

# Continental: Massive cutbacks with the help of the trade unions

Marianne Arens  
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After months in which workers at automotive products manufacturer Continental have been opposing the threat of job cuts with continuing actions, on April 20, the Continental Executive Board in Hannover and the unions went public with an agreement.

What the IG Metall and IG BCE unions, as well as the media, are praising as a “solid negotiation result” and a “great success” is the sealing of a long-planned attack. To save at least €1 billion a year, 30,000 jobs will be eliminated throughout the company and in Germany alone 13,000 jobs will be cut.

Several plants are to be closed and the closures will only be delayed for a short time. The closure of the tyre manufacturing plant in Aachen, for example, has been postponed from the end of 2021 to the end of 2022. Last September, there were still 1,800 employees in Aachen and of these, hundreds are now already being laid off via severance agreements and non-renewal of temporary contracts. By the end of the year, only 500 workers will remain to wind up operations at the plant.

A massive cutback is also being threatened in Regensburg, where up to 2,000 employees will lose their jobs. At the same time, Regensburg is to become the headquarters of the outsourced Conti-Antriebstechnologie (drive technology), now called Vitesco Technologies. Only electromobility work is to be done here. This was confirmed by Supervisory Board Chairman Wolfgang Reitzle and Executive Board Chairman Nikolai Setzer at Continental’s annual general meeting on April 29. In the longer term, Continental, or Vitesco Technologies, intends to exit the combustion engine industry altogether.

In Karben, Hesse, the announced closure of the electronics plant is also only being postponed—from 2023 to 2025. After 2023, only 337 of the current 1,088 employees, or just under a third, will remain. Just 150

workers will wind up in what remains of Continental Automotive GmbH and only 187 employees will continue to work for Continental Engineering Services (CES).

These minor delays are the “great success” about which the IG Metall works council representatives boast. Meanwhile, they hope “that CES [at the Karben site] will grow again.” CES has set the target of doubling sales within five years, however, this will only serve to put massive pressure on employees to forgo any bargaining demands in the meantime.

Jobs are also being cut at numerous other Continental locations, and plants such as at Babenhausen near Frankfurt (2,570 jobs) or Roding in Oberpfalz (520 jobs) are affected by closures. In this way, Continental aims to maintain its competitiveness on the world market and bolster its shareholders’ profits.

With 230,000 jobs, Continental is the world’s second-largest automotive supplier. Its largest shareholder is the Schaeffler family and the Schaeffler Group is the sixth-richest German business enterprise. The media made much of the fact that shareholders at Continental’s annual general meeting on Thursday decided to forgo a dividend for 2020. As recently as last summer, Continental paid out €600 million in dividends to its shareholders, despite the pandemic.

Continental and Schaeffler are among companies using the coronavirus pandemic as a pretext to push through long-planned cutbacks. In their drive for profits, they will concentrate production, relocate it to the most cost-effective sites and irreversibly destroy tens of thousands of previously well-paid jobs. IG Metall and IG BCE stand on their side in this.

The trade unions have taken on the task of pushing through the massive job cuts. IG Metall deputy chair Christiane Benner is also deputy chair of the

Continental supervisory board. She has been involved in the plans for the mass redundancies and closures since the end of 2019. The trade unions, with their network of works council representatives and shop stewards at all sites, are ensuring that they are enforced. Through tightly controlled, limited protest actions, they seek to dissipate and blunt workers' anger to ensure it does not interfere with management's plans.

The Sozialistische Gleichheitspartei (Socialist Equality Party) and its sister parties around the world in the International Committee of the Fourth International (ICFI) are fighting to build action committees to mobilize the workers independent of the corporatist unions in a struggle for secure jobs uniting workers across production sites and national borders. The ICFI is calling for workers to join and build the International Workers Alliance of Rank-and-File Committees (IWA-RFC). In a statement issued for May Day it says of unions like IG Metall, "These organizations are 'unions' in name only. In actual practice, they long ago abandoned any defense of the interests of the workers they claim to represent and now function as co-conspirators of corporate management and the state."

This is exemplified by the role of IG Metall at Continental. In Karben, the works council announced only a fortnight ago that IG Metall was preparing a ballot and an indefinite strike to defend the jobs. "Let's be clear," the union wrote in its flyer, "IG Metall and the works council want to preserve the plant and the jobs at the Karben site."

Two weeks later, this is all water under the bridge. Now, it is announced as a great success that at least 750 workers will lose their jobs in Karben by the end of next year and a total of 900 employees by 2025. For 12 years, the unions have been imposing one round of concessions after another on the workers arguing that this would defend jobs. The *World Socialist Web Site* has repeatedly warned that far from defending jobs the collaboration of the unions with management and the imposition of concessions has expedited the attacks on jobs. The WSWs wrote, "In the end, however, the union's signature will set the seal on the closure, coupled with its familiar methods of pressuring workers to take early retirement, severance pay and a transfer into a subsidiary company, which in turn leads to unemployment after a few months."

This is exactly what happened. Now the plant

closures are being carried through, accompanied by a set of measures that the unions are selling as the "success of our struggle," It was thus possible to keep the consequences of the plant closure "bearable" for the workers, as Francesco Grioli from the IG BCE executive board put it.

In addition to part-time work for older workers and severance packages, the well-known "transfer companies" will be set up, which have been notorious for 30 years as transfer stations into unemployment. In addition, a "solidarity fund" is to be set up for laid-off temporary and fixed-term workers, which IG Metall itself admits is "not big."

It goes on to say in its statement on the Karben plant, "For the members of IG Metall who worked as permanent employees, we negotiated significantly higher severance pay." This privileging of union members is probably the most overt proof that IG Metall is deliberately dividing the workers. Those who do not declare their support for the union, or even dare to criticise it, should know from the outset that they will be the first to be dismissed and under the worst conditions.



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