression and isolation at the hands of India's trade union apparatuses.

On each continent, the unions work to suppress and strangle every outbreak of struggle. These are not workers' organisations. The collapse of their perspective of seeking concessions within the framework of nationally-regulated and protected industry has transformed them into industrial police forces and purveyors of cheap labour. In the name of delivering "global competitiveness" to their national capitalist class, they pit workers against each other, country-by-country, in a never-ending drive to boost profit rates and share prices.

In the US, the UAW decimated the conditions of its members in return for joining the financial elite as large shareholders, directly benefiting from the resulting profits. The UAW, which maintains its own bevy of Wall Street consultants, remains among the biggest owners of GM, Ford and Chrysler shares via the union's retiree health funds, and is now preparing to sell its holdings to reap massive rewards from soaring stock values.

The defence of jobs, wages and social benefits necessitates a conscious political break with the unions and all parties, from the Australian Labor Party to the German Social Democratic Party, to the Democrats in the US, that work to impose the social devastation inflicted by the profit system. New, democratic organisations of struggle must be built, including rank-and-file committees at job locations and workers' committees in working class neighbourhoods, that are completely independent of the unions and the capitalist parties.

This must be linked to an international socialist strategy. The auto companies—along with other large corporations and banks—must be placed under public

ownership and 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 boosting the balance sheets of bankers and speculators.

The essential prerequisite for such a struggle is the building of a new leadership in the working class to advance a revolutionary socialist program. That is the perspective of the International Committee of the Fourth International, which alone fights for the unity of the international working class on a socialist basis. We urge workers in Australia, the US, Germany, China and worldwide to contact the *World Socialist Web Site* in order to develop the leadership to conduct this fight.



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