

French auto giant PSA announces new cuts at Opel

Marianne Arens and Peter Schwarz
7 July 2018

Eleven months after the takeover of Opel by the French PSA Group, the next round of cuts has been announced. As reported by the French daily *Le Monde* on 3 July, the PSA board intends to sell off large parts of the International Technical Development Centre (ITEZ) in Rüsselsheim and the test track in Dudenhofen (Offenbach district).

Le Monde has seen internal information, according to which the negotiations with the engineering service Altran are already well advanced. The possible date for a contract is put at December this year. In addition to Altran, two other French car development companies, Akka and Segula, and the German Bertrandt are in discussion as potential buyers. Akka had already taken over part of the development department of Daimler in 2012.

In France, Altran has long been an important partner of the PSA Group. In fact, the auto industry outsources more and more R&D to external service providers to offset risks arising from modern electronic technology and the consequences of the growing global trade war. Thus, the pressure increases on jobs and achievements, as workers are fragmented into ever-newer subsidiaries and subcontractors.

The sell-off will affect about half of the approximately 8,000 technicians, engineers and developers who currently work at the ITEZ. A large part of these jobs would be put in danger. After the separation from General Motors, which also had a development operation in Rüsselsheim, there was an overcapacity of 40 percent at ITEZ, *Le Monde* quotes Opel development chief Christian Müller as saying.

Forgoing its own development department would also have consequences for the other Opel plants, which, like Eisenach, Kaiserslautern and Ellesmere Port, are already threatened by closure.

The announcement of the sell-off plans met with anger and indignation in the Rüsselsheim workforce. On Thursday, the works council called an extraordinary staff meeting to attempt to settle the waves. It had also invited Opel boss Michael Lohscheller and development chief Christian Müller, but neither of them appeared.

At the meeting, the Opel general works council leader

Wolfgang Schäfer-Klug feigned indignation. The day before he had described the sell-off negotiations as an “unbelievable and unprecedented provocation,” which the IG Metall union and the central works council “would not accept without a fight.”

This empty bluster merely serves to cover their tracks and prepare for the next sell-off. Schäfer-Klug was quoted by *Le Monde* saying he had “lost his mind” when he heard of the ITEZ sell-off plans. A PSA spokesman smugly answered, “The possibility of strategic partnerships with other companies is laid down in a framework agreement signed in December. Works Council Leader Wolfgang Schäfer-Klug signed it himself.”

Schäfer-Klug knows the workers are boiling with anger. “The mood is bad, it is aggressive, there is absolute incomprehension among the workforce. The workforce is quite combative,” is how he described the mood at the works meeting.

The auto industry expert Ferdinand Dudenhöffer from the University of Duisburg even warned of an upcoming revolution. “In France, they obviously believe that it is a good idea to make things known bit by bit. If they had announced everything all at once, they would have been afraid of triggering a ‘revolution’ or a strike,” broadcaster ZDF quoted him saying.

The IG Metall and the works council will also work closely with PSA CEO Carlos Tavares, Opel boss Lohscheller and potential buyers in the liquidation of the ITEZ and closure of other plants, as they have done in the past, from the closure of the Opel plants in Amsterdam and Bochum to the “PACE” restructuring program, which they signed on the PSA takeover, and which aims to reduce a quarter of jobs.

As recently as May, the works council described the agreement with PSA as a “milestone for Opel.” In it the works council agreed that Opel workers forgo their hard-won wage increase for months. The additional wages, due in January 2019, will not be paid, and the other pay increases will not start until 2020. The true value of the so-called

“comprehensive job security” can now be seen at the ITEZ.

Moreover, since the merger with PSA, 3,700 jobs, excluding temporary workers, have already been lost. The future of Eisenach is still completely unsecured, and Rüsselsheim and Kaiserslautern face rationalization and short-time working.

The auto industry has seen a fierce competitive struggle carried out on the backs of the workers, while the corporations and the financial investors behind them pocket billions, and the company executives receive emoluments in the double-digit millions. The impending trade war with the US will further accelerate this development.

The concentration of the auto companies into ever-larger monopolies with corresponding synergies (i.e. job losses) is just as much a part of this as is the dividing up of workers in order to push down wages. For example, PSA Group company General Motors bought Opel and Vauxhall’s factories last year to counter Volkswagen’s predominance in the European car market. PSA already included Peugeot, Citroën and DS.

The takeover last year was associated with a radical savings program. PSA boss Tavares wants to cut 1.7 billion Euros each year, in close cooperation with and approval of the Opel works council and IG Metall. As part of this, the works council already approved the introduction of short-time working from January, the loss of hundreds of temporary jobs, and the liquidation of 450 jobs in Eisenach. The removal of several thousand jobs in the ITEZ has been planned and prepared for a long time.

The works council and IG Metall stand on the side of management and the shareholders. Their cries that they were deceived and lied to are only to throw sand in the eyes of workers and cover their real role.

There are several reasons for this. In the first place, they are royally rewarded for their services. They often earn many times the pay of an ordinary worker, and enjoy protection against dismissal and many other privileges. Second, they advocate a reactionary nationalist program. They see the future of “their” enterprise solely from the national point of view of capitalist interests and not from the international stance of the working class. That is why they support every action--including plant closures, wage cuts and rising hurdles--to boost competitiveness.

It is clear that workers can only oppose the international corporations if they also join forces internationally. But the works council and IG Metall reject this vehemently. They fear a real struggle by the workers, just as the companies do. Their call to save “the heart of the Opel brand” and to defend “Germany as an industrial location” does not serve to preserve jobs, but rather to play off workers in Germany against their colleagues in France and other countries, in

order to better exploit them.

The workers at Peugeot, Citroen and DS have been exposed to ferocious attacks for years, just as have their German colleagues. Thus, PSA reduced its labour costs as a share of turnover from 15 to 11 percent between 2013 and 2017.

One of the preferred methods employed by the PSA Group is to increase the number of temporary workers. Around 8,000 of PSA’s 60,000 employees are temporary workers, who earn less than their permanent counterparts and are used to increase work pressure.

“The same treatment,” PSA chief of staff Xavier Chéreau said in January in *Le Monde*, “must also be prescribed at Opel-Vauxhall.” He bragged that savings of 12 percent there had already been achieved in 2017 compared to the financial planning of General Motors. Further measures had been identified, he said. “We will not give up on achieving short-term and long-term synergies,” Chéreau emphasized, adding, “... always in the context of co-determination.” Chéreau, like Tavares and Lohscheller, well knows the works council and the IG Metall.

To defend jobs, it is necessary to break with IG Metall and the works council, establish independent action committees in the factories and contact colleagues in the French and all other PSA, Opel and Vauxhall factories, and in other car plants and industries. This requires a socialist program that places society’s needs above the profit interests of the corporations.

The Sozialistische Gleichheitspartei (Socialist Equality Party) and its French sister party, the Parti de l’égalité socialiste, invite workers at Opel and PSA to contact them to discuss these issues and organize international cooperation. Read the *World Socialist Web Site* and the Auto Worker Info newsletter.



To contact the WSWS and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)