

# Germany: IG Metall union and works councils agree to job and wage cuts at Opel

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In a joint position paper agreed with management, the IG Metall union and its works council representatives at Opel have agreed to wage cuts and the destruction of one in five jobs in Germany.

The Opel general works council, the Bochum factory works council and the IG Metall Mitte district executive agreed on Tuesday with Opel management on the appropriate measures for all German locations. Out of 19,000 current employees, 3,700 are to be cut through semi-retirement, early retirement and voluntary redundancy. This had already almost been achieved, according to the IG Metall, with around 3,500 employees said to have already signed contracts to give up their jobs.

In addition, the IG Metall and works councils have agreed on significant wage cuts. The salary increases agreed in February in the metalworking and electronics industries will not be paid out to Opel employees at the production sites in Rüsselsheim, Eisenach and Kaiserslautern as well as in Bochum (spare parts warehouse) and Dudenhöfen (test centre). The additional lump sum for all employees, which is actually due next year, amounting to 27.5 percent of a monthly income, will be withheld from Opel workers. Also, the applicable salary increase of 4.3 percent from April this year will not be honoured; it is supposed to be paid instead in 2020.

Since details in the position paper are yet to be incorporated in company agreements and collective bargaining agreements, it may well be that Opel workers could face more unpleasant surprises in the coming weeks and months. A few weeks ago, the works council said that Opel was calling for the transition from the IG Metall agreed pay and conditions covering the central spare parts warehouse in Bochum to the sector agreement covering warehousing and

logistics, which would mean further wage cuts of several hundred euros per month.

With the position paper, the union and works councils have signed up to almost every demand of PSA boss Carlos Tavares and Opel chief Michael Lohscheller. The French car maker PSA Peugeot Citröen acquired Opel last year from General Motors and then enacted the recovery plan “Pace” with the works councils and IG Metall, on which the now agreed attacks on jobs and wages are based.

The IG Metall and works councils claim there was no alternative to cutting costs to ensure that Opel’s competitiveness would be increased.

Together with the trade unions, PSA and Opel then blackmailed workers in other European countries—outside Germany there are about 17,000 workers employed by Opel—threatening that their factories would be closed if they were not prepared to agree to massive concessions. In the United Kingdom, Poland, Spain, Hungary and Austria, the unions then quickly enforced the attacks demanded by the company.

In Germany, where more than half the Opel workforce are employed, negotiations on the “recovery plan” dragged on a bit longer, not because the German union representatives are opposed to the cuts, but because they needed to find a suitable mechanism to enforce the massive attacks.

To this end, they exploited the insecurity of the production plant in Eisenach. Only about 1,300 employees work there and production of the Adam and Corsa models runs out at the end of the year. Possible investment and a guarantee of the plant’s continued operation were withheld as a bargaining chip against the workers. The IG Metall has blocked a united struggle by all workers in all locations, and thus

enforced the company blackmail upon the workers, while at the same time negotiating intensively with corporate management behind closed doors.

Next year, the Grandland X model and later also a hybrid variant is to be produced in Eisenach. “By switching production after the change from the former Opel owner General Motors to the French PSA group, however, there are productivity advantages in Eisenach that have an impact on the need for personnel,” writes the IG Metall. This was taken into account in the position paper. As a result of the change in the production one in three jobs at Eisenach is being cut with 450 workers expected to “voluntarily” give up their jobs.

The union praises as a success the fact that PSA-Opel has committed not to make the remaining nearly 15,000 Opel employees in Germany compulsorily redundant before July 2023.

At Opel and in all major corporations where the unions sit on the supervisory boards and works councils as co-managers, collaborating with management, jobs are not generally cut through compulsory redundancies, but via so-called “restructuring plans.”

To cite just one example: At the Opel plant in Bochum, only 3,000 out of originally more than 20,000 jobs remained, without the need for any compulsory redundancies. Then in December 2014, the plant was finally closed.

The claim that the position paper secures jobs at Opel for the next five years is simply a lie. The close collaboration of the IG Metall and works councils encourages management to make further attacks. The job cuts in Eisenach and the production of only one model there make the plant the next candidate for closure. According to car industry experts, a factory producing only one model would be unprofitable and would be closed sooner or later. This was also emphasized by the IG Metall before agreeing the position paper.

Now the union and works councils are completely adopting management's arguments and extolling job losses and wage cuts in the name of securing competitiveness and profits. Opel, which has seen losses for years, should return a profit of two percent from 2020, rising to six percent from 2026.

“Opel must be maintained as a strong German brand,” demanded Jörg Hofmann, the first chairman of

IG Metall speaking about the position paper. The general works council chairman Wolfgang Schäfer-Klug said he was very satisfied and “a bit relieved.” The “restructuring of Opel is thus almost complete,” and the concessions were acceptable to the workers. “Now some peace and quiet can return to the company,” concluded Schäfer-Klug.



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