German unions agree to mass layoffs in printing machine industry

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Thousands of jobs will be destroyed at the world's largest manufacturers of printing presses and related equipment—Heidelberg Print Machine AG (HDM) and Manroland—following the merger of the two companies in line with a proposal drawn up by leading banks. Both firms have been hit hard by the financial crisis.

According to the plans of Allianz Capital Partner, the investment arm of the Allianz company, which is the majority shareholder in Manroland (65 percent) and also holds 12 percent of the shares in HDM, the two companies are to be merged in order to re-establish an "appropriate" rate of profit. Just as at Opel and General Motors, mass redundancies are on the agenda, and once again the German engineering union, IG Metall, and its work councils are playing a key role in implementing the attacks against the workforce.

The credit and loan guarantees for HDM, which were granted by a group of banks in the middle of 2009 and totaled 550 million euros, were tied to state loan guarantees totaling the same amount. In addition, the banks demanded considerable cost cutting on the part of HDM.

For its part, IG Metall was aware as early as last year that mass redundancies were in the cards. In its annual balance sheet, HDM had put aside hundreds of millions for future redundancy payments.

It is against this background that one should examine the announcement by the IG Metall executive committee of May 18 2009, headed: "Protection for the print industry". In its document, the trade union angrily deplored the fact that the employers were seeking "to break the past social consensus prevailing in the industry". In reality, the IG Metall and its joint works council chairman, Rainer Wagner, who also sits on the company supervisory board as deputy chairman, had long since been informed about the details and extent of planned job reductions.

The toothless explanations and protest actions carried out by the union in recent weeks serve only to mask the close co-operation between IG Metall and company management aimed at preventing a common struggle by all employees at all workplaces.

The IGM functionaries at protest demonstrations condemn the banks and their demands for "excessive bonus payments" and call upon management to refrain from mass redundancies. In reality, however, they are cooperating with management in preparing for the massive destruction of jobs.

On October 7, IG Metall and its work councils agreed with the HDM executive committee to accept extensive dismissals. In addition to job cuts already agreed to last year, another 4,000 dismissals are to take place by the end of March 2010, including 1,500 in Germany at the plants in Heidelberg, Walldorf/Wiesloch, Amstetten, Brandenburg, Ludwigsburg and Mönchengladbach.

This total does not include dismissals that will result from the planned fusion of HDM and Manroland. In addition to Allianz Capital Partners, also involved in the deal are Deutsche Bank on behalf of Manroland and the investment bank Merrill Lynch for HDM. Both financial institutions had made their support for the fusion dependent on further cost reductions, i.e., cuts in personnel.

On October 8, the main representative of IG Metall Heidelberg, Mirko Geiger, defended the trade union's agreement to the shedding of 1,500 jobs with the argument that IG Metall had negotiated an "acceptable redundancy regulation".

The company's workforce knows very well that even a relatively high redundancy payment is no replacement for a job and reacted with disappointment and anger to the trade union's acquiescence. The value of HDM stock, however, jumped sharply to an annual high immediately after publication of the agreement.

The IG Metall union is directly aiding mass redundancies and ensuring that the burden of the crisis is shifted onto the backs of the workers to the benefit of major shareholders. The banks, which have received billions of euros in aid from the taxpayer, are once again carrying out their speculative activities, while workers are stripped of all the wages and conditions guaranteed in their previous contracts.

HDM, for example, simply declared in June of this year that the "contract for future protection", designed to protect jobs until March 31, 2012, was null and void. This breach of contract is expected to save the company around 250 million euros in the current financial year. Further savings of 400 million euros per year are planned for the forthcoming period.

Under these conditions, the struggle to defend jobs demands not only a confrontation with management but, above all, a rebellion against the sellout being conducted by the IG Metall. Workforces must unite across the industry and establish factory committees, which function completely independently of the trade unions. Only on this basis will it be possible to unite workers in the printing machine industry in Germany and internationally with their colleagues in the auto industry and other sections of workers in a common struggle for the defense of all jobs and wages.