Germany: IG Metall and works council agree to 1,700 more job cuts

By Elisabeth Zimmermann
7 October 2016

Siemens announced in March its intention to cut 2,500 jobs worldwide in its process industry and engine division, 2,000 of these in Germany.

The central works council subsequently collaborated closely with the company to work out the details, presenting a plan on September 26 that includes 1,700 job cuts at German plants. Workers constructing engines at plants in Bavaria will be affected most severely by the layoffs.

As usual, the works council portrayed the agreement as a success because 300 fewer workers are to be let go than was originally demanded by company management. The agreement proposes cutting around 330 instead of the original 370 in Bad Neustadt, 590 in Nuremburg instead of 730, and 600 in Ruhstorf near Passau instead of 710. In addition, there will be 28 job cuts in Berlin and 130 in Erlangen.

At the Siemens Ruhstorf plant, practically half of the workforce will lose their jobs. The plant, which has a history going back over a century as Loher GmbH (founded in 1895, dissolved in 2012) and only recently purchased by Siemens, is now in serious danger. It is among the most important businesses in the region. A large percentage of residents in Ruhrstorf and the surrounding area are either directly or indirectly dependent upon Siemens. In March, 2,000 people protested in Ruhrstorf against the planned layoffs.

The protests organised by the IG Metall trade union over recent months sought to keep the workers at each plant separate from each other, including a day of action in July under the slogan, “Siemens is staying in Bavaria.” These protests have nothing to do with a serious defence of jobs, but form the framework within which job cuts have repeatedly taken place and been organised jointly by the company management and works council.

In the face of great concern among workers and their families about the future of their jobs and the Ruhrstorf plant, Jürgen Wechsler, regional leader of IG Metall in Bavaria and deputy chairman on the supervisory board of Siemens Healthcare GmbH, declared, “There are big concerns as to whether what has been agreed will still exist in four years.”

Wechsler’s crocodile tears should fool no one. As regional leader for IG Metall, he earns more than €10,000 per month, without even taking account of the payments he receives for sitting on the supervisory board and other top-ups. After he agreed to the layoffs, this bureaucrat is now declaring that this could be the prelude to the shutdown of the Ruhstorf plant. He is obviously well aware of the plans already in place for the proposed shutdown.

Further indication of this is given by the fact that plans already exist for establishing a trade centre with financial support from the Bavarian government at the Siemens location.

The deputy chair of the Ruhstorf works council, Elke Malcher, told the regional public broadcaster Bayerische Rundfunk that the agreement to cut jobs meant the effective elimination of pre-production. A large percentage of the job cuts will be carried out in 2018-19.

As with countless other examples of layoffs carried out within the framework of “social partnership,” some of the workers will be transferred to temporary jobs for 17 to 24 months, amounting in practice to a transfer into unemployment, while others will be paid off or go on part-time hours en route to retirement.

A similar procedure is under way at other plants.

These job cuts come on top of the 13,000 layoffs announced by CEO Joe Kaeser as part of Siemens’ restructuring plans last year. Apart from administration, the main area affected by this cost-cutting programme of job destruction was the energy division.

As was the case last year, the justifications for the layoffs include “the oil price drop,” “the deepening global crisis,” “declining demand for equipment and engines in the oil and gas industry” and “an intensification of global competition.”

Under these conditions, shareholders are demanding drastic cost-cutting, stepped-up exploitation and the outsourcing of production to cheap labour locations in Eastern Europe and Asia.

Siemens human resources head Janina Kugel spoke of “painful cuts” and added, “But ultimately we all have an interest in making the business sustainably competitive once again.” IG Metall and the works councils are in full agreement with this view.

They serve as co-managers and an industrial police force to enforce the job cuts and attacks against the workers, while seeking to smother any form of resistance to this.

They refuse not only to organise a genuine struggle to defend all jobs, but also divide workers and pit them against each other with their nationalist politics. IG Metall functionary Wechsel boasted that he had called on Siemens not to outsource any more production jobs to Eastern Europe. This had been achieved to a limited extent in the talks, but Siemens had insisted upon its outsourcing strategy, he claimed.

The only way to defend all jobs is through a joint international struggle of all workers against the job cuts planned by the corporations and their IG Metall and works council stooges. This struggle must be based on an internationalist and socialist programme.