# Germany’s Deutsche Bahn to slash 2,100 rail freight transport jobs

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Germany’s railway operator Deutsche Bahn (DB) plans to slash 2,100 jobs from its freight transportation subsidiary DB Cargo. Nationwide, 215 freight transport points will be closed. This is the first step to a further wave of job cuts.

DB Cargo employs 17,000 people in Germany and, despite of a loss of market share over recent years, from 72 percent five years ago to 62 percent in Germany last year, it is still Europe’s largest rail freight company. Last year, DB Cargo reported losses of €184 million.

The entire DB concern recorded losses of €1.3 billion for 2015, its first loss in more than 10 years. This included one-off costs for DB Cargo related to purchases by the company, which has become a globally functioning logistics concern.

DB board Chairman Rüdiger Grube first announced last October that jobs would be eliminated. In an interview with *Welt am Sonntag*, he justified this by saying that “20 percent of handling facilities [amounted to] 1 percent of turnover.” Customers in northern and eastern Germany, where the focus of the cuts will be, will be practically cut off from rail freight transport.

DB had already planned last year in cooperation with consultancy firm McKinsey to eliminate one in three jobs at DB Cargo, amounting to the loss of 5,000 jobs. Workers were thus being made to pay with their jobs for the international expansion of DB.

Earlier this month, Reuters reported that 498 out of 1,500 loading centres would no longer be required, affecting up to 3,500 jobs. Among the loading centres to be closed were larger ones such as Bamberg-Hafen, which handles almost 200,000 tonnes of freight per year, and the Rangierbahnhof in Saarbrücken, which handles more than 400,000 tonnes per year. Most however are smaller stations in northern and eastern Germany.

A spokesman confirmed that the business position of the company would impact on the workforce. She refused to provide further information since all measures would first be discussed with representatives of the trade unions and works council.

The latest restructuring plan, codenamed “Bahn Future,” was presented to the trade unions and works council last Tuesday. It is the first step in a larger job-cutting programme, previous cost-cutting plans were unaffected by the current savings programme, trade union representatives said.

The savings are aimed at achieving profitability in rail freight transport by the end of 2018. By 2020, turnover is to increase by €700 million to €5.5 billion. Profits will then be €200 million.

Where precisely the job cuts will take place has yet to be disclosed. On the broadcaster Southwest Radio (SWR), the works council chairman reported that, on the basis of a letter from management, half of the 1,000 jobs in Mainz would be eliminated. On top of the 420 jobs to be cut, there were additional workers who would be changing location. “In the end, up to 600 jobs could therefore be lost in Mainz,” SWR wrote. DB spokespeople denied these figures.

Works councillors and union functionaries have already indicated they are prepared to cooperate in the working out and implementation of the cuts against the workforce. Although they expressed criticism of specific measures to head off the anger of the workers, they by no means ruled out job cuts.

The Mainz works councillor stated that he intended to present new proposals to DB on how as many jobs as possible could be retained. The largest two trade unions, the railway and transport union (EVG) and the train drivers’ union (GDL) linked their warning against pursuing a “course of reduction” with their own plans on how DB Cargo could return to profitability.

In a press release last October, the GDL responded to Grube’s announcement by proposing how “the quality of DB Cargo” could be improved. “Is the closure of freight centres really the best way?” they asked. In any case, the GDL was enthused by the “Bahn Future” plan, since DB had to “finally do its homework.”

EVG Chairman Alexander Kirchner said in a press release last week, “Currently all we hear from management is: save, cut, reduce. A plan for the future does not look like that.”

Kirchner demanded an extraordinary supervisory board meeting at DB Cargo and a “company strategy based on growth and more employment.” The date for this extraordinary meeting has since been made known. DB’s supervisory board, composed of representatives of the trade unions, works council, company and shareholders—the privatised DB is fully owned by the federal state—will meet on Wednesday.

Kirchner, who is also deputy chairman on the supervisory board, declared: “Cargo management must finally lay their cards on the table and say where they are taking us.”

However, his colleague from the EVG executive and deputy chairman of the DB Cargo supervisory board, Martin Burkhard, immediately insisted, “What will happen long-term with DB’s freight transport subsidiary, as well as the divisions ‘regio,’ ‘services’ and ‘maintenance and facilities,’ will be decided at the DB supervisory board meeting on June 8 and not before in the media.” As long as EVG “did not recognise any strategy,” it would not agree to the current plans.

This is the usual cover for cost-cutting policies. The unions have been doing this at DB for years to divert the workers’ attention from the fact that they had long prepared plans to impose new cuts.

The EVG has functioned for decades as a “company union” at DB, and is hardly distinguishable from company management. Since 2002, it has jointly organised the reduction of the DB workforce in Germany from 350,000 to approximately 195,000. This has led to increased amounts of overtime, the elimination of rest time, speedup, days of separation from families and other precarious working conditions. It is the trade union that has imposed the company’s plans against the opposition from workers.

Union officials have been rewarded handsomely in return. The role of Norbert Hansen is still well remembered. Hansen moved from chairman of the Transnet union, the predecessor of EVG, directly into the post of DB human resources director and earned millions in the process.

The next round of rationalisations and cuts is now to be introduced. Last year, Grube presented the supervisory board with a plan for the radical reorganisation of company structures to bring in €610 million in savings by 2020. The detailed plans were, as now, kept secret by the appointed managers, trade union functionaries and works councillors so that they could be carried out unhindered behind the backs of the workers.