

# Siemens announces massive job cuts worldwide

Dietmar Henning  
12 May 2015

The Siemens Group has increased the number of jobs that it aims to cut worldwide. At the presentation of its quarterly figures in London last Thursday, Siemens CEO Joe Kaeser announced an additional 4,500 jobs would go, including 2,200 in Germany.

At the beginning of February, Siemens had announced the slashing of 7,800 jobs worldwide, especially in administration. And earlier, in October last year, 1,200 jobs were targeted in the power generation business Power & Gas.

In total, Kaeser plans to axe 13,500 jobs this year. In this regard, Kaeser compares favourably to his predecessor at Siemens, Peter Löscher. In the six years Löscher was at the head of the group, the number of employees fell from 475,000 to 370,000. That was at the end of 2012, a good six months before Kaeser moved from chief financial officer to the CEO position. At the end of March 2015, only 342,000 people worked at Siemens, with 115,000 in Germany.

The Siemens board of directors wants to save billions at the expense of the workforce through its restructuring plan and make the group profitable for its shareholders.

In the last quarter, Siemens reported a net income of €3.9 billion. Although this is more than three times as much as in the same period the previous year, the figure includes €3.2 billion from the sale of the hearing aids division and its holdings in the Bosch-Siemens Household Appliances subsidiary. By contrast, results from the industrial side of the business shrank by five percent, mainly due to declining figures in Power & Gas.

In London, Kaeser and his CFO Ralf Thomas emphasized that the global group was keeping “all options open” in relation to its unprofitable businesses. Although they wanted to try to restructure these

divisions in-house, there were also “other options”. Kaeser intends to save €1 billion in fiscal year 2016. In other words, the next attacks are already being drafted.

The *Frankfurter Allgemeine Zeitung* called it a “shocking figure” that “around 30 percent of Siemens’ revenue was attributable to unprofitable businesses.” The newspaper regretted that these businesses were not being dumped immediately. The article spoke of a “tabula rasa”, or blank slate for layoffs, for which employees were not yet prepared “emotionally or mentally”.

As always, the IG Metall trade union and works council representatives play an important role. The piecemeal announcement of more and more job cuts is clearly agreed upon between the trade union, works council and management.

It was the IG Metall and works council representatives who also announced exactly which jobs would disappear. Elisabeth Mongs of the IG Metall in Erlangen in Bavaria told broadcaster *Bayerischer Rundfunk* she assumed that probably “several hundred jobs” would go at this location alone. Around 400 additional jobs are threatened in the Berlin gas turbine factory in Moabit. “There is now a total of 800 jobs that are to be lost here,” said Klaus Abel, the senior IG Metall representative in Berlin.

In the steam turbines and generators plant in Mülheim an der Ruhr, which with 4,800 employees is currently the largest site in North Rhine-Westphalia, 450 jobs were scheduled to go even before the recently announced cuts. Now another 400 to 500 jobs could fall victim to the cuts.

Other sectors of the business with low profit margins are to be restructured. Newspapers talk about a reduced workforce in the transformer business. Transformers are manufactured by Siemens in 19 locations

worldwide, including in Germany in Nuremberg, Dresden and Kirchheim.

On the same day Kaeser announced the increased job cuts, the company's Economic Committee met, which includes the works council representatives and management board, and agreed to all of the planned cuts. The never-ending destruction of jobs is part of "Transformation Program PG2020", about which the works council is constantly consulted by personnel chief Janina Kugel, who belongs to the narrow circle of advisers to Kaeser and who leads the Economic Committee.

The works council is helping to implement the job cuts by pushing out older workers from the business. In 2010, it had concluded an agreement titled "Radolfzell 2" which enshrined this manner of "restructuring".

Another method employed by the works council is to offload job cuts on workforces in other countries. The works council at the German Siemens sites of Power & Gas, where 13,000 people are employed, immediately appealed to the board that "the planned measures should not lead to unilateral offshoring".

In this way, the workforces at individual sites are pitted against each other, especially against those at other energy companies such as the French Alstom, the Swiss ABB or the US General Electric Group, all of which are facing the same attacks.

The works council representatives and IG Metall functionaries are handsomely rewarded for assisting in the job losses, which will also dramatically worsen the working conditions of those remaining. In total, the so-called workers' representatives on the Siemens Supervisory Board received more than €1.8 million in the past year, according to the annual report. Birgit Steinborn alone receives more than a half million euros per year as group works council chairman and deputy chairman of the supervisory board.

Steinborn took over the post of supervisory board deputy chairman from former IG Metall leader Berthold Huber at the end of January. Huber is now not only president of the Siemens Foundation but also chairman of the Volkswagen supervisory board.



To contact the WSWWS and the  
Socialist Equality Party visit: