

# Mass layoffs hit German printing press industry

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Secret agreements recently concluded by company management, creditors, liquidators and the IG Metall trade union will mean the loss of nearly 5,000 jobs in the German print machine industry.

Early on Wednesday evening, January 18, the liquidator of Manroland, Werner Schneider, declared that the creditors of the company had decided to accept the bid by Lübeck L. Possehl & Co. mbH, which is only interested in taking over the web offset plant in Augsburg. A rival bid by the US investment firm Platinum Equity, which had submitted a \$100 million bid for all three sites in Augsburg, Offenbach and Plauen, had been rejected.

Manroland management also announced that the number of employees at the company had declined from about 6,500 to 6,200 since the declaration of bankruptcy in late November last year. Now just 2,500 jobs are to be retained from the total of 4,700 employees at Augsburg, Offenbach and Plauen. Jobs will also be axed at the company's foreign holdings.

Just one day earlier the board of the Heidelberger Druckmaschinen AG, the world's biggest manufacturer of printing presses and competitor of Manroland, announced that the company was also shedding 2,000 jobs. "According to current plans, this number consists of around 1,200 domestic posts in the areas of production, development, management and sales and some 800 jobs abroad", the management statement declares.

In both cases, the IG Metall trade union is playing a key role. The union has long been informed about the dismissal plans and is advising both companies on how best to enforce the massive job losses. In the case of

Manroland, the union supported German investor Possehl from the start and campaigned for its offer, although the Possehl Group was only interested in the one site at Augsburg.

Just a few days ago, IG Metall warned that the American investor was pursuing short-term profit interests and was intent on breaking up Manroland. Following mass layoffs and restructuring the company would be sold at a profit—the typical business model for a "corporate raider".

The union sought to give the impression that Possehl was pursuing somewhat more civilised aims. On its web site, the company declares: "What we promise is that our company will allow you to develop—with substantial operational autonomy and supported by our holdings. We grow because our companies are developing successfully."

What is not mentioned on the company web site are the mass layoffs demanded by the Possehl Group before it takes over a company in the first place.

IG Metall (IGM) has previous experience dealing with the Possehl company. The union had already cooperated with Possehl to facilitate a corporate takeover of the Bowe Systec company based in Augsburg. The union functionary involved in those negotiations was the same IGM official, Jürgen Kerner, with responsibility for Manroland workers in Augsburg.

The local newspaper *Augsburger Allgemeine* described what happened at Bowe Systec: "When Possehl bought the company in November it had already shed 110 of its 590 employees in Augsburg. They were shifted into a transfer company, most were

able to gain places in another company. The remaining staff of Bowe Systec were given a guarantee of employment until 2013 by the new employer. In exchange, the 480 employees had to sacrifice their vacation and Christmas bonuses.”

German company Possehl is ready to cooperate with the trade union and works councils and share responsibility with IGM for hammering out concessions from the workforce.

Under the direction of Jürgen Kerner the entire workforce of Manroland has been delivered into the hands of the Possehl. The IG Metall leadership has refused to organise any effective and unified action on the part of the workforce. Instead the union has played off one plant against the other.

While Augsburg maintains the possibility of continuing its operations in a highly reduced form, the plants in Plauen and Offenbach have been left dangling in uncertainty. It is likely that many departments will be closed. The claim by IG Metall that it has been possible to save many jobs is a blatant lie. In reality, a wave of redundancies is sweeping across the printing industry.

The union played the same role in relation to the layoffs at the Heidelberger Druckmaschinen AG. In feigned outrage, the local IGM branch declared that the union had made unmistakably clear to the company that it would not accept a “lawnmower” approach to jobs and was prepared to mobilise the workforce.

In the same breath, however, IGM expressed its understanding for the “difficult economic situation” and its readiness to conduct “prompt exploratory talks with management”.

Workers in Heidelberg can recall previous examples of such readiness to cooperate on the part of the union. Just three years ago a quarter of all global jobs at HDM were wiped out in collusion with the trade union. The latest planned layoffs would reduce the company’s workforce by another 13 percent, to about 13,700.

All of these redundancies threaten the livelihoods not just of individual workers, who will have enormous problems finding alternative adequate work, but also thousands of families reliant on the income of the main

bread earner.

Workers face a battle on two fronts. With each passing day, IG Metall demonstrates that it is completely incapable of defending jobs, and serves only to divide workers and hold them back. The fight to defend all jobs in all locations requires the construction of factory committees organised independently of the trade unions. These committees must establish contact with employees at other plants and conduct a struggle on the principle of placing the rights of workers above those of corporate profits.



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