

# EADS to cut 5,800 jobs across Europe

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The European aerospace and defence firm EADS plans to eliminate at least 5,800 jobs by 2016. Company management made the announcement on Monday. A company statement revealed that the European works council had received a “restructuring plan” proposing mass layoffs and a fundamental restructuring of operations.

The Cassidian Air Systems subsidiary, aerospace technology company Astrium, and the military airplane division of Airbus, Airbus Military, will be the main targets of the job cuts. 500 jobs will also go in the company’s “central operations and services.” The cuts are part of the company’s plan to bring together the defence and space business into a new unit “Airbus Defence and Space,” and to rebrand the entire EADS firm as “Airbus Group.”

The destruction of jobs and restructuring measures threaten EADS facilities throughout Europe. In Germany alone, 2,600 jobs are to be cut, the majority in Bavaria where Cassidian has its headquarters. According to media reports, 1,300 jobs in France, 560 in Spain and 450 jobs in Britain will go. The plan proposes between 1,000 and 1,450 redundancies. In addition, around 1,300 contract workers, including temporary workers, will receive no new contract.

The deep cost-cutting at EADS is part of a new round of attacks on the European working class. In the last few weeks, Siemens, RWE, Bayer and a number of other firms have announced mass layoffs. In addition, new austerity budgets were adopted by governments in Italy, the Netherlands and Greece. In Germany, the Christian Democratic Union/Christian Social Union (CDU/CSU) and the Social Democrats (SPD) have agreed in their coalition agreement on an intensification of austerity policies throughout Europe.

According to information from the company, further details on the full extent of the job cuts and restructuring measures at EADS will only be provided

in February 2014. Several things are already clear. The company plans to shut down its plant in Unterschleißheim and sell the former EADS headquarters in Paris.

EADS CEO Tom Enders justified the layoffs with the need to “increase competitiveness in the air and space industry”, and raise the rate of return on investments in the firm by 10 percent by 2016. In order to satisfy shareholders’ greed for more profits, the workforce are threatened with attacks going far beyond the measures already announced.

“Our goal is to become competitive. We will see if the planned measures are sufficient or if there need to be further cuts,” Enders announced. It was clear only that this would not be “the last restructuring programme in this area.” In this regard he referred to the “success” of the power-8 programme, a previous restructuring programme by the EADS subsidiary Airbus, which cost 10,000 workers their jobs between 2007 and 2011. “We know how to undertake large restructuring programmes”, Enders added.

As with Power-8, the job cuts are to be implemented in close cooperation with the trade unions.

The company’s statement declares, “Now EADS will begin to work out joint social measures and solutions for all affected workers with the works councils”. Furthermore, the firm intends to “conduct negotiations with the works councils to reach an agreement on the reduction of labour costs to cushion the social impact of the restructuring measures.”

The trade unions and works councils have already made clear that they are ready to play their part in imposing the measures. Fearing dissatisfaction among the workers, they criticised Enders’ statement that there could be compulsory redundancies, but they fully agree in principle with the restructuring measures. It is their aim to organise the job cuts with as little opposition as possible and in close collaboration with company

management.

Rüdiger Lütjen, the chair of the European works council at EADS, stated on Tuesday that no one disputed that changes were necessary, though “It depends on how this is done.”

He warned, “With the profits the company is achieving, it would not be acceptable to anyone to force workers out the door”. It was positive that EADS had first informed the workforce and then the media, he continued. “As a result, we hope that a process has been introduced that is characterised by fairness and consensus with the workforce.”

Everything had to be done, according to Lütjen, to avoid compulsory redundancies, but he opposed mobilising the workforce. It was first a matter of calmly reviewing the situation, he said, since there were still no precise details about cuts at each location. He added cynically, “I always try to remain calm. We are assuming that the negotiations will take months.”

IG Metall’s Bavarian regional head Jürgen Wechsler also demanded “that EADS reject compulsory redundancies in principle”. This would determine whether the reorganisation would be carried out through confrontation or cooperation, he said. There could be no “closure of sites without the provision of appropriate socially agreed alternatives.”

The French trade union Force Ouvrière declared in a statement that “beyond the shock, it is necessary to analyse all the details which will be presented to the trade unions and workers’ representatives by company management in the coming days.”

The restructuring measures are also supported by politicians. Bavarian state President Horst Seehofer (CSU) stated, “As a state government, we can’t just avoid structural change which is linked to the declining defence industry”. He also warned against compulsory redundancies. The elimination of jobs must “take place with as much agreement as possible. I have also made this request to Tom Enders. I expect that this is also how it will be viewed there.”

French Labour Minister Michel Sapin stated, “This company makes money ... and if it wants to restructure and adapt, fine. But it also has a duty ... to adopt measures to avoid any redundancies.”

The German government explained on Tuesday that while it regretted the decision of the company’s management, it would not get involved in the job cuts

at EADS. In a statement from the ministry of business and technology, it said, “We will follow closely the further developments, especially the planned restructuring of the firm.”

The government also supports the attacks on EADS workers, because it will profit directly from them. Only two days after the announcement of the mass layoffs, Enders confirmed at an investor’s meeting in London on Wednesday that the firm planned to hand between 30 and 40 percent of its net profit over the coming year to the company’s share owners. EADS shares rose sharply by 7.73 percent on the same day.

The governments of France and Germany will also profit from the higher dividends. With 12 percent each, they are EADS’ largest shareholders.



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