Germany: Siemens cuts another 2,500 jobs

Elisabeth Zimmermann
18 March 2016

Siemens announced its latest round of job cuts on March 9. A total of 2,500 job cuts, including 2,000 in Germany, will take place globally in its engine division (process industries and engines). The greatest impact will be on workers at production sites for motors in Bavaria.

In Nuremberg, 700 jobs will be cut and in Ruhstorf, near Passau, half of the 1,300 jobs will go. In Bad Neustadt, 350 jobs will be cut and 150 are threatened in Erlangen. Between 20 and 30 jobs in this division will be cut in Berlin.

The destruction of these jobs comes on top of the 13,000 job cuts already announced by Chairman of the Board Joe Kaeser within the framework of the company's restructuring last year. In addition to administration, the energy sector has been the main victim of this programme of cost-cutting and job losses.

Like last year, the reasons given for the measures were the "decline in oil prices," "deepening global crisis," "decreased demand for equipment and engines in the oil and gas industry" and "increased international competitiveness."

Under these conditions, shareholders are demanding drastic cost-cutting measures, an intensification of exploitation, as well as the outsourcing of jobs to cheap labour countries in Eastern Europe and Asia.

The *Süddeutsche Zeitung* cited Jürgen Brandes, the head of the process industry and engine division: "As a result, we have to optimise our production network and reduce the number of production locations for products which are similar or the same." Currently, with a turnover of €9 billion, Siemens employs 46,000 workers globally in this sector, 16,000 of whom work in Germany. Overall, Siemens employs 348,000 workers globally, 114,000 in Germany as of October 30, 2015.

When the massive job cuts were announced at factory meetings in the affected locations last Thursday, workers responded with outrage and anger. Many of them have worked in Siemens factories for decades, sometimes including entire families.

Many workers suspect that behind the announcing of new job cuts in stages lies divide-and-rule tactics. The fear is widespread that the factories in Nuremberg and Ruhstorf, which are heavily impacted by the latest cuts, could soon be shut down completely.

In Nuremberg and Bad Neustadt, protests were held in front of the factories. According to a report in the *Passauer Neue Presse*, booing, whistling and angry shouts could be heard through the closed doors of the Lower Bavaria hall in Ruhstorf, where security guards guarded the door.

Representatives of the IG Metall trade union and works council responded as they always do. They acted as if they were surprised and outraged, claimed not to have been informed about the latest measures and assumed a combative pose. According to the online edition of the *Frankfurter Allgemeine Zeitung*, Siemens Central Works Council Chairwoman Birgit Steinborn had announced her intention to fight for every single job.

Steinborn is deputy chair on the supervisory board and it is well known what she means by "defence of jobs in Germany." Early last summer, the works council and IG Metall organised a day of action under the reactionary slogan "Strengthen our Germany location." The entire action served to divide the workers of the global company and mobilise them against each other.

IG Metall wants at all costs to prevent a joint international struggle by all Siemens employees. Steinborn now declares again, "Outsourcing puts the industrial and innovation location Germany at risk. Siemens has a special responsibility here."

At many levels, IG Metall and the works council are part of Siemens' leadership and management. In the

© World Socialist Web Site

name of competitiveness, they call for rationalisation measures and propose their own cuts.

The deceitful character of Steinborn's statement that she intends to fight for every single job is made clear by a report on the web site of Bavarian state radio (BR). On the basis of information from works council sources, the report details problems with the production of large motors. "The 28 global locations of the process industry and engine division are, according to BR information, only working at half capacity."

The report continued by noting that the division was "the company's second weakest," which was "with a margin of almost 6 percent far from the stipulated 12 percent." In justification of the job cuts, BR cited Works Council Chair Steinborn, "Even Siemens central works council chairwoman Birgit Steinborn acknowledges that the business area is 'in a very challenging position.'"

With reference to the situation in Bad Neustadt, BR reported, "Last year, the atmosphere was already tense and IG Metall expected that the next wave of personnel cuts could hit Bad Neustadt."

IG Metall and the works council function as co-managers and a factory police force in order to force through the job cuts and attacks against the workforce. They intend to smother all resistance to this as quickly as possible.

An internationalist, socialist perspective is thus even more urgently needed to defend jobs, whether at Siemens, VW or Bombardier, to name only a handful of the global firms that have announced massive job cuts recently.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site