

MAN Steyr plant facing closure, threatening 2,300 jobs

Gustav Kemper
30 March 2021

The supervisory board of truck manufacturer MAN Truck & Bus has decided to close down its plant in Steyr, Austria. The traditional plant with over a hundred years of history is to be shuttered if the workforce does not accept the terms of a sale to investor Siegfried Wolf.

The board of Volkswagen subsidiary MAN had negotiated these conditions with Wolf over the previous months, by which only two-thirds of the core workforce, about 1250 workers, are to retain their jobs. More than 1,000 workers, including about 400 temporary workers, are to be laid off. Investor Wolf will deny those remaining the current piecework bonus, which corresponds to a wage reduction of 15 to 30 percent. Further company agreements favorable to workers are also to be cancelled.

The Steyr workforce is being openly blackmailed by the MAN Executive Board and the Supervisory Board, on which 10 representatives of the German IG Metall union and the works councils sit, including Steyr works council leader Erich Schwarz.

Wolf was in the top management of the Canadian automotive supplier Magna International until 2010 when he then took on a series of board positions, including at the construction company Strabag; Porsche SE; Österreichische Industrieholding AG; and Sberbank Europe AG, a European subsidiary of Russia's largest bank. Significantly, in this context, he became chairman of the supervisory board of the Russian company JSC Russian Machines, owned by oligarch Oleg Deripaskas. The latter company is involved in the manufacture, sale and maintenance of automotive equipment for the GAZ Group, Russia's largest automobile group. Wolf holds 10 percent of the GAZ shares.

Wolf's concept for the Steyr plant is to produce and supply 10,000 to 12,000 truck cabs annually to the Russian GAZ company. Europe's largest paint shop for truck plastic add-on parts was built in Steyr just a year and a half ago at a cost of €60 million. The company will

continue to produce vehicles for MAN until the end of 2022 and four of the company's own vehicle models under the Steyr name thereafter.

At a works meeting last Friday, investor Wolf, as well as the MAN Executive Board and the Austrian trade union PRO-GE (production trade union), explained their concepts to the workforce.

The union favours a second purchase offer received a few weeks ago from Linz-based entrepreneur Karl Eggers, whose family business KeKelit manufactures plastic pipes and air conditioning systems. He has formed the "Green Mobility" consortium with other companies, including the Czech Tatra Group and an automaker from Southeast Asia.

Union officials prefer Eggers' offer because he promises to keep 1,850 regular workers on the payroll. General Works Council Chairman Erich Schwarz even claims that this consortium's plans have a potential of providing 10,000 jobs in future. Nevertheless, Schwarz and his union officials have been negotiating behind closed doors with MAN management and Wolf for months. "He did not want to reveal details. It had been agreed that negotiation results on which there was no agreement would not be disclosed," the Austrian *Kurier* quotes him as saying.

The MAN supervisory board, including the German IG Metall union, has already committed itself to Wolf's offer. This is despite the fact that the GAZ Group and its owner are subject to US sanctions that prohibit companies from doing business with GAZ under threat of economic penalties. The cooperation between Volkswagen and GAZ for the production of vehicles in Russia plays a role in this.

In order to gain the approval of the workforce for the sale, the MAN Group has promised each worker a bonus of €10,000, regardless of whether or not they keep their job.

MAN workers are to decide in a secret mail-in ballot in just one and a half weeks' time. It is like choosing between plague and cholera. Either they decide to sell the plant with the associated wage cuts and uncertainty of being taken on at all, or they accept the plant closure. Counting employees of the supplier industry, more than 5,000 families would be affected by such a closure, a catastrophe for the town of 39,000 and for the entire region.

The trade unions and their works councils in Germany and Austria play a key role in this cynical game. MAN Truck & Bus Austria is part of the Traton Group (formerly Volkswagen Truck & Bus), the majority of which belongs to the VW Group and produces vehicles of the MAN, Scania, Volkswagen Caminhões e Ônibus and RIO brands. VW Group management is taking advantage of the coronavirus crisis to carry out long-planned restructuring aimed at strengthening the position of the group and, in this case, of the truck and bus division on the world market.

The Traton Group still reported earnings after tax of €1.561 billion in fiscal year 2019. The current job cuts and plant closures are aimed solely at increasing the profit margin in international competition.

For this reason, the MAN Trucks Executive Board presented a restructuring program on September 11, 2020, which included the slashing of thousands of jobs. It was already clear at that time that the Steyr site was to be closed completely.

Just like at MAN plants in Germany, where IG Metall organised protest rallies after the bad news, PRO-GE called for a rally in Steyr on October 15 of last year, which was attended by 4,000 workers and their families.

Union officials and politicians invoked the Group's social responsibility but also made it clear that they would not organise any fighting measures apart from appeals. PRO-GE Federal Chairman Rainer Wimmer wiggled around this point saying, “[M]aybe we have to think about it [industrial action] ... if they really take away our livelihoods, that maybe we have to throw down the gauntlet, at a time when we still can.”

Wimmer reassured the workforce by pointing to a “watertight” site continuation agreement signed at the end of 2019, under which operations are secured until 2030. Like all such contracts, it is not worth the paper it is written on. MAN cancelled it without further ado.

Meanwhile, IG Metall and works council leaders began negotiations behind closed doors to present a “key points paper” at the end of January that includes the elimination

of 3,500 jobs and is intended to achieve an “earnings improvement of up to €1.7 billion.”

The head of the MAN Works Council, Saki Stimoniaris, proudly declared: “We bear responsibility for our MAN.” In addition to his six-figure annual salary, Stimoniaris also receives almost half a million euros for his Supervisory Board activities, exactly €482,040 in 2019.

These well-to-dos have prevented the workforce from revolting against the looming layoffs from the very beginning. The works council in Steyr reassured the workers with financial arguments. The large investment in the modern paint shop and the annual transfer of profits to the parent company were supposed to guarantee a secure future for the plant. The union support for the “Green Mobility” purchase offer has further confused the workers. Now they are being asked to hand themselves over to a pompous investor and a Russian oligarch.

While IG Metall was drawing up plans at its Munich headquarters for the closure of the Steyr plant, PRO-GE sabotaged any resistance to it. In multiple interviews, works council Chairman Schwarz and PRO-GE head Wimmer stressed that staff would have to be cut regardless due to the conversion to electric drive technology and EU directives limiting carbon dioxide and nitrogen emissions.

Workers must prevent their jobs and wages from being forever subordinated to the shareholders' greed for profit. They can only achieve this through a united, independent offensive of their colleagues in all international factories. The Sozialistische Gleichheitspartei (SGP), the German section of the Fourth International, advocates building action committees that are completely independent of the unions, taking the defence of jobs into workers' own hands, and networking across Europe and internationally. Contact us to find out more about achieving these objectives.



To contact the WSWS and the Socialist Equality Party visit:

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