German unions agree to more layoffs at Heidelberg

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Three years after the sacking of 4,500 blue- and white-collar workers at Heidelberg Print Machines AG (HDM), a further 2,000 jobs are due to be axed. In addition, the remaining workforce will be expected to take pay cuts.

On March 30, the HDM management, in collusion with the company works council and the German IG Metall trade union, agreed that 1,200 jobs in Germany and another 800 posts in international sales and service network should go. This total represents 13 percent of the total company workforce of about 15,000 employees.

In a press release, IG Metall actually praised this agreement as "an innovative solution", while both the works council chair Rainer Wagner and the leading representative of IG-Metall, Mirko Geiger, spoke of a "good result". The pair noted that the management proposals had been unanimously adopted by the company tariff commission. Union representatives had had a "very positive feedback", the union boasted.

Just a few months ago, it was IGM bureaucrat Geiger who signed the agreement with management that led to 2,200 layoffs and massive wage cuts for the remaining workforce at Manroland, the insolvent HDM rival.

In addition to the layoffs, the new HDM contract includes a reduction of weekly working hours from 35 to 31.5 for all staff at its headquarters in Heidelberg and Wiesloch, with a corresponding pay cut of 10 percent.

Rainer Wagner's praise of the new contract as "solidarity in action" will strike the laid-off workers as particularly hypocritical. According to the union, the pay cut was the only way to prevent additional job cuts. Mirko Gieger also cynically praised the "beneficial employment effect of the reduction in working hours".

The contract also involves the repayment of holiday and Christmas bonuses deferred two years ago. In addition, older workers will be offered a severance payment if they voluntarily terminate their contracts or take early retirement.

Following the announcement of layoffs and wage cuts, the share price for HDM jumped by 8 percent, but then slumped by 12 percent over the following three trading days, with traders apparently considering the austerity measures insufficient.

The development in the printing machinery industry reflects the technological shift from print to digital media as well as the consequences of the global financial crisis, which makes it difficult for printers to obtain loans to finance new equipment.

The case of HDM makes clear how IG Metall strives to ensure that the entire burden of the company restructuring is carried by workers. The latest layoffs are aimed at fulfilling the objectives laid down in the HDM efficiency programme "Focus 2012"—i.e., to achieve a profit of €150 million in the financial year 2013-2014. The layoffs contract agreed by the union and works council is set to generate cost savings for the company of €180 million (US$235 million).

In the last decade, the worldwide workforce of HDM has fallen from 25,000 to less than 14,000. Its main rivals—Manroland, KBA, Goss International and Komori—have also sacked thousands of workers.

In all of these companies, the works councils and union leaders subordinate the interests of workers to the profit goals of the company. It was the unions that agreed to and imposed wage cuts and layoffs.

To defend their interests, workers must organise independently of the unions and take responsibility for the defence of jobs and wages. To this end, they must establish contact with workers at other HDM facilities and at printing machinery manufacturers around the world.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact