1,000 former GM Opel workers facing joblessness in Germany

Dietmar Henning 3 January 2017

Two years ago, GM-Opel closed its plant in Bochum, eliminating around 3,300 jobs. Some 2,600 workers were moved into a so-called "transfer company" with the agreement of the IG Metall union, the works council and the management. Now, around 1,000 Opel workers face what they feared all along: they will lose all employment by the beginning of the year.

About 750 Opel workers left the transfer company at the end of 2015. As a rule, these older workers, born before 1962 ("near pension age" workers) are registered unemployed so as to bridge their time until they can take early retirement. However, each year they draw early retirement benefits they are hit with a statutory pension reduction of 3.6 percent.

According to the TÜV Nord Transfer Company, in the last year, only 750 workers could be placed in a new job. Another 150 signed work contracts for 2017. None of these figures have been confirmed, however.

The "future earnings for the majority of the transferred employees lie below what they currently receive from the transfer company", acknowledges TÜV Nord Transfer on its web site.

Over the last few years at Opel Bochum, IG Metall and the works council agreed to pay cuts of about 20 percent, supposedly to "secure the location" for continued production. During the first year of the transfer company, workers were paid 80 percent of their last net salary and in the second year this was reduced to 75 percent. Yet this is still more than former Opel workers can expect to be paid in the future!

No wonder "many [have] hesitated to take the decision to leave the transfer company", as its managing director Hermann Oecking said.

Oecking sought to justify the poor employment outcomes by saying more than 300 Bochum Opel workers have limited health and 1,800 were over 50

years old. But that was all known in advance.

The real issue is that there are hardly any decentpaying jobs for skilled workers in the de-industrialized Ruhr area. Opel was not the only industrial company that has shed jobs. At its highpoint in the 1980s Opel employed about 20,000 workers in Bochum. In addition to the Opel job cuts, tens of thousands of other positions have been eliminated by Nokia, Thyssen, Outokumpu, Johnson Controls and other companies.

The new jobs that have been created are almost exclusively in the low-wage sector. The official unemployment rate currently stands at 10.6 percent. Of the more than 18,500 unemployed in Bochum, almost one in five is over 55 years old and around 7,800 are considered long-term unemployed.

This means many former GM-Opel workers have been forced into precarious, low-paid and temporary jobs, mostly in logistics and as truck drivers, some in security companies. Only a few found work as electricians or mechanics.

The 1,000 Opel workers now being kicked out of the transfer company face the same conditions or worse, including reliance on welfare.

The chief beneficiary of this process has been the operator, the TÜV Nord Transfer GmbH, which has pocketed a good part of the 550 million euros that Opel provided for the "social contract agreement" from the Bochum closure of Bochum plant.

Around 150 workers will remain in the transfer company until June 2017, and around 100 "hardship cases" have the opportunity to stay in it for another year. IG Metall executives announced that the "conciliation committee" chaired by former President of the Bremen State Labour Court, Martin Bertzbach, has decided this designation will apply to those severely disabled, with at least a 70 percent disability,

and for employees in the lower wage groups with a 50 percent disability.

The Opel works council members who negotiated all this have not shared the fate of the rank-and-file workers. They were all moved to the spare parts warehouse (Plant III), which was spun off a decade ago, initially to Caterpillar and then to Neovia, before being bought back by Opel again in early 2016, or more precisely by "Opel Group Warehousing GmbH".

They are now complaining that Opel has not complied with the agreements of recent years. In early December, Opel Bochum works council chairman Murat Yaman, the successor to Rainer Einenkel, who has since retired, moaned that the 100 manufacturing jobs promised at the Bochum site had "still not been clearly defined and not implemented". The agreed "transfer of vocational training to a sustainable training factory" was "far away".

Opel has since devolved training to the "Career Workshop" of Deutsche Edelstahlwerke (DEW). The manager of this outsourced company is former DEW personnel director Burkhard Hartmann.

Meanwhile, the union-backed division of Opel workers continues. Since August, Opel has imposed short-time work hours at its plants in Rüsselsheim and Eisenach because of declining sales in the UK following the Brexit referendum. The end of this is not in sight, according to an Opel spokesman.

The 1,800 employees at the Eisenach factory were notified at a staff meeting on 16 December that instead of manufacturing the Adam and Corsa models, they will build the successor to the SUV Mokka X model in 2019. The Adam and Corsa will then be produced in Zaragoza, Spain.

The Eisenach works council chairman Bernd Delete claimed this decision was good for Eisenach, saying, "Now we can have a relaxed Christmas holiday". Most workers regarded this announcement with caution, writes the *Thüringer Allgemeine*, citing an Opel worker saying, "Whether everything turns out this way, we will see—and much water will flow under the bridge by 2019."

A few days later, the *Frankfurter Allgemeine Zeitung* reported that a new large SUV to hit the market in 2019 will be built at the GM-Opel plant in Rüsselsheim. Currently, 3,800 employees produce the Insignia model at the company's headquarters. Wolfgang Schäfer-Klug,

chairman of Opel and the central works council, said jobs at both plants had been secured by those decisions.

Workers should not take anything IG Metall and works council representatives say for good coin. They are closely allied with the top management and helped to work out the cuts and closure plans before implementing them on behalf of the company. In doing this, they deceived and blackmailed the workforce. This can be clearly seen by the closure of Opel Bochum, the first, but not the last, auto plant in Germany to close since the end of World War II.



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