

# Panasonic closes German factory despite hunger strike

Markus Salzmann, K. Nesan  
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Despite three months of protests and a hunger strike by workers, the Panasonic tube factory in Esslingen in the state of Baden-Württemberg has closed down. Approximately 600 workers have lost their jobs.

The decision to close the Esslinger works had already been made some time ago by the management of the MT Picture Display Germany GmbH, a subsidiary of the Matsushita and Toshiba companies. At the start of 2005, 300 workers were dismissed, and in February of this year, production was stopped completely. All remaining workers were dismissed, effective July 31.

Nevertheless, workers at the factory resisted until the last moment. Since the end of March, more than 500 workers have camped out in tents on the factory premises and maintained a picket around the clock. At the beginning of June, the dispute intensified when nine workers began a hunger strike. A few days later, they were followed by six other workers. Twenty others signaled their readiness to do the same.

The workers were unable, however, to prevent the acceptance of a benefits plan proposed by the arbitration board last Friday, although the plan contained only slightly improved conditions for the workers. Acceptance of the plan was the final nail in the coffin of the factory.

Afterwards, disappointment and despair were written onto the faces of many workers and their relatives. The hunger strike had attracted attention far beyond the immediate region of the factory, winning considerable support, and from workers at other companies; many strikers had expected a better result.

The company management justified the closure with the drop in prices for TV tubes on the world market. Although the factory works council made detailed alternative proposals, the management autocratically declared that any other alternative use for plant was not possible.

In fact, this latest closure is part of a company strategy to shift production into low-wage countries. During the past few years, manufacturing plants have been systematically set up in eastern Europe and Asia, which are now commencing production. Because of “global price competition,” the company also announced the closure of a plant belonging to the German subsidiary of Panasonic, the AVC network Germany GmbH, located in Peine (Lower Saxony). This closure will cost 151 workers their jobs.

Many workers are particularly indignant about the fact that the Japanese electronics company Matsushita Electric Industrial, which is behind the Panasonic label, announced a substantial increase in turnover and profits at the same time as it announced the closures in Esslingen and Peine. The company’s net surplus for the third business quarter of 2005/2006 was up by 39 percent compared to the previous

year, approximately €344 million, while turnover increased by 4 percent, a total of approximately €16.8 billion.

Despite these figures, the company management implemented the closure and fought over every cent due to the workers in redundancy payments. Regardless of the long and embittered resistance by the workers in Esslingen, the redundancy payments offered are below the usual level paid in the industry. In the case of the recently closed Panasonic work in Hamburg, dismissed workers received additional payments of €5,000 for every child. In Esslingen, this payment shrunk to just €1,000 per child.

Many workers regard the benefits plan that has now been negotiated as a slap in the face. Most of them worked hard at the factory for many decades at considerable cost to their health. The compensation is of limited help because for the predominantly unskilled workers, more than half of whom are of foreign origin, chances of finding another job are next to nothing. After one year of unemployment, they are then threatened with financial ruin because potential recipients of Unemployment Pay II (paid after the first year of unemployment) are required to prove that they have used up all of their savings and redundancy payments.

The workers are not only angry about the ruthless behavior of the management, they are also infuriated over the role played by their trade union, the engineering union IG Metall. Despite a valid contract that was only due to expire at the end of July, IG Metall was ready to agree to a contract with representatives of the employers’ association and management in February over the setting up of a so-called “transfer company” named Refugio.

This company will operate for just one year, far too brief a time to achieve any serious reeducation and qualifying measures. In addition, workers joining the transfer company lose several months of their contractually guaranteed employment as well as the date for their protection against dismissal.

For these reasons, 89 percent of the workforce opposed the transfer company negotiated by the trade union and the associated benefits package. The staff was not prepared to “allow itself to be fobbed off,” in the words of Murat Bozkurt, head of the works council.

Then, however, the demand made by the works council for an extended term of notice, which would have guaranteed continued payment of wages at least up to the end of November, was ignored in negotiations—including by the trade union. Instead, the IG Metall praised the proposal it had negotiated with management and requested workers to join the transfer company.

After the workforce rejected the trade union proposal by a large majority, the Esslingen IG Metall withdrew any support for the workers’ struggle. Ilona Dammköhler, who is responsible in the

Esslingen district IG Metall for the factory, told the press: “We have the impression that the people are just interested in high compensation but not in further qualification via an occupational company.”

This comes from someone who enjoys a far higher salary, courtesy of members’ dues, than Panasonic workers have ever earned.

Under these conditions, the hunger strike was an act of desperation by the workers to win public attention and support under conditions where the trade union had refused any further support or solidarity.

In a report for the *Frankfurter Rundschau* newspaper titled “Their anger is also directed against the IG Metall,” reporter Gabriele Renz described the mood of workers at the factory gate. “Caner Ögüz can only lift his eyelids with difficulty. Weakened, the 40-year-old lies on a couch in front of the wind-blown tent of the pickets. Even a letter by his nine-year-old daughter (‘Daddy, I don’t want to lose you’) could not induce him to break off his hunger strike. His colleague Tayyar Recep, who was dispatched to hospital by the company doctor on the fifth day of the hunger strike, is also sitting there. With 14 others. He calls the 15,000 euro compensation for 12 years of work at the tube assembly ‘money for sweets’....

“In particular the trade union has left us in the lurch, is the complaint of the sickly men on couches. ‘18 euros a month (union dues)—for what?’ Ögüz asks. ‘What will they tell our children: I fought for your father or I backed down?’ Works council head Oezcan still has more than 400 resignation requests. If none of the trade unionists show up then he and his workmates want nothing more to do with the union.”

The head of the factory works council, Fahrettin Oezcan, told reporters from the *World Socialist Web Site*: “I intend to resign from the IG Metall. The trade union completely ignored our 115-day-long fight. Even so, we were able by our fight to get €5.5 million more than the union’s negotiated. The statement by Ilona Dammköhler and other IG Metall functionaries, that we were not fighting for our jobs but only for the highest possible levels of redundancy, is really disgraceful. Our first concern was always for our jobs. Everyone knows that here. But what can we do when the company management imposes the factory closure in the face of all resistance. Then we have to fight for levels of compensation which are made at other locations.

“In addition, it is not correct when the IG Metall says nothing more could have been done because production has already been stopped. Other plants belonging to the company continued to work, although it would have been possible to go on strike.”

Mustafa Toktepe, 49, is Turkish and accuses the IG Metall and the management of nationalist behavior. “There is no other explanation for the fact that the union negotiated far higher redundancy payments at the Hamburg plant a few months ago. We here in Esslingen are predominantly foreign workers. I am convinced that played a role.”

Toktepe is married and has three children. He has worked at the factory for 30 years and held a responsible position as shift leader. “Today nobody is interested in the fact that we worked hard year in year out. We are treated like rubbish that nobody needs anymore,” he said.

During the hunger strike, Toktepe had to be treated in hospital because of acute heart problems. “My aim was to defend my job. I did not want to accept the conditions laid down by management. Now we gained a bit more, but it is not much. I am not content with the result but I have no other choice than to accept. Unlike the IG Metall we had support every day from the population of Esslingen and many colleagues from other factories. That was very good.”

Manfred Werner, 45, worked for 20 years at Panasonic. “My father and many members of my family worked here. I have seen how the owners of the company changed on several occasions and every time jobs were lost. Now it is to be closed for good. I do not agree with the social plan. I do not need redundancy money, I need work. Through the hunger strike we were able in the long run to gain €2,000 more than the original offer. Whether it was worth the health risk is questionable.

“When we reminded management during recent weeks of the difficulties we had experienced during nightshifts, weekend work and overtime we heard the answer in return: that is what you were paid for. We always did our best for the company and now we are being treated like dirt.

“I am disappointed with the trade union although I am still a member. Eight or ten years ago the IG Metall could still negotiate and exert pressure. Today they stand completely on the side of management. I heard how an IG Metall full-timer said: ‘The Turks probably need more money to build their hotels in Turkey, that’s why they have gone on hunger strike.’ Formerly there were no such disputes in the company. I have no idea how many nationalities were represented in the workforce but we were always one big family.”

“I worked 27 here years,” Antonio Giorgi, 50, told the WWS. “I live alone but that does not mean that the redundancy is enough for the rest of my life. The new Hartz IV law does not permit one to put aside redundancy as an insurance for old age. One has to use it up before one qualifies for Unemployment Pay II. But it is not just money and the work which we lose. For me and many others the colleagues on the job were part of a big family. I would immediately do without every cent if it meant I could keep my job.

“In addition, what is to become of the younger generation if jobs continued to vanish? Many politicians warn the younger generation about the danger of drugs and alcohol abuse. That is just cheap talk when at the same time one destroys any concrete future chances for young people.”



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