

German automaker Opel to cut workers' hours and pay

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Last Thursday the German business magazine *WirtschaftsWoche* [Business Week] reported that automaker Opel is preparing to introduce short-time work at its headquarters in Rüsselsheim.

Short-time work is defined by the European Union as "a temporary reduction in working time... It can involve either a partial reduction in the normal working week for a limited period of time – for instance a partial suspension of the employment contract – or a temporary layoff, such as a full suspension of the employment contract."

The report states that the *WiWo* editors read the minutes of a confidential meeting held by representatives of the IG Metall trade union.

According to the minutes, Opel management is planning to introduce short-time work "from October for three months." The short-time work will then be continued next spring.

The introduction of short-time work is part of a radical savings and cutback program, with which Opel's parent company, French automaker Groupe PSA (Peugeot, Citroen), is responding to the global crisis in the auto industry. Faced with declining sales in major markets, increasing trade warfare and e-mobility, labor productivity and the exploitation of workers is set to increase dramatically.

In a previous article, the WSWs reported that 1,100 jobs at the three Opel plants in Rüsselsheim, Eisenach and Kaiserslautern are to be cut.

Opel workers, along with workers in other car factories and component suppliers, must prepare for a bitter struggle. This requires breaking the control of the corrupt factory councils and union bureaucracy and setting up independent action committees to establish contact with autoworkers in other companies and countries to organise joint resistance.

The offensive against workers will intensify following the current plant holiday shutdown. The planned short-time work will mean drastic financial losses. In the goods distribution center in Rüsselsheim, only 74 of 300 employees will remain. Some 200 are to be moved to Bochum. The rest will be stripped of their jobs via a social

plan.

Opel's European goods distribution center in Bochum, with 700 employees, supplies Opel and Vauxhall dealers throughout Europe with spare parts and accessories. The large Opel plant in Bochum—which employed 20,000 workers in the 1980s—was shut down five years ago in cooperation with IG Metall.

Now the workforce in Bochum is in the sights of CEO Carlos Tavares, who is intent on undertaking drastic restructuring and cost-cutting measures. In future, workers will no longer be paid according to the valid engineering contract. Instead they will be graded on the much lower contract for logistics workers. This means wage cuts of several hundred euros per month.

Volker Strehl from IG Metall in Bochum admitted that such measures were being negotiated. He pointed out that the union had already agreed to wage cuts in the current contract. "We have already made concessions," he said.

Tavares and IG Metall are playing off the workforce at Opel Bochum against fellow workers in France and external service providers employed by the multi-brand manufacturer's parts distribution company Distrigo. The PSA Group already uses Distrigo locations for spare parts and accessories. "Instead of supplying all trade outlets centrally as before from Bochum," the *Handelsblatt* newspaper reported, "from January 2020 they will be increasingly supplied via the Distrigo Hubs in individual [German] federal states."

In addition, Bochum also competes with the PSA parts warehouse in Vesoul, France, where costs are to be lowered significantly. Just recently, PSA and the French unions increased weekly working hours by about half an hour—with no additional pay.

The biggest source of contention stems from the partial takeover of Opel's International Technical Development Center (ITEZ) by the French development service provider Segula. At the beginning of September, Segula will take over around 20 buildings, 120 engine and chassis dynamometers, and around 700 Opel employees. Segula will

also take over the Opel test development area in Dudenhofen, as well as the company's guarantee orders business.

Up to 3,000 Opel workers in Rüsselsheim are expected to lose their jobs. Originally, it was planned that 2,000 Opel workers would switch to the service provider Segula, but more than 1,300 preferred to quit Opel on the basis of severance payments, partial retirement or early retirement.

Nearly 700 Opel employees were due to switch to the French development service provider on August 30, but 380 refused to go and are now being pressured with compulsory transfer.

But that's still not the end of the story. *Handelsblatt* reports that in Rüsselsheim, in addition to job cuts in the goods distribution center, cuts are also to be made in other areas. The newspaper, which has access to Opel's internal affairs, indicated that hundreds of jobs were at risk in the company's gearbox, tool and press works and other areas.

An Opel spokesman did not want to provide *Handelsblatt* with any details, but did say the company was working "intensely" on its long-term prospects. "To this end we are in a continuous exchange with our social partners," the spokesman said. "Social partners" is a euphemism for the corrupt trade unions.

The Opel spokesman is referring, in fact, to the intimate "partnership-based cooperation" between IG Metall, Opel executives and shareholder representatives on the company's supervisory board. Behind the backs of workers, agreements and decisions are being made that involve the future of thousands of workers and their families. Workers are deliberately left in the dark or informed only in piecemeal fashion to prevent any joint struggle to defend jobs and incomes.

The jobs massacre at Opel must be seen within the context of the auto crisis across Europe and around the world. Tavares is a brutal and notorious CEO, but he's not the only one who upholds the interests of investors against those of his workforce. He is already responsible for the "rationalisation" of the French auto manufacturer PSA via massive job cuts.

Between 2011 and the end of 2016, one year before its takeover of Opel and British-based Vauxhall, PSA's global workforce shrank from 120,000 to 90,000. Since the closure of the Aulnay plant near Paris in 2013, PSA has cut 25,000 full-time jobs in France. There are currently only 33,000 full-time PSA employees in the country. Production has been increased over the same period from 860,000 to over 1 million vehicles.

Since its takeover by PSA, a third of Opel's former 19,000 strong workforce in Germany have lost their jobs. Worldwide, more than 8,000 jobs were cut from the

company's total of 37,000 jobs by the end of last year.

And that is just the beginning. Auto analyst Ferdinand Dudenhöffer has reported that many more Opel employees will lose their jobs. The head of Germany's Automotive Research Center (CAR) told *Handelsblatt*: "By the end of 2021, according to our analysis, Opel-Vauxhall will have just 26,100 employees—that's 11,300 fewer since its takeover by PSA."

Despite rising profits (an increase of over 40 percent to €700 million in the first half of 2019), manufacturing costs in Germany continue to be significantly higher compared to France. Given the "highly competitive European car market," the problems cannot be reduced by higher sales growth, but only by a drastic reduction in labor costs, said Dudenhöffer.

CEOs worldwide are saying the same. Last month, a leading auto industry representative in India warned that the continued slump in sales in that country would lead to the loss of up to 1 million jobs in the vehicle parts industry.

Nissan in Japan, Ford in Europe and worldwide, General Motors and Fiat-Chrysler in the US—to name but a few—are all carrying out layoffs and major attacks on wages and working conditions.

The most important weapon in the hands of the companies in preventing a joint struggle by autoworkers are the unions and their factory "police," who sit on the company boards and work closely with management to sabotage any serious struggle to defend jobs and wages.

The corrupt machinations of the union are common knowledge at Opel and many other companies. At the same time, IG Metall is highly alarmed at the work of the WSWS in uncovering the collusion and secret deals struck by union representatives on the company's supervisory boards.

We call on all workers to work closely with the WSWS. Send information regarding confidentiality and secrecy arrangements to the WSWS editorial board. We will then publish such information to inform workers. This is a key step in preparing a joint struggle of all autoworkers.



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