

Swiss trade unions play key role in facilitating closure of Merck Serono plant

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On August 9 representatives of UNIA, the Swiss trade union, presented the workforce at Merck Serono in Geneva with a deal under which their plant would close. Union officials insisted that the workers immediately vote on the plan, which included a ban on any further industrial action. According to the agreement, the biopharmaceutical company will close its plant in Geneva with the loss of 1,250 employees, plus the loss of 600 ancillary jobs.

Workers at the plant were told to accept the closure and end all industrial action. Following advice from UNIA, the company personnel committee even agreed to drop a lawsuit against Merck Serono to prevent illegal mass layoffs. All legal action against management was to end.

On the basis of these concessions, the company is now able to set in motion the closure of its Geneva facility. Full-time employees will receive severance pay based on seniority, consisting of one month's salary per year of employment, or the sum of at least twelve months' wages. Workers 56 years and older have an option to take early retirement, provided they have worked for the company for more than five years. In addition, Merck Serono will pay two million Swiss francs into a cantonal [local government] fund, aimed at "reducing the impact of closure on the local labour market".

These concessions amount to small change for the German pharmaceutical and chemical company, which posted total revenue of over €10 billion in 2011. Merck, which took over Serono in 2007, can continue to use the latter's patents and benefit from its access to US markets.

The jobs of the workers in Geneva and at another smaller subsidiary in Coinsins (Vaud canton), however, have been lost for good.

Around 700 employees were offered alternative jobs at other locations—for example, in Darmstadt, Germany—involving the transfer to another country. Any worker accepting the transfer would have to start from scratch and in the event of redundancies at the new place of employment would be the first to lose his or her job. Reflecting widespread mistrust of company management, less than 5 percent of the workforce have signed up for a possible transfer.

On its web site, UNIA boasts that the agreement ended a labour dispute which had led to "one of the largest mobilizations in the recent industrial history of this country". The company urgently needed the services of the union to suppress the militant response by workers and enforce the closure in a quasi-legal manner.

Following the April 24 announcement that the plant was closing, workers responded in early May with industrial action. They conducted occupations of the company gates, demonstrations and strikes, and on May 30 sent a delegation of over a hundred employees to Darmstadt, the Merck Group's headquarters, to express solidarity with German co-workers also facing the risk of redundancy.

The announcement of the layoffs at Merck Serono sparked a wave of solidarity on the part of Geneva's population—angry that redundancies were taking place despite the company's very positive balance sheets. In particular, the biopharmaceutical division of Serono has enjoyed a double-digit growth in profits.

In addition, Merck Serono's pressing ahead with the plant closure was a flagrant violation of the law. According to Swiss law, dismissal as part of a collective redundancy is impermissible if the affected worker was not consulted beforehand. This is why the company was so dependent on the services of UNIA, Switzerland's largest union.

A few days after the closure was announced, UNIA in Geneva invited the workforce to a meeting to elect a committee consisting of 13 staff members. The committee was headed by Hubert Godinot, a company director and chief of its control group for clinical development. Committee representatives were then invited to talks with Merck management and cantonal and municipal representatives.

On June 19 mass layoffs were once again announced, this time with attention paid to giving appropriate notice and including consultation with the newly elected employee representatives. Together with white-collar staff representatives, UNIA officials developed three "alternative approaches", all of which involved mass layoffs and wage cuts. Merck Serono rejected each of the proposals.

A few days later UNIA abandoned any action to defend jobs. Strike action and occupation of the company gates were ended, with the union arguing that it was necessary to give management more time to consider its response.

On July 20 the *World Socialist Web Site* commented: “From the start, the aim of UNIA was to work together with management and bourgeois politicians to find an alternative solution for the Geneva plants that had slightly less impact on the jobs of the workforce.” (See “Merck Serono closes its factory in Geneva”)

UNIA was only able to suppress the labour dispute completely on August 9. Serono employees were confronted with the fact that UNIA officials and the staff representatives had agreed to a deal to close the plant. In this regard, UNIA was able to rely fully on the support of the cantonal and municipal authorities.

By this time, the initial enthusiasm and militancy of workers, their family members and Geneva residents had given way to disappointment. The workplace meetings on August 9 were attended by less than 400 employees. Three months earlier nearly double this number had attended. In the end, lacking any viable alternative, 277 attendees representing a mere 15 percent of the workforce voted for the union proposal.

The disappointment and frustration of workers were evident when a team from the *World Socialist Web Site* visited the plant to distribute copies of the article, “Merck Serono closes its factory in Geneva”.

David, one of the workers we spoke to, described the closure of Merck Serono as a disaster: “This is the first case of mass layoffs of this magnitude in Switzerland”. After a moment’s reflection, he added. “But it’s probably not the last.”

The closure will have a serious impact not only on the sacked employees, but also on the residents of the district and the city of Geneva. Many of those who talked to the WSWs team were employees of outside firms, who will be left with nothing when their jobs go. Many operations at the plant, including cleaning services, logistics, catering, janitorial work, maintenance of the equipment, printing, etc., were contracted out.

“The union has not carried out a proper fight”, one employee from ISS facility management told us. At the start, the union involved outside workers in activities. “We were allowed to participate in the strike and we all marched on the demonstration to the Geneva city council”. On August 9, however, UNIA sought to exclude these employees from the workplace meeting. Now it’s unclear what will happen to them.

Several workers expressed their suspicion that Merck had taken over Serono in Geneva merely to get its hands on company patents in the United States.

One computer scientist who worked for the company 21 years said that Merck had merely taken advantage of Serono. “Now when they no longer need us”, he said, the closure will be carried out regardless of the consequences for staff. The Merck family and shareholders have soaked up hundreds of millions of euros in profits from the operation, he told us, and now Serono is to be dumped. The workforce had kicked up a fuss for a few months, but “what the company has done with us is incomparably more brutal”. What had taken place was a disgrace, he said.

“Merck had previously been denied access to American markets”, another worker told us. This was the reason for the entire manoeuvre. Following the successful acquisition of Serono by Merck, the Group had no reason to keep the jobs in Geneva. He was not surprised to learn of the closure and had not taken part in the one-day strikes and demonstrations because he had no confidence that the union would fight to defend jobs. “All or nothing” was his motto, he told us.

Ramon, who worked at Serono in drug development, declared: “It was more of a set-up than a genuine labor dispute.” UNIA had been recruited by the company management to rescue its fortunes.

Many workers commented that the current situation in Switzerland was unprecedented. “We live here and this is completely new”, said Nicole, who has worked for Serono for almost a quarter of a century. “Here no one is accustomed to being sacked. And certainly not the professional group represented here, consisting almost entirely of researchers and scientists.”

She pointed out that it was nonsensical to pit the Swiss site against the Merck facility in Darmstadt, as the unions had done: “Geneva is a thoroughly international city. And over 50 nationalities are represented in the plant.”



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