

Australian car industry closure: A warning to workers internationally

James Cogan
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The entire car industry in Australia has been slated for destruction following the announcement by Toyota on February 10 that it intends to join Ford and General Motors Holden in ceasing production by the end of 2017. At least 7,000 workers in five assembly and engine plants will lose their jobs. Many of the 44,000 workers employed by components manufacturers and supporting businesses will also be sacked. As the impact is felt across the economy, up to 150,000 more workers will be thrown into unemployment. Working class suburbs in south-eastern Australia will be reduced to the deindustrialisation and impoverishment that exists in American cities such as Detroit, once the centre of the US auto industry.

The thoroughly corporatist trade unions, which for three decades have collaborated with every restructuring carried out by the auto companies, will be used as the industrial police force to enforce the “orderly closure” of the plants. Australian Manufacturing Workers Union National Secretary Dave Smith declared Toyota’s announcement would give workers “a sense of relief” because they now had “certainty.” In other words, this death sentence for the industry is a fait accompli that must be accepted.

Both the unions and the opposition Labor Party are seeking to channel workers’ anger into blaming the Coalition government of Prime Minister Tony Abbott for the closures, even though the previous Labor government presided over an avalanche of job cuts, including car plant closures.

The real cause of the threatened social devastation, however, is the offensive that has been waged against the conditions of auto workers around the world following the global breakdown of capitalism since 2008. All the auto conglomerates have boosted profits, amid ferocious competition for markets, through

relentless cost-cutting at the expense of the working class.

Ford, GM and Chrysler, with the support of the United Auto Workers union, closed plants across the United States, sacked tens of thousands of workers, slashed retiree pensions and imposed a two-tier wages system in which new-hires are paid barely \$15 an hour. The onslaught has been extended to Europe and Asia. Ford has closed three plants in Europe since 2012, destroying 5,700 jobs. This year, GM’s Opel subsidiary, backed by the German trade unions, intends to shut down the major plant at Bochum, axing 3,500 jobs. In South Korea, GM is preparing to sack 1,100 workers.

Toyota’s global restructuring has been just as brutal as that of the American-based transnationals. In Japan, the company demanded its suppliers cut costs by 30 to 40 percent, leading to a vast growth in so-called “non-regular” workers who are paid barely half the rate of permanent employees and can be laid off at a moment’s notice. Wages have been frozen at Toyota’s Japanese plants for six years and production slashed and transferred to the company’s cheap labour plants in the American south, China and Thailand. As a result, its profits have soared to nearly \$US19 billion and its cash reserves to 4 trillion yen (\$US39 billion).

Australian workers have not been exempted from the global cost-cutting. More than 2,500 jobs were eliminated at the Ford, GM and Toyota plants between 2008 and 2012. In corporate headquarters in Detroit and Tokyo, however, the conditions of their Australian workforces were condemned as “uncompetitive” compared with those prevailing in Asia and the US. Now all three have decided to shut production altogether to send a warning to the workforce in every country to accept constant cost-cutting or share the

same fate.

The decision underscores the ruthless, irrational and socially destructive character of the capitalist system. Since the 1980s, revolutionary advances in technology, transport and communications have been utilised by the dominant corporations to develop global production networks, linking, to an unprecedented extent, the entire world into a single interdependent economic unit. Under capitalism, however, this vast productive capacity has produced profits for the financial aristocracy and social devastation for the working class.

The situation facing car workers in Australia is a devastating historical verdict on all national political programs, such as that of the Labor Party and the trade unions, which claimed that capitalism could be regulated within the nation-state and provide the framework for the advancement of the living standards of the working class. The carefully cultivated myth of Australian exceptionalism has proven a disaster for the working class.

Nothing about Australia, not its vast natural resources or geographical remoteness, provides any protection for the working class from the dictates of globally-organised capital. The prerequisite for any region remaining a site for industrial production is the imposition of poverty-level wages and the unfettered exploitation of workers. The role of the trade unions has been to pressure workers into accepting one round of cost-cutting after another on the false promise that this will defend jobs and maintain production in Australia.

For three decades, the process of globalisation under capitalism has seen job after job associated with manufacturing and other secondary industries systematically destroyed. As far as the capitalist class is concerned, both in Australia and internationally, the country is only useful as a site for regional business offices, as a supplier of cheap raw materials and as a gambling and tourist playground.

The moves to destroy the Australian car industry are a warning to the working class everywhere. Within Australia, the fate facing car workers is already being used to demand the end of “archaic” conditions like penalty rates and the overall slashing of wages and conditions. Internationally, it will be used to threaten and intimidate auto workers into bowing down to the next demands for cost-cutting that will be made against

them.

Workers must take stock of the situation. The global strategies of transnational finance and corporations can be defeated, but only by the global political strategy that corresponds to the interests of the international working class—world socialism.

The international unity of the working class is the basis for a historically necessary political struggle to wrest control of the productive forces from the hands of the capitalist ruling elite, reorganise the world economy on the basis of rational socialist planning, and end the subordination of economic life to the pursuit of private profit. In developing a unified fight against the auto conglomerates, and the governments and unions that serve them, car workers in Australia and around the world need to base themselves on this perspective.



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