

General Motors intends to sell Opel-Vauxhall to Peugeot-Citroen

Marianne Arens
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General Motors (GM) is planning to sell the Opel-Vauxhall company to French group PSA. The news spread like wildfire on Tuesday that the French PSA group, the producer of Peugeot and Citroen, had been in talks with GM and wanted to assume control of its European plants at Opel and Vauxhall.

This implicit threat to the jobs of thousands poses the necessity of German, British, French and American autoworkers uniting in a common struggle to prevent plant shutdowns, layoffs and further attacks.

The news came just three weeks after the coming to power of the administration of Donald Trump in the United States. Mary Barra, CEO of GM, which is headquartered in Detroit, is a member of Trump's 16-person economic policy team. She intends to refocus GM more on North America and get rid of unprofitable overseas subsidiaries.

GM could as a result drop out of the ranks of the world's largest automakers. Last year it sold, together with Volkswagen and Toyota, more than 10 million vehicles. Barra said in an interview that profit margin was more important than market share. Over recent years GM has closed a plant in St. Petersburg, its Holden production in Australia and Opel plants in Antwerp, Belgium, and Bochum, Germany.

Three years ago, as autoworkers in Bochum faced the shuttering of their factory, Barra visited the company's main facility in Rüsselsheim and assured workers that Opel was "certainly an essential part of our company." This expression was repeated by the IG Metall trade union and the central works council. They claimed that the closure of Bochum was the bitter pill that had to be swallowed in order to return Opel to profitability.

But now, GM wants to offload Opel as a whole. While Donald Trump is aiming with his "America first" policy to retain investment in the United States by

reducing business taxes, doing away with environmental regulations and imposing tariffs, GM has decided to focus on North America and operate at most in China and India.

Opel-Vauxhall, from which GM now intends to separate, has been to date responsible for approximately 10 percent of the company's global sales. But Opel has been recording losses for 18 years. 2016 was expected to have been the first year to see a return to the black, but these hopes were upended by Brexit, and Opel finished the year with a loss of \$250 million.

The PSA group is hoping through the merger with Opel-Vauxhall to assume second place in the European market, close behind Volkswagen. PSA is also interested in an international research and development centre in Rüsselsheim that focuses mainly on electric cars.

The French government and China's Dongfeng Motor Co., the country's largest automaker, each own a 14 percent stake in PSA. Reuters commented that for PSA and Opel, it was "a rare opportunity to consolidate its position in a sector suffering with high costs, low profit margins and tough competition."

GM and PSA have both confirmed the takeover talks, and Peugeot head Carlos Tavares arranged a meeting to discuss it with German Chancellor Angela Merkel. On Wednesday, Barra met in Rüsselsheim with Opel's supervisory board chairman Dan Amman. Although nothing has yet been decided, a decision could be taken "in a few weeks."

PSA and GM shares rose on the news. Shareholders anticipate that the sale will set the stage for comprehensive rationalizations. The takeover will at least produce synergies and cost-savings that will affect Opel most of all, since PSA is larger and has smaller losses.

Last year GM's European facilities were only operating at 63 percent capacity and Opel had to impose reduced shifts in several plants. There are many indications that the sale will be the prelude to large-scale layoffs. Opel currently employs around 38,200 workers in Europe, with more than half employed in Germany. It currently operates plants in Rüsselsheim, Kaiserslautern, Eisenach, Zaragoza in Spain and Gliwice in Poland. Vauxhall operates in Luton and Ellesmere Port, near Liverpool.

Rainer Eienkel, who played a key role in the shutdown of the Bochum plant as works council chair, told Deutschlandfunk that he expects "German factories" to be "very acutely threatened." In the years-long conflict over the Bochum plant, Eienkel strung out the workers with promises and systematically blocked a joint struggle by workers at all facilities.

Eienkel is once again recommending that workers limit themselves to reliance on the courts "To clarify legally that these contracts will not be called into question" and make "General Motors give an accounting." He further noted, "Politicians are called upon to act" in an appeal to state and federal governments.

Workers should reject the unions' policy of dividing workers and playing one location off against another, and organise a joint struggle of all autoworkers, including workers in the United States, France, England, Spain, Poland or Germany.

The experience of the last 10 years confirms this. In the United States, GM used its forced bankruptcy filing in 2009 to institute a two-tier wage system that imposed a 50 percent pay cut on new hires. At the time GM wanted to sell Opel to the Canadian Magna company. However, it instead decided to restructure its European operations by shutting down Antwerp and Bochum.

In December 2016, GM announced a new wave of layoffs in the United States. Likewise in France, PSA also has imposed sacrifices on workers for the benefit of shareholders, relying on President François Hollande's new labour laws. VW, Toyota, Fiat Chrysler, Ford and other automakers are seeking to retain their competitiveness at the expense of their workforces.

The struggle against this requires a break from the nationalist programme of the trade unions. Whether it is IG Metall, the CGT, TUC or the United Auto Workers,

the unions preach the identity of the interests of workers and management. They insist that workers subordinate their needs to the corporate drive for ever greater profits.

The criticism levelled by IG Metall in Germany against GM's plans amounts to little more than the complaint that they were not informed early enough and included in the talks. The union is outraged, not by the threat the deal poses to workers, but by the disregard of the co-determination role of their officials. In a joint statement, IG Metall and the Opel works council complained, "If it is true that GM and PSA are conducting talks aimed at a takeover of Opel/Vauxhall, this would be an unprecedented break with all German and European co-determination laws."

Federal Minister for the Economy Brigitte Zypries expressed herself similarly. It was "unacceptable that the company holds talks without the works council, the Hesse state government or anyone else being involved," she said on television news.

The experience of recent years shows that IG Metall, the Social Democrats and Left Party can be relied upon by management to enforce whatever job cuts they require on the backs of workers. This also applies to Opel Antwerp and Bochum.

The *World Socialist Web Site* insists that to defend jobs and wages workers must break free from the control of the nationalist trade unions. It is necessary to construct action committees to organise and coordinate resistance at all plants globally. An international leadership must be created to draw together all of the various struggles by workers into a global movement guided by a socialist strategy.



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