# Siemens unveils another round of job cuts in Germany and worldwide

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The German electronics firm Siemens announced February 5 it was slashing 7,800 jobs globally. Most of the job losses will occur among white collar administrative workers, while 1,200 positions in the company's energy sector will be eliminated. Of the total, 3,300 jobs are to be shed in Germany.

One of the main targets of the latest cuts is the Siemens site in Erlangen, Germany, where 900 jobs are to be cut. Three of the firm's four departments have their headquarters in Erlangen. In Nuremberg, 300 jobs are to be cut, 500 at the corporate headquarters in Munich, and 300 in North Rhine-Westphalia. The remaining 1,300 job cuts in Germany are spread across the rest of the company's locations.

Already at the end of May last year, company CEO Joe Kaeser announced at an investors' conference in New York that a total of 11,600 jobs would be affected by the company's restructuring. The latest decision from company management fulfills this announcement. It does not include the jobs that are no longer at Siemens due to the sale or outsourcing of entire departments.

The latest job cuts were prepared in close cooperation with the IG Metall trade union and the works council. Prior to the announcement of the figure, the Siemens business committee met for two days during the first week of February.

The committee, with equal representation from union and management, was led by the new human resources chief Janina Kugel, who is a close associate of CEO Kaeser. She collaborated closely with Birgit Steinborn, who took over the chair of the central works council a year ago and has been deputy chair of the board of directors since the end of January.

Steinborn assumed the leading position on the board from former IG Metall head Berthold Huber. The great value the company places on the collaboration of IG Metall was shown by the selection of Huber for the prestigious post of president of the Siemens Foundation.

Steinborn has worked hand in glove with the previous chairman of the central works council, Lothar Adler, over recent years. According to media reports, Adler earned €360,000 annually from Siemens until his retirement last year. Like Adler, Steinborn has a direct financial interest in the exploitation of Siemens workers.

As deputy chair on the board, Steinborn will make more than €300,000 annually. In total, "worker representatives" on the Siemens board received over €1.8 million, according to a company report.

The trade union board members are supposed to give the majority of these payments to the Hans-Bückler Foundation, run by the German trade union confederation (DGB). The representatives are allowed to retain €33,000 apiece. Due to this rule, the so-called meeting payments for board members, which the trade unionists are allowed to keep for themselves, have increased drastically. For Steinborn, this will amount to another €30,000 annually.

A large portion of the restructuring was directly planned and proposed by the works council and IG Metall. In order to cover up their role as co-managers, some union officials beat the protest drum from time to time.

Thus the IG Metall regional head for Bavaria, Jürgen Wechsler, stated the trade unions were not against "the reduction of superfluous bureaucracy and the slimming down of unnecessarily complicated processes." But they emphatically opposed "a restructuring which, as always, is combined with employee reductions."

Birgit Steinborn also sought to cover her tracks. She

said that she expected difficult negotiations. She said, speaking in Munich February 6, that everything now had to be done “to further reduce the total of around 3,300 affected workers, whose posts are being eliminated, by deploying them somewhere else … I am fed up with job losses always being presented as the only solution.”

Who is Steinborn trying to fool? One cuts programme has followed another at Siemens for years, and on each occasion the IG Metall and works council played a key role in implementing job cuts.

In just the six years that Kaeser’s predecessor, Peter Löscher, led the company, the Siemens workforce was reduced from 475,000 to 370,000. The cuts were carried out through savings programmes, as well as the sale of entire departments. At the end of March last year, Siemens still employed 359,000 workers, of whom 117,000 worked in Germany. Today, with the announcement of the next round of cuts, the total workforce stands at 343,000, and 115,000 in Germany.

The latest announcement is only the beginning of another round of cuts and the destruction of jobs. The former medical technology department with around 50,000 workers has been outsourced and will be run as a legally independent company. At a later point it may be floated on the stock market.

Workers affected by such outsourcing have seen the results of previous outsourcings, sales and fusions, which have all led to further job cuts, as in the cases of Osram and Nokia-Siemens Networks. The sale of the mobile telephone division to BenQ resulted one year later in the bankruptcy of the company and the loss of all jobs.

Beyond the already announced 1,200 job losses, the Siemens energy department will bear the brunt of future restructuring measures and cuts. It has already been confirmed that 300 jobs will be cut at the steam turbine and generator plant in Müllheim in the Ruhr region, where 4,800 workers are employed.

Last year, Siemens purchased the American compressor producer Dresser-Rand for $7.6 billion, intending to profit from the fracking boom in the US. At the time, the price of oil was above $90 per barrel. The oil price has now fallen to below $50 per barrel, in part due to the economic warfare by the US, Europe and Saudi Arabia against Russia. Many suppliers for the oil industry have already announced thousands of layoffs as a result.

While workers at Siemens worry over the future of their jobs, the business press is demanding an acceleration of the social attacks and job cuts. As a comment in daily *Die Welt* February 7 stated, “If Siemens was an American company, everything would move faster.” Layoff protections and co-determination were putting the brakes on the cuts, the newspaper said, warning, “The major American competitor General Electric can only laugh at such blockages.”