

Germany: IG Metall leaders plead for “constructive dialogue” to secure company profits

Our reporters
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The IG Metall trade union organized a series of demonstrations and rallies on Monday to correspond with a meeting of the Osram Supervisory Board in Augsburg.

Osram, the world’s second biggest producer of lamps and lighting equipment, has announced plans to shed 7,800 jobs worldwide, including 1,700 in Germany, by the year 2017. In Berlin, where the company was originally founded over a hundred years ago, the company plans to slash at least 300 of the current 1,290 jobs in the city. Since 2009, the company has already wiped out 400 jobs in Berlin and 1,100 across the country.

The company also plans to halve its workforce in Eichstätt to around 350, wipe out 400 of the 1,200 jobs at its Augsburg plant, and shed up to 300 jobs at its headquarters in Munich. A further 80 jobs are to be eliminated in Schwabmünchen and Wipperfurth, respectively.

The current round of layoffs are a direct result of the company’s restructuring program introduced in 2011. The plan, designated “Push II,” is aimed at saving the company €260 million and ensuring that the current profit margin of eight percent is maintained under all circumstances.

At the same time, statements from company management have made clear that the current round of job cuts does not preclude further sackings and plant closures in the near future. 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.”

Over 1,000 workers took part in a protest march organized by IG Metall in Augsburg, but just 150

attended a rally at the company’s central works in Berlin’s Siemensstadt. There was evidently very little participation at the rally by Osram workers, who have had painful experiences at the hands of the IG Metall. The union bureaucrats, enjoying protection against job loss and raking in fat premiums for their collaboration with management on the company supervisory board, have signed off on every job cut so far.

The Berlin rally was filled out by delegations of trade union works councils members from BMW, Siemens (bearing a placard with the text “Without people, no profit margins”), plus delegates from an IG Metall conference in nearby Potsdam.

IG Metall leaders in Berlin appealed directly to Osram management for a “constructive dialogue,” i.e. to incorporate the union even more closely into the plans for the company’s reorganization. IG Metall speakers called for a defence of the “company’s operations in Berlin” at the expense of the workforce in other factories in Germany and abroad. They openly appealed for a more active role in restructuring the company in order to secure and improve dividends.

The first speaker at the Berlin rally was Andreas Felgendreher, chairman of the Osram works council in Berlin. Speaking in front of a placard reading, “In the end dividends will also suffer,” Felgendreher called for an alternative business plan involving more investment in new technology. Without such investment, Felgendreher warned, “the economic prospects for the company would be endangered in the long term.” Ignoring the role played by the union in wiping out over 400 jobs in Berlin in recent years, Felgendreher declared that “Osram had a good reputation before 2011.”

The plea for an alternative business plan for the Berlin plant at the expense of Osram's other factories was reiterated by the head of IG Metall in Berlin, Klaus Abel, who declared that Berlin was the most modern of the company's plants with access to research facilities and investment. In particular, Abel called on the Berlin Senate to support the union's proposals.

Abel's plea for more investment for the company's Berlin operations was directly taken up by Dilek Kolat, the Berlin senator for labor, women and integration. Praising the close collaboration between the union and the Senate, which have destroyed industry jobs in Berlin during the past two decades, Kolat called on Osram management to recognize "economic rationality" and "keep their fingers off the company's operations in Berlin".

The balance sheet of the collaboration between IG Metall and the Berlin Senate is disastrous. The number of work sites in the manufacturing sector in Berlin has decreased by 50 percent since 1991. The number of employees in industry has declined over the same period by 65 percent, from 263,000 to 92,000. At the same time, the export share of the Berlin manufacturing sector rose from 10.5 percent to over 53 percent. On the international market, Berlin workers' wages are increasingly able to compete with those of China and other low-wage countries.

The next speaker at the rally, Olaf Bolduan, a spokesman for the Berlin Siemens Works and member of the company supervisory board, directly addressed the shareholders. A year ago Siemens floated its subsidiary Osram on the stock market. Bolduan reminded those assembled that Siemens still retains a 20 percent holding in Osram. Criticizing Osram management for the lack of any "concept for the future," Bolduan called upon Siemens shareholders to put pressure on Osram management, "because in the final analysis it is much better from the standpoint of a shareholder when Osram is doing well and is stable, rather than just downsizing and lacking a strategy."

The rally in Berlin confirmed the bankruptcy of the trade union perspective and made clear that IG Metall has not the slightest intention of defending jobs in Berlin or anywhere else. Instead, based on the union's reactionary policy of collaborating with management to ensure the prospects of individual factories, they openly align themselves with company shareholders and

appeal to the bosses for even closer participation in the next round of company job cuts.



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