

# General Electric follows Siemens in announcing mass layoffs

By Gustav Kemper  
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Rumours about mass layoffs at General Electric (GE) had been circulating for some time. They were confirmed at the beginning of last week by a report in the French business newspaper *Les Echos*.

GE's executive provided details to the European works council of the former Alstom facilities in France, which were purchased by GE in August 2016, about job cuts in Europe. According to this, 1,600 jobs in German facilities, 1,400 in Swiss factories, and 1,100 at GE's British operations will be cut.

The former Alstom facilities in France will initially be spared from the job cuts, since GE pledged in the purchase contract to create at least 1,000 jobs in France by the end of 2018. This was a precondition to secure approval in the bidding process.

Employees at GE's German facilities only found out more details at factory meetings on Thursday. GE employs close to 10,000 workers in Germany. GE Power and GE Grid Solutions are the subsidiaries most affected by the job cuts, including locations in Berlin, Mannheim, Stuttgart, Mönchengladbach and Kassel.

According to press reports, assembly at the Berlin-Marienfelde plant will be halted, causing the loss of 500 jobs of a total of 650 workers employed there. Production at the Mönchengladbach plant will also fall victim to the cuts, resulting in 350 job cuts. Further jobs will be lost at GE Grid in Berlin Neukölln. One hundred job cuts are planned at an engineering facility in Stuttgart.

At the end of the month, the shutdown of the turbine plant in Mannheim begun in 2016 will be concluded with the loss of 1,000 jobs. The new plan will also impact some 700 service workers in the city, with 600 jobs being cut and the remaining 100 relocated to other sites in the medium term.

In the Swiss canton of Aargau, 1,400 jobs will be cut.

This will impact 1,100 jobs at the Baden plant, in the Steam Power and Power Services business area, and a further 250 jobs in Birr, (power plant components), where 100 layoffs have already been carried out this year. The Oberentfelden plant (power grid planning) will also see 50 engineers and administrative staff lose their jobs.

In Britain, 1,100 jobs will go at factories in Stafford and Rugby.

John Flannery, GE's new CEO, took up his post only in August 2017 after the company's share price had fallen by 40 percent over the previous twelve months. *Manager Magazine* reported that consideration was being given to removing GE from the Dow Jones lead index. The company was one of its founding members in 1896.

Like Siemens management, Flannery justified the company's new orientation by citing a declining global market for power plant equipment and a corresponding drop in orders for large turbines. Germany's new energy policy, the "energy transition," has resulted in a faster increase in renewable energy than had been expected, added Flannery, and there is also increased competition in the market for the production of standard turbines from Asian producers, and from China in particular.

The main source of the pressure for the reorientation was the company's shareholders. GE shares have been viewed as a secure investment since the company's founding. On November 13, after Flannery presented the restructuring proposal and plan to concentrate in the future on the areas of air travel, energy and health care technology to the shareholders, and also announced the halving of dividend payouts, GE lost \$20 billion in value over two days, as its share price plunged.

The company has cut its dividend only twice in its

history, in 1938, following the Great Depression, and after the financial crisis in 2009.

Investment funds, pension insurers and other investors demanded even deeper cost-cutting measures, since wage and job cuts generally mean increased share prices for shareholders.

This development lays bare the irreconcilability of the workers' class interests and those of the owners of capital. There is no compromise that will allow workers to secure their jobs and basic necessities of life at their existing level without breaking the capitalists' unchallenged control over the factories. This is precisely what the trade unions reject. They protest against the job cuts with moral arguments and appeals to the corporations' social responsibility.

Marco Spengler, deputy chair of GE Germany Holding Ltd.'s supervisory board, is also head of operations for the IG Metall trade union in Freiburg. He lamented that GE is calling into question its industrial existence in Germany with the job cuts. "This is a slap in the face for employees which they will not accept," he told *Handelsblatt*. However, as deputy chair of the supervisory board, he is bound to the company's interests.

Klaus Abel, lead representative for IG Metall in Berlin, referred to GE Power's large profit of 9.5 percent during the first three quarters of 2016 and described the layoffs as "extremely anti-social."

"The job cuts amount to a capitulation by the company in the face of complex issues," Klaus Stein, head of operations for IG Metall in Mannheim, told the *Mannheimer Morgen*. "Before the end of the year, we all intend to protest in front of General Electric Germany's headquarters in Frankfurt," he added.

The trade union bureaucrats are closely connected by numerous ties to company management and are well paid for this. Like the shareholders and managers, they focus above all on the company's competitiveness and therefore subordinate workers' interests to the maximisation of corporate profits. Protests are organised to let off steam and to control the outrage in the workforce.

In the case of the layoffs at GE, a routine programme of protests will be held as at other companies: demonstrations, rallies with whistles, well-wishing statements from politicians. These will be followed by closed-door talks about which the workforce will hear

nothing, and finally the presentation of accomplished facts. Jobs have been destroyed everywhere according to this plan—Opel in Bochum, ThyssenKrupp, Siemens Power & Gas, the Siemens Dynamo plant, Bombardier, Air Berlin, and the list goes on.

The trade union officials will continue to act in this way until workers form their own action committees, take the conduct of the struggle into their own hands and break the unchallenged control enjoyed by the capitalists over the factories and their own lives.

This demands a political struggle waged independently of the trade unions. GE's plans fully confirm the Sozialistische Gleichheitspartei's (SGP) analysis that the latest wave of layoffs in the industrial and service sectors marks the beginning of a new stage of bitter class conflicts, which must be waged on the basis of a socialist programme.

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