Germany: Automaker Opel cuts company pensions

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The Opel Group and its parent company PSA want to make significant cuts in company pensions. A "fundamental modernisation" was necessary, Opel head of personnel Ralph Wangemann told employees on June 5. These cuts are part of a slice-and-dice tactic that has been in place for years, with the help of the IG Metall union, whereby management is passing on the costs of the coronavirus pandemic, e-mobility and digitalization to the workers.

In the last three years since the French PSA group bought Opel and Vauxhall from General Motors, this tactic has already destroyed 4,000 jobs at Opel's German plants alone. Out of over 19,000 at the time PSA took control, only 15,000 jobs remain.

The reduction in company pensions has been threatening ever since the takeover by PSA. At that time, GM agreed to finance most of the current company pensions, while the Opel board promised to guarantee the pension level in the future.

It is said that these company pensions have been maintained at the level of a five percent annual growth rate for 16 years, although interest rates are generally much lower today. Such a growth rate is "significantly above the market standard," according to the letter from the head of personnel. Like other companies (for example, printing press manufacturer Heidelberg or Lufthansa), Opel is no longer prepared to continue providing these contributions for future Opel retirees. While shareholders can enjoy the booming stock markets, workers are expected to cope with lower pensions and poverty in old age.

IG Metall and the general works council reacted to the announcement by the Opel board in their usual way. On June 9, they distributed a flyer at plants with the headline, "Hands off Opel retirement benefits." Several media outlets claimed new head of the works council, Uwe Baum, was against the cuts, which allegedly had not been agreed upon.

In reality, this reaction is part of a well-known game with each side playing their allotted role. Workers' anger is to be prevented from taking the form of real industrial action. Significantly, the works council's flyer already states that "the cost of pensions has already fallen considerably in recent years as a result of the reduction of thousands of jobs." IG Metall and the works council have systematically collaborated in organizing this reduction.

Initially, temporary workers, workers on fixed-term contracts, and those working via sub-contracts were laid off. In January, the board of directors and union representatives agreed on a further massive cutback at the company. Since then, apprentice training, the transmission plant in Rüsselsheim with over 200 employees and other parts of the company have also been scheduled for closure. The research and development centre, part of which went to the developer Segula, is being systematically reduced. Thousands of other jobs are threatened.

The cuts at Opel are part of a huge upheaval in the entire automotive industry. BMW is about to cut 16,000 jobs. At Daimler, the works council itself has announced that tens of thousands of jobs will be cut. In France, Renault has announced a cut of 15,000 jobs worldwide. And these are just a few examples.

In 2004, when company pensions were introduced in their present form, there were still 63,000 jobs at Opel across Europe, more than half of which have since been destroyed. Several plants, including Antwerp and Bochum, have long since closed. And everything went ahead with the blessing of IG Metall and the works councils.

The *World Socialist Web Site* has shown how closely the unions work with the corporations and how lavishly they are financed in Germany by the large companies and the state through the supervisory boards and the union's own Hans Böckler Foundation. The WSWS proposes that workers form action committees independent of IG Metall and fight together internationally. At several American Fiat Chrysler plants, car workers have already set up such committees to protect themselves from COVID-19.

However, the reaction of IG Metall to the coronavirus pandemic is completely different. It has worked out the so-called "safety procedures" under which Opel employees have already had to work again for three weeks. Even before the pandemic, it officially waived wage demands for this year out of consideration for "national economic interests." IG Metall even accepts that the employers' association Gesamtmetall symbolically depicts the union alongside the employers in a video showing how, as part of a national team, it is helping Germany to win against foreign competition.

In fact, it is the Opel group that best demonstrates that workers can only succeed in a joint international struggle. Parent company PSA presented its new merger with Fiat Chrysler Automotive (FCA) to shareholders on June 25. PSA boss Carlos Tavares depicts this merger, upon which the EU competition commission wants to decide by October 22, as a panacea for all the damage caused by the coronavirus pandemic.

With the merger, PSA and FCA want to create the fourth largest car company in the world. This will include Opel, Vauxhall, Peugeot, Citroën, DS, Fiat, Chrysler, Jeep, Dodge and Maserati. Together, these companies have well over 400,000 employees. Only VW (with 670,000 employees), Renault-Nissan (450,000) and Toyota (370,000) have larger sales.

These four largest car companies in the world alone employ almost two million people. This shows that car workers could develop tremendous strength in defence of health and life if they were not prevented from doing so by the nationalist and pro-business trade unions.

The amalgamation with FCA will bring new attacks on Opel workers. According to the merger announcement, the two companies plan to achieve annual "synergies" of over €3.7 billion, which will inevitably be at the expense of jobs and workers' social achievements.