

# Germany: Auto manufacturer Opel to wipe out 4,100 jobs

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German automaker Opel plans to cut another 2,100 jobs in Germany by the end of 2021. The news was announced by the company's Human Resources manager Ralph Wangemann and Works Council Chairman Wolfgang Schäfer-Klug at a meeting of the workforce at the company headquarters in Rüsselsheim on Tuesday.

These layoffs are just the tip of the iceberg. The Opel executive has been given a green light by the works council and the IG Metall union to wipe out an additional 2,000 jobs by the end of the decade. After these cuts take place, out of the 19,000 employees who worked for Opel in Germany before the company was sold by General Motors to the French company PSA in 2017, just 8,100—less than half—will remain.

In addition, thousands of jobs in related supply industries have been lost, jobs which are not covered by protection against compulsory layoffs. The logistics service provider Rhenus SCR, which employed 700 people two years ago in Rüsselsheim, has announced it is shutting down operations and shedding its remaining 95 workers. Opel terminated its contract with the company and plans to carry out the same work with its own workforce.

The Lear Corporation, which produces seats for Opel, also plans to close its plant in Ginsheim-Gustavsburg after reducing the number of its employees from 400 to 250.

As has long been the case in Germany's auto and engineering industries, the plans for layoffs were worked out and signed off by the so-called "employee representatives" in the trade unions before the workforce was even informed. The unions and works councils regard as their top priority the suppression of any opposition on the part of the workforce and to smoothly facilitate the company's strategy.

Citing comments from "trade union circles," Germany's *Handelsblatt* newspaper wrote that the agreement is painful, but the "best possible solution" with "Opel boss Lohscheller fiercely determined to further reduce the number of staff. Unfortunately, this cannot be prevented entirely."

As is customary in such cases, well-paid works councillors and union officials claim that job cuts will be implemented in a "socially acceptable" manner and that the company has committed to avoid "compulsory layoffs" until 2025.

In practice, this means that short term contract workers will be the first to be fired, while older workers will be pushed out of the company via partial or early retirement and severance payments. This is to apply to workers born before 1963, i.e., from the age of 57. For those affected, the end result is a reduced pension and the prospect of a retirement in poverty. Their jobs are gone forever—with devastating effects for the regions concerned.

If Opel makes use of its agreed option of slashing more than 2,100 jobs, then the ban on compulsory redundancies will be gradually extended up until 2029. The deal is just as absurd as it is cynical: the more workers lose their jobs, the longer alleged protection against dismissal applies!

This latest round of job cuts comes at a time when Opel is once again posting increasing profits: 859 million euros in 2018 and 700 million euros in the first half of 2019.

When PSA took over Opel two-and-a-half years ago, PSA boss Carlos Tavares set a target of a six percent profit margin by 2026. Now, thanks to the services of the works council and IG Metall, he can achieve this goal much earlier. Although sales have dropped significantly, the slashing of 6,800 jobs has produced

such an increase in individual worker productivity that the group is once again generating high profit levels.

In fact the worst is yet to come. “With the new job cuts,” writes the *Handelsblatt*, “Opel boss Lohscheller is reacting on the one hand to underutilisation in his factories and the shift in auto manufacturing to electromobility. On the other hand, he is responding to a certain extent to the expected merger of parent company PSA with the Italian-American rival Fiat Chrysler (FCA).”

As the result of this merger, which will produce a colossus comprising 16 different brands and an annual turnover of 170 billion euros, “thousands of jobs are likely to be on the line,” the *Handelsblatt* predicts. This applies not only to production, but also to research departments. FCA currently has 18,000 auto developers, PSA over 19,000, with 4,000 of them based in Rüsselsheim, PSA’s largest research and development center. “Experts consider at least a third of these positions”—over 12,000—“to be obsolete.”

The PSA takeover of Opel and the forthcoming merger with Fiat Chrysler are part of a global process of concentration that is wiping out hundreds of thousands of jobs worldwide—in France, Italy and Spain, as well as in Germany, the United States and many other countries. Auto workers are being subjected to increasingly brutal exploitation while profits, stock prices and managers’ salaries soar to astronomical heights.

Workers confront not only the global auto companies and their multi-billionaire shareholders, but also the unions and works councils that support the company offensive and divide workers by playing off one factory and location against another. Not a single job can be defended without breaking with these organisations which have been bought and paid for by the company.

The defence of jobs, wages and social rights requires an international strategy and a socialist program. Developments in the auto industry show “the madness of the capitalist system, in which every technological advance serves to increase the exploitation of the working class, fill the pockets of a small minority and plunge hundreds of thousands into misery,” as we wrote two months ago, when Audi announced the cutting of 9,500 jobs. “It is a powerful argument for transferring the car industry to social ownership, putting it under worker control and planning

rationally.”

The *World Socialist Web Site* and the Socialist Equality Party call for the establishment of independent action committees organised and led by ordinary workers. In contrast to the pro-capitalist unions, such action committees must defend the rights and needs of the working class, which are incompatible with the interests of capitalists. These committees must be based on the principle of internationalism and the unity of the working class, which faces the same corporations and financial interests around the world. Their goal is to organise resistance to corporate attacks and establish contact with other action committees around the world.



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