

German chemical giant Bayer slashes 12,000 jobs

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Bayer AG has announced plans to cut a tenth of its workforce worldwide and divest parts of its corporate conglomerate. Last Thursday, the Bayer supervisory board unanimously approved the plan announced by the company CEO, Werner Baumann. Half of the seats on the supervisory board are filled by representatives of the trade unions and works council officials who all voted to support the job cuts.

A written communication from the company has made clear that the main objective of the job cuts was to increase shareholder revenue. The intended sell-off of the company's veterinary medicine section, its health products Coppertone (sun protection) and Scholl's footwear, plus its 60 percent share in the German service provider Currenta, are all aimed at generating fresh capital. Bayer plans to invest around €35 billion through 2022, with around two-thirds in research and development.

The multinational chemical-pharmaceutical giant is one of the highest rated Dax companies. In mid-2018, its stock market value was around €92.3 billion (US\$105 billion). Last year, the Bayer Group had a turnover of around €35 billion with a profit of €7.3 billion. Last year, Bayer became the world's number one in the agricultural chemicals business following its acquisition of the US chemical concern, Monsanto for €60 billion (US\$66 billion).

Bayer AG employs almost 120,000 people in more than 300 companies on all continents, with more than half of this total employed in Europe. In Germany, the workforce totals 31,620 (2017) at 10 locations. Most are employed at the company's headquarters in Leverkusen, a city between Düsseldorf and Cologne. In Germany, the majority of the 12,000 jobs are to be slashed by the end of 2021.

According to the Bayer announcement: "There are plans to reduce approximately 900 jobs in research at

pharmaceuticals, around 350 at the Factor VIII factory in Wuppertal, approx. 1,100 through the re-organisation of the Consumer Health organisation, 4,100 at Crop Science through the integration of the acquired agricultural business and another 5,500 to 6,000 in cross-division functions, business services and state platforms."

The company is under pressure from investors due to the numerous ongoing lawsuits in the US against Monsanto's weed killer Glyphosate. The plaintiffs accuse Bayer/Monsanto of selling a carcinogenic agent in glyphosate and of failing to warn against its harmful effects. Bayer stock plummeted after the company lost its first glyphosate litigation in August.

"With these measures we are creating the conditions needed to sustainably increase Bayer's performance and profitability," declared Bayer CEO Baumann. All of the planned efficiency and structural measures, including the synergies arising out of the Monsanto takeover, are expected to yield "annual contributions of €2.6 billion from 2022 onwards."

Bayer expects a significant profit increase next year. Despite billions invested in research and development, its adjusted earnings (i.e., profits) are expected to rise from €5.70 to €5.90 per share in the current year to €6.80.

The German trade union IG BCE (Mining, Chemicals, Energy) and the works council fully support these plans—i.e., job cuts to increase profits. The 20-member supervisory board, which has been working on this job massacre for the last weeks and months, comprises 50 percent trade union representatives. The most prominent member of the board is the chairman of the German trade union federation (DGB), Reiner Hoffmann. The deputy chairman of the Supervisory Board is the Bayer general works council chairman, Oliver Zühlke. Hoffmann received €130,000 in compensation and attendance fees for his participation in meetings of the supervisory board last year. Zühlke's income as deputy AR chairman was

more than double this sum.

Zühlke and all the other union and works council representatives on the supervisory board expressed their support for the destruction of every 10th job in an agreement titled “Securing the Future of Bayer 2025.” In an attempt to mute opposition the union bureaucrats applauded the agreement’s “socially acceptable design.”

The company and unions maintain that forced redundancies are basically excluded up to the end of 2025. In fact, the phrase “socially acceptable design” is always used to enforce job cuts. This time, however, the alleged ban on redundancies applies only to Germany and does not apply to workers employed in the company units up for sale. Instead, “possible buyers” are advised to “enter into negotiations” with the works councils “with the aim of discussing employment-security measures for the workforce.”

At the same time, IG BCE and the works council feverishly seek to play off German workers against those employed by the other international branches of the company.

“Germany as our home base has an essential meaning for Bayer AG,” reads the agreement drafted by the union. “Despite considerable consequences from the package of measures, Germany will continue to retain its outstanding significance in the future.” Significant “forward-looking developments are initiated and driven for Bayer from Germany.”

The executive has agreed that the corporate headquarters of the company will remain in Germany and that “management of the pharmaceutical and crop science divisions as well as global functions and business services will continue to be based in Germany. ... The continuation of the German locations remains secured despite necessary adjustments over the term of the agreement. In the case of decisions related to production capacities, the option of awarding contracts to German sites is to be regularly reviewed.”

According to works council chairman Zühlke, “securing of employment and the future viability of jobs have the highest priority. ... The Joint Declaration has succeeded in creating good conditions to this end.”

This is the typical trade union newspeak with which the works councils and trade unions garb their support for wage and job cuts. The designation “employee representatives” is completely false. It is the unions who draw up and implement the attacks agreed by the supervisory boards and other corporate entities in order to secure and increase company “competitiveness.” The IG

BCE has even failed so far to call any of its usual ritual and toothless pseudo-protests to feign outrage over the job cuts.

This leads to one important conclusion: the defence of jobs is only possible in a struggle against the union and its functionaries in the factories.

Bayer employees who are not prepared to sacrifice thousands of jobs in the interests of profit and shareholder enrichment must join forces in independent factory committees and reject the allegedly necessary job losses, plus all other attacks to increase “performance and earning power” (Baumann) and safeguard “future viability” (Zühlke).

The right of workers to a job takes priority over the greed of shareholders. The factory committees must prepare combative measures to defend all jobs at all locations. This is the first step in organising production in the interests of the 120,000-strong workforce around the world and opposing the profit logic of the board and its stalwarts in the works council and unions.

The factory committees must unite workers across all national borders, not just those at Bayer but in all other industries, mobilising them for a common struggle. This requires a political struggle: The working class confronts not just individual companies, but the entire capitalist system.

The Socialist Equality Party (SGP) and the *World Socialist Web Site* are fighting to develop the growing opposition to redundancies and welfare cuts in many companies into a powerful counter-offensive by workers. This requires an international socialist strategy aimed at breaking the stranglehold of the banks and large corporations and transforming the world economy to meet the needs of the population rather than private profit. Multinational corporations such as Bayer must be expropriated and transformed into public enterprises under the democratic control of workers. Contact us to discuss this strategy and organise the fight to defend all jobs and all the workplaces.



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