

Germany: Daimler doubles job cuts from 15,000 to 30,000—shareholders rejoice as stock price rises

By K. Nesan
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Manager Magazin reported on Wednesday that Daimler AG, with the full support of the IG Metall union, is drastically increasing the number of jobs being cut at the automaker. Instead of the previously announced 15,000, now 30,000 jobs are to be destroyed worldwide. The shareholders reacted enthusiastically. The news had only just broken when the Daimler share price skyrocketed.

Nobody should believe that the mass layoffs at Daimler have already reached the endpoint with this announcement. Daimler workers and millions of employees in companies associated with the automotive industry should regard these dismissals as the beginning of a broad campaign of unprecedented attacks.

Since the founding of Benz & Cie. by Karl Benz in 1883, there has never been such a massive attack on the workers. The job cuts at Daimler, the flagship of the German automotive industry and the engine of the German economy, herald a wave of redundancies in other areas of the industry as well.

On the same day, IG Metall announced that there will be massive job cuts in many companies, according to its information. The union assumes that at least 300,000 jobs in the metal and electrical industries are in acute danger. At the same time, the union announced it would do nothing about this, except intensify its collaboration with the corporations and the government. Above all, it is pleading for an extension in short-time working to up to 24 months, “to relieve the companies.”

Manager Magazin has published a chart describing 10 production sites worldwide as “wobbly candidates” threatened with closure or cutbacks. The sites are located in Germany, Brazil, Mexico, South Africa, Poland, France and Finland, and employ 43,400 workers.

A week ago, Daimler announced a loss of €1.68 billion for the second quarter of 2020. Analysts had expected an even higher loss. According to Daimler, market recovery has been stronger than expected. In June, there had been “strong

growth,” it said. Nevertheless, Daimler boss Ola Källenius said, “But there is still a lot to do. ... We must continue our systematic efforts to further lower the company’s break-even point through cost reduction and capacity adjustments.”

The head of Daimler clearly stated that there would be further layoffs and cost-cutting programmes. *Manager Magazin* headlined its piece “Källenius is taking things seriously” and quoted a supervisory board member saying, “He’s going through with it now.” Daimler’s CFO Harald Wilhelm commented, “We cannot accept our cost structure in the long term.” Lowering Daimler’s cost base was a “task for the entire current decade,” he said.

What the WSWs wrote about the works council’s salami tactics at the beginning of last week has now been confirmed. Works council head Michael Brecht has announced the group’s real reduction plans only in slices. Otherwise, the works council and IG Metall would lose control of workers.

Two weeks ago, Daimler head of personnel Wilfried Porth outlined the company’s plans in a detailed interview with the *Stuttgarter Zeitung*, pointing out that Daimler would have to save far more than €1.4 billion. Therefore, far more employees than planned would have to be laid off. He said that management was conducting intensive negotiations with the IG Metall works council to work out a strategy.

The recent announcement of 30,000 redundancies is the result of these “intensive negotiations.” But even that is not the end of the story. Porth, for whom workers are only numbers in balance sheets and annual reports, has already announced there will be no “holy cows.” Everything that the workers have fought for in the past—collective agreements on shift bonuses, holiday pay and Christmas bonuses—must be called into question, he said.

Daimler management and IG Metall know that they risk an uprising by the workers if the extent of the plans they have worked out behind the workers’ backs were revealed

immediately and fully. That is why the works council is pretending to be clueless when announcing the bad news, claiming to have known nothing.

In reality, the leading works council members and trade union officials sit on the supervisory board and economic committee. Not only are they well informed, but they also present their own plans for job and social cuts, which were previously drawn up by the trade union Hans Böckler Foundation.

More and more workers recognise the hostile manoeuvres and machinations of IG Metall. The *Stuttgarter Zeitung* interviewed workers during the shift change on Monday after the interview with Porth was published. All those expressing their anger did not want to give their names, as a precaution against reprisals.

One worker, who had been employed in the steel melting shop for 30 years, expressed concern that many young workers would lose their jobs. The *Stuttgarter Zeitung* quoted him saying that this applied especially to those who were just starting out, since those who came last usually had to go first when jobs were cut.

Five days after the interview with Porth, the two leading works council members, Michael Brecht and Ergun Lümalı, admitted in an e-mail to all workers that they were holding intensive talks with management, but did not disclose any details. The e-mail merely stated that “additional measures” were necessary to further stabilise Daimler’s financial situation.

As if they were managers themselves, they wrote, “Nobody doubts that the situation is serious. And of course, the current coronavirus crisis and the changes in the automotive industry are weighing on our economic situation. That is why we are in intensive talks with the management. ...”

Personnel Manager Porth made it unmistakably clear that layoffs were on the table. The goal could not be achieved exclusively voluntarily. Brecht, Lümalı and IG Metall have no plans to counter this threat. Instead, their e-mail shows they are completely on the side of the board of directors and see their main task in reassuring the employees and keeping them quiet.

They try and put them off by pointing to the “company agreement on safeguarding the future,” which allegedly includes job security until 2030. In fact, the agreement stipulates that this will no longer be the case if economic conditions change.

The day before he sent the scandalous e-mail, Brecht had explained at a video press conference held at the Benz plant in Gaggenau what it was really about. He said, “Not only the works council but both sides” had to look for solutions in economic crises. “We have instruments to reduce

personnel costs in a crisis,” but there “can never be a one hundred percent guarantee.”

The trade unions are loyal partners of the exploiters, not only in Germany but all over the world. Workers must be clear about the class character of the trade unions. They play a central role in preventing an independent mobilisation and united struggle to push through the workers’ demands.

The coronavirus crisis and the technical changes in the automobile industry are a welcome opportunity in the eyes of investors and shareholders to sack many thousands of workers, to destroy the social gains they achieved in the past, and to introduce slave-like conditions in the factories. Whatever the human cost of the crisis, the main priority is to increase profits. That is the real reason for ever-new cuts programmes and factory closures.

The unions defend the capitalist profit system and are closely linked to the nation state; they will always act against the interests of the workers. It is high time that Daimler workers opposed the conspiracy of the board of directors and the works council.

Cuts in wages and social benefits will not save any jobs, but only pave the way for further redundancies. All jobs, wages and social gains must be defended. When Brecht & Co. declare that this is not possible because it endangers the profits of the board of directors, millionaires and capital owners, it only means that the defence of jobs and wages requires a fight against capitalism.

The right to work and decent wages stands higher than the obscene enrichment of the major shareholders and their henchmen. The works councils must be forced to disclose all the details of their secret negotiations with management.

Car workers face the task of breaking with the unions and their bought-and-paid works council members, forming independent action committees, joining together internationally and fighting for a socialist programme. We call on all readers and especially Daimler workers to contact the WSWS to discuss these issues and to organise a common struggle to defend jobs.

To contact the WSWS and the
Socialist Equality Party visit:

<http://www.wsws.org>