

Changes in the car industry threaten Slovakian workers

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A fundamental change is taking place in the automotive industry. The global downturn in the industry, exacerbated by mounting trade war, together with the generational shift towards electronic and autonomous vehicles, has already resulted in a jobs massacre, which resulted in the loss of more than half a million jobs in 2019 alone.

Car workers in the large assembly plants in the Czech Republic, Romania, Hungary and Slovakia are particularly threatened. The automobile industry has become the central economic factor for the entire region. During capitalist restoration in the 1990s, many large corporations relocated their production to these countries because they found well-trained workers to whom they could pay low wages.

This is particularly true for Slovakia. Global corporations such as VW, Kia, PSA and Jaguar-Land Rover assemble cars in Slovakia. On a per-capita basis, this country of 5.5 million inhabitants is the world's largest car producer. In 2018, 198 cars were completed there per 1000 inhabitants; last year 202 cars were completed per 1000 inhabitants. Around 80,000 people are directly employed in the auto industry, and a total of 145,000 workers are dependent on the industry. Last year, a total of 1.1 million cars were produced, and cars account for a quarter of all exported goods.

Last year, Volkswagen, the largest private employer in the country, laid off 3,000 workers at its Bratislava plant, as well as 500 Hungarian contractors working in the country. These were the first layoffs in the country's auto industry in a decade, according to Reuters.

A 2018 study by the Organisation for Economic Cooperation and Development (OECD) found that Slovakia is the most vulnerable to job losses due to automation, with 40 percent of jobs in the country's west at risk of being automated in the near future.

In the past, Slovakia was a centre of the arms industry for all of Eastern Europe, which collapsed after the disintegration of the Eastern Bloc in the 1980s and the fall of the Soviet Union in 1991. International auto companies found unemployed metal workers here, who were paid only

a fraction of Western wages.

Since then, Slovakia has been used as an "extended workbench." The legal minimum wage today is just under €3 per hour (US\$3.26), and the average monthly wage is roughly €950 (US\$1,032.90). Slovakian autoworkers face brutal working conditions. "We work like robots on a conveyor belt," one told the *World Socialist Web Site Autoworker Newsletter* in 2017. "More is constantly demanded, and mistakes are severely punished." In the neighbouring Czech Republic, workers at the Skoda car company earn even less than their colleagues in Slovakia. In Hungary, too, where Audi, Mercedes, Suzuki and BMW have plants, or at Ford in Romania, auto workers are confronted with miserable wages.

The conversion of eastern Europe into a sweatshop for European and international manufacturers has created a social powder keg. The first sparks appeared in June 2017 during the strike against Volkswagen Slovakia in Bratislava, the country's capital and largest city, when 8,000 of some 12,300 workers at the plant paralysed production for six days. The strike was the first work stoppage in a large Slovakian car factory since the restoration of capitalism.

The strike was an early expression of the resurgence of the international class struggle. Exactly one year ago, 13,000 car workers went on strike for better wages at the Hungarian Audi plant in Győr; and a thousand Ford workers went on strike in Craiova in southern Romania in December 2017. In North America last year, 48,000 American General Motors workers struck for 40 days, and 70,000 auto parts workers in Matamoros, Mexico, carried out a wildcat strike in defiance of the pro-corporate trade unions.

Under the title, "A rude awakening in an auto paradise," finance daily *Handelsblatt* wrote at the time, "For a long time, Slovakia was considered an auto paradise. Low wages, low taxes, and an industrial policy under head of government Robert Fico, which allowed the car companies to express their wishes."

However, wages remained low even after the VW strike and other labour disputes. While employers have been

forced to pay higher bonuses for night, holiday and weekend work since May 1, 2018, this is by far not enough to compensate for the price increases. Prices are at European Union (EU) levels, and housing in Bratislava, for example, is just as expensive as in any major western European city.

The Slovakian government is now looking anxiously at the impending upheaval in the car industry. A few days ago in Davos, Slovakian Foreign Minister Miroslav Lajcak called on companies to invest more in the future. On the sidelines of the annual meeting of the World Economic Forum, Lajcak said, “We don’t want to be seen as a place where only the parts are put together.”

Bratislava is governed by an alliance of the Smer Social Democrats with the right-wing radical SNS, which, in agreement with the EU, is pursuing a strict austerity course and is taking aggressive action against refugees and Roma. The next parliamentary elections will be held later this month, on February 29. Since the VW strike in Bratislava, the government has been concerned that the sharp tensions could easily lead to a social explosion.

Such tensions could be seen in the reaction to the murder of the journalist Jan Kuciak, who had uncovered the Mafia-like ties among the nouveau riche upper class and extending as far as the office of the head of government, Robert Fico. When Kuciak and his wife were shot dead on February 21, 2018, this sparked unrest throughout the country and mass protests in Bratislava, forcing Fico to resign.

VW reacted to the nervousness of the Slovakian government with weak palliatives. On February 3, the VW Board of Directors announced the company would invest €35 million in Slovakia. However, no such investments are forthcoming at a smaller plant in Martin, a town about 230 kilometres east of Bratislava, or at the large VW plant in Bratislava. In Martin, where 800 car workers are currently slaving away for VW, differential gears for electric cars will be developed in the future. However, only about 12 new jobs will be created for this purpose, while 182 workers from Bratislava are to move there.

The announcement amounts to an admission that the VW group no longer offers a future to many thousands of VW workers in Slovakia.

In Germany, VW is preparing a comprehensive cuts operation. In an incendiary speech earlier this year declaring his intent to slaughter “sacred cows,” VW CEO Herbert Diess announced the destruction of 20,000 German auto jobs. A study last fall by the Friedrich Ebert Foundation, which is closely aligned with the German Social Democrats, predicted that VW would eliminate 30,000 jobs worldwide.

The cuts in Germany are being coordinated with the IG Metall union, which participates in the company’s supervisory body and is integrated with management

through labour-management “works councils.” Bernd Osterloh, chairman of VW’s general works council, expressly supported Herbert Diess’s proposals with the words, “This is the right way forward.”

Steeped in a divisive “Germany-first” nationalism, IG Metall would praise any cuts in Slovakia or Eastern Europe as a defence of “German” jobs. In a “moratorium on fair change,” the German trade union explicitly calls for “strengthening Germany as an industrial location through transformation.” The moratorium is an offer by IG Metall to cooperate closely with the German corporations. It includes a standstill agreement and even the waiver of wage demands.

The trade unions in Slovakia also promote the nationalist and pro-capitalist perspective of “social partnership.” While the trade union *Moderne odborov Volkswagen* split four years ago from the corrupt *OZ KOVO* union, which was closely allied with IG Metall, the end of the strike in 2017 proved *Moderne odborov* also to be a nationalist supporter of social partnership.

It too pursues a policy that pits workers from different plants and countries against each other, thus sacrificing them to the interests of the company. In recent years, this policy has already enabled companies to close European plants such as Opel in Antwerp and Bochum. The closure of Ford in Blanquefort, France, is currently being pushed through using a similar strategy.

As the auto companies are pursuing a global strategy to force workers to pay for sales declines and the cost of new technologies, so too must autoworkers pursue an international strategy to defeat this cost-cutting drive. This requires a struggle against the trade unions, which divide and paralyse workers through their toxic nationalism.

In order to break with this reactionary strategy, autoworkers must form rank-and-file committees completely independent of the trade unions, which take up the fight against factory closures and redundancies on an international level and on a socialist basis.

We encourage workers who agree with this perspective to contact the *World Socialist Web Site Autoworker Newsletter* at autoworkers@wsws.org.



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