

# Germany: Osram cuts 7,800 jobs worldwide

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The lighting manufacturer Osram Licht AG announced a new round of job cuts last week. Its board of directors headquartered in Munich is planning to axe a total of 7,800 out of a worldwide workforce of 34,000 by 2017 in order to cut costs. In Germany, there will be a total of 1,700 layoffs at the Munich, Berlin, Eichstätt and Augsburg plants. All together, Osram has 9,500 employees in Germany.

When Osram's parent company Siemens launched the Osram lighting division on the stock exchange a year ago, it also cut 8,700 employees from its workforce. Since 2011, the management in Munich has implemented a restructuring program, which was actually due to be completed in 2015. Seven factories have already been closed or sold. Next to Philips, Osram is the second largest lighting products manufacturer in the world and still has 36 factories in locations around the world. It has plants in Ukraine, Russia, Poland, and the Czech Republic, and several plants in China.

This second cost-cutting program has been cynically designated “Push II.” Implementation is supposed to be completed by 2017 and will allow the company to save 260 million euros. Osram management has sought to justify the job cuts as a response to the transformation of the industry by LEDs. Conventional halogen and energy-saving bulbs are increasingly being replaced with LED lights. This explanation implies that the attack on the Osram workers will not end with this second wave of job cuts.

In the words of Osram head Wolfgang Dehen, “We will make further adaptations beyond the second wave of cuts, but we cannot yet foresee their extent.” He reassured shareholders that the current profit margin of eight percent would be maintained under all circumstances.

The union IG Metall is among those demanding the company increase its investment in the production of

LEDs. The German business newspaper *Handelsblatt* quoted Dehnen's response to these demands: “It has not yet been proved that LEDs can be produced competitively in German factories.” The company has already opened a new factory in China.

Over the past few days, additional information about the planned job cuts at individual factories has gradually emerged. In both of the largest factories, in Berlin and Augsburg, each of which employ over 1,000 workers, 300 to 400 jobs are set to be slashed. The smaller factories in Munich and Eichstätt will each have their workforces reduced by 300 employees.

On Monday, workers at the Spandauer Plant in Berlin, a factory with a rich labor history, were informed that an additional 283 positions would be cut from its remaining workforce of 1,300. In the past two years alone, over 400 workers have been laid off at this location.

Works council chairman Andreas Felgendreher put on a display of indignation at the announcement. “Since 2009, we have lost 1,100 fellow workers,” he told the press. “How are such cuts sustainable? Why is there no investment in our high-performance plant?” The demand for “sustainability” is the official position of IG Metall, which—rather than organizing an international campaign in defense of jobs in all the company's plants—views itself as a branch of company management.

In the same vein, Irene Schulz, managing director of IG Metall — who, as a member of the Osram advisory board is informed of every staff reduction long before the employees are told about it—complained that the executive board is aiming for “a short term cost reduction through job cuts” instead of “a sustainable solution.” In other words, it is her view that a “long term cost reduction” and even deeper cuts are necessary. Or, again in her own words, “against the backdrop of the existing technological change, a

strategy for single German locations must be developed and implemented.”

The first round of job cuts bears the signature of both the union IG Metall and the works council, and the company knows that it can once again count on the union to help it to implement the new round of cuts. Sitting side-by-side on the Osram advisory board with works council member Thomas Wetzel from the Berlin plant are works council chairman Willi Sattler, works council member Hubert Roßkopf from the Eichstätt plant, IG Metall press spokesman Michael Knuth, as well as IG Metall managing director Irene Schulz. As members of the board they all received an income of between 40,000 and 100,000 euros in 2013 plus an additional attendance bonus of 1,000 euros for every meeting of the advisory board.

During the shift change on Thursday, WSWs reporters spoke with numerous Osram workers who expressed their anger over the announcement of additional job cuts.

A 58-year-old worker, a long-time Osram employee, said, “Osram has been on the decline ever since it split from Siemens in mid 2013 and was launched on the stock market as an independent company... The announcement back in November 2010 that every worker would receive a bonus of one thousand euros was meant to deceive the workers, because after that we had to give it all back through cuts and loss of benefits.”

A large number of employees said the complete closure of the plant could not be ruled out as a possibility. Workers also expressed their displeasure with the union and the works council. “Nothing can be expected from the works council and IG Metall, because they're all working together behind the scenes,” said an older worker.

Senguel, a 48-year-old Turkish worker who has been employed by Osram for 30 years, also expressed his distrust of IG Metall. “They do absolutely nothing,” he said.

Ljubica Pupovac, 63, has worked for Osram since she came to Germany from Yugoslavia at the age of 17. She told us that over the past 10 years Osram has repeatedly tried to fire her because of her critical attitude. Two years ago as cuts were being implemented, she was offered severance pay for the second time. “A whole 30,000 euros! I told the

personnel department 'that's ridiculous, you want to insult me.' Then I was forced to listen to this: 'you're going to retire soon anyway.' The nerve of that! I have worked hard for my retirement for more than 45 years.”

“Now they are talking about aiming for bigger profits, but they don't want to give up anything to us,” she added. Although she is still a member of the union, she criticized IG Metall severely. “They never told us the truth. It's just like politics. They are hiding everything to keep everything calm because they are afraid of us.”



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