

Germany: Prinovis print works to close in Itzehoe

Ernst Wolff
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The printing company Prinovis (formerly Gruner & Jahr) in Itzehoe in Schleswig-Holstein will close in 2014. The management announced this at a factory meeting on Wednesday, saying 680 permanent employees, 20 trainees and 300 contract workers will lose their jobs in summer 2014.

The factory, which celebrated its 125th anniversary in 2004, was acquired in 2005 by the Bertelsmann company Gruner & Jahr and Arvato, as well as by Springer; it had 1,265 employees at that time. Bertelsmann—owned by the Mohn family, whose wealth the most recent Forbes list put at €3.5 billion—holds 74.9 percent of the shares. The remaining 25.1 percent are owned by Axel Springer’s widow, whose fortune Forbes estimates at €3 billion.

The news that the Itzehoe company is to be liquidated eight years after being taken over does not come as a surprise. From the outset, the new management had a clear goal: to put the competition under pressure through “predatory pricing” so as to become the market leader in the area of gravure printing, and to secure its profitability by cutting costs at its various sites.

This was done using the “Bertelsmann system”: the individual plants belonging to Prinovis were driven to compete against each other. After the liquidation of the Darmstadt plant in 2008 with the destruction of 300 jobs, the workforces in Ahrensburg, Dresden, Nuremberg and Liverpool were systematically played against each other.

Workers were forced to grant new concessions, such as short-time working, a 40-hour week without any increased pay, unpaid overtime, and the renunciation of Christmas and holiday bonuses. In return, they received the false promise of job security until 2015.

Parallel with the intensification of working conditions for permanent employees, temporary work was increasingly introduced. In 2010 at Itzehoe, 150 permanent employees were replaced by temporary workers who received just €7.35 (US\$9.83) per hour for

the same work instead of the usual €11.23 (\$15.00) per hour following a six-month training period. Temporary workers also received less holiday pay, no Christmas bonus and six days less holiday than their permanent colleagues.

In 2011, when 200 of the 800 employees in Nuremberg refused to sign an individual contract that would have worsened their working conditions even further and reduced their salaries, management threatened to dismiss 138 of them. The strike that followed, lasting almost one and a half months, ended with the dismissal of 107 employees despite a solidarity strike at the Itzehoe plant.

Frank Werneke, deputy head of the Verdi union, commented on the plant closure on Wednesday, saying, “The majority shareholders around Bertelsmann owner Liz Mohn as well as the minority shareholder Friede Springer will have to explain how they justify this devastating blow, given their assets worth billions”.

Works Council member Sven Guericke told the *Schleswig-Holstein Newspaper*: “There will be tough negotiations; the challenge now is to fight for the best possible balance of interests.”

According to the Works Constitution Law, a “balance of interests” is a mutual agreement between an employer and the works council concerning the nature and extent of the changes to the business. By committing to a balance of interests, the works council relinquishes from the start mounting any struggle to defend jobs. Instead, it offers its services to Prinovis as co-managers in the winding up of the factory.

Since the takeover by Bertelsmann in 2005, the union and works council have provided vital support to management and share responsibility for their manoeuvres against the workforce. Their announcement makes clear that they will not deviate from this course, even in face of the plant closure and the destruction of the livelihoods of thousands in this economically devastated

region.

The protest rallies in Itzehoe and Gütersloh also announced on Wednesday primarily serve to let off a little steam, while the works council and union carry on negotiating behind closed doors with the bosses about how the closure of the plant can be accomplished without a hitch.

In 2005, the Bertelsmann Group had left no doubt as to its intention of squeezing every last cent out of the former family business in Itzehoe, and to pursue a course of confrontation against the workforce. One attack on the incomes and working conditions of the employees was immediately followed by the next.

Instead of warning the staff about the “Bertelsmann system”, which Verdi knows only too well, opposing these attacks and defending the employees’ rights, the union and works council have never conducted a serious fight, despite a few mildly critical words.

The willingness of the workforce to fight, demonstrated among other things by the solidarity strike in Nuremberg, was intentionally weakened by Verdi and the works council. They urged the workforce to accept new compromises with the company, fostering the illusion that jobs could thus be saved.

With management hiring more and more temporary workers, Verdi and the works council did nothing to oppose this form of wage cutting and the division of the workforce, apart from a few hollow expressions of anger. Instead of uniting the workforce at the various plants against the company’s divisive tactics, they negotiated “socially acceptable redundancies” at Darmstadt and Nuremberg.

In the past two years, Bertlesmann, which owns two thirds of Prinovis, has made a profit of over €1 billion (\$1.3 billion); awarding bonuses totalling €28 million to its six executive board members on the occasion of the company’s 175th anniversary. The Mohn family left the party €34 million richer.



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