

Germany: Works council and union agree to job cuts at Siemens Power & Gas

By Gustav Kemper
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On September 29, the negotiating teams of the Siemens Executive Board and the company works council signed a so-called “settlement of interests” for the corporation’s “PG2020” programme, which foresees massive wage cuts and layoffs in the construction of gas turbines. In May 2015, Siemens CEO Joe Kaeser announced the elimination of 4,500 jobs, with 2,200 going in Germany. Of these, 1,700 will fall in the Power & Gas division, which employs a total of 13,000.

PG2020 is just one of several so-called “efficiency programmes” that have been launched by Siemens in the past two years. It relates to the realignment of the energy division, in gas and steam turbines, generators and compressors and entire power plants, including control functions. This realignment involves the relocation of entire production processes abroad. In the Berlin gas turbine plant, 800 jobs are at stake, with 900 at risk in Mülheim.

Since the announcement of the cuts programme, the IG Metall union has conducted a shameless campaign geared towards suppressing any serious resistance through staging a few harmless protest actions. This follows a schema that has been repeated many times in recent years.

First, there are loud protests against the announced redundancies, the number of which management deliberately exaggerates. Then some sporadic demonstrations are organized to let off steam, while the union negotiates with the management in secret. Then the union agrees to cut the number of jobs that corresponds to the actual plans of the company, and presents this supposedly smaller number of job losses as a major victory through which the production site was supposedly saved. However, this victory does not come for free, the bureaucrats say, and some wage

concessions will have to be accepted.

This was also the pattern in Berlin at the Huttenstrasse gas turbine plant. On June 9, IG Metall organized a demonstration attended by more than 1,500 employees. Then every Wednesday, they held a so-called “Lunch Walk”, which in the beginning attracted several hundred workers who marched for 30 minutes with horns and whistles through the Moabit district calling for solidarity from the local population. But the refusal of the trade union to engage in a serious struggle increasingly disillusioned the workers, so that on September 30 the protest only attracted a group of just over 60 employees.

Works council chairman Günter Augustat then announced to this much reduced group the alleged success that had been negotiated: “Previously, the danger was that we faced a partial closure of the plant, because nothing else was there—a total relocation of the housing mechanics, a total relocation of the rotor mechanics, a total relocation of the drive pulleys, and a total relocation of the shovel mechanics. And that could be averted, ladies and gentlemen. It was important for us as a works council to make clear that this site has to have a future in production.”

He continued: “The present settlement of interests as a package for all other locations—Mülheim, Görlitz, Erfurt, Nuremberg, Erlangen—this PG2020 transformation programme could be changed decisively. This is a success, ladies and gentlemen.”

But he knew there was a kicker: “That will not come for free! That there will be some bitter pills to swallow, that was clear. The pills don’t come from us, the pills were provided by the employer.”

One day later, at the factory meeting, the facts came to light, which were described by workers as follows: “The want us to shrink by 2021 to about 200

employees with only a small team in service and for repairs. The entire production of turbine housings will move abroad, because the companies there have made better offers. Sooner or later, we ‘may’ all go. It’s all just a matter of time; the decisions have already been made. There was no security for the preservation of jobs. Only a small permanent staff will remain, which is a small part of the 1,700 we are now.”

Another worker reported that the so-called “Berlin plant allowance”, a salary component which they had fought for over the past 25 years, is to be reduced by 3 percent of salary this year and by another 5 percent the following years until it reaches zero. “That would mean more than 500 euros a month for me. That’s about 30 percent of current salary that will cease for everyone. I live in Berlin and the cost of living here is not going down, but up.”

A colleague added: “On the one hand, they want increases in production, and at the same time, they are reducing jobs. Overtime is not to be paid, but would be used as time off, in lieu when there are no contracts to fulfill. Purchasing will be relocated, a large part of which is already carried out via the Czech Republic. Staff reductions will be achieved through early retirement.”

There was always talk of internal transfers within the corporation, of a change of jobs between different sites, she added. “But if you look at the relevant intranet site, then there are only offers for highly skilled technicians, not for ordinary workers in manufacturing. In addition, many vacancies are filled by interns or students who received no or very low pay. They will also be quickly let go again without any problem when they are no longer needed.”

A crane operator pointed out that this so-called settlement of interests is the same thing that “was done at Karstadt and Schlecker, which then virtually went bankrupt or was sold off after two years. The bigwigs always want more, more, more, and the little people who actually do the work, they get less and less.”

His colleague added: “We were told that the outsourcing of production to Hungary was initially off the table, but we no longer believe it.” There was such chaos, and meaningless actions being taken, that they do not have the impression that the outsourcing is really off the table. “This is all just messing about for the next two or three years.”

After the factory meeting, more than 200 workers gathered in front of the local pub to discuss the next steps. They decided not to work the next day but to gather in front of the factory and discuss further action.

A shop steward suggested the union call a meeting of shop stewards from all factories in the Siemens group to decide on action. However, any hope that the union leadership can be pressured into taking up a real fight is thoroughly unrealistic. The only effective struggle against internationally operating corporations like Siemens is a common struggle by workers against both “free enterprise”, to shift the economic crisis off the backs of the workers, as well as against the straitjacket of the trade unions, which subordinate the interests of workers to the profit system.

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