

Bayer cuts 4,500 jobs in Germany

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In a deep cost-cutting move, chemical giant Bayer AG is eliminating 4,500 jobs in Germany or almost one in seven of its 32,000 positions in the country. According to the Bayer works council, most of the jobs will be cut at its corporate headquarters in Leverkusen, just north of Cologne in west central Germany.

Last November, Bayer announced 12,000 job cuts in its worldwide workforce, or one in ten jobs. This includes 5,500 administrative positions, 4,100 jobs at Bayer's agricultural chemicals subsidiary Crop Science as a result of its merger with US-based Monsanto, and 2,350 in the company's pharmaceutical and consumer health divisions.

These job cuts do not include another 10,000 being eliminated through spinoffs of brands and divisions. The company is selling off its veterinary medicine division, the health product brands Coppertone (sunscreen) and Dr. Scholl's (foot care), and its 60 percent share of a joint venture called Currenta Solutions. The latter is a business service provider that employs 5,000 workers in Germany who provide waste management, infrastructure, utilities and other services.

A deal reached by the works council will delay the winding down of Currenta until three years after its sale, meaning, at best, that workers will keep their jobs for a maximum of three years.

On Tuesday, all Bayer employees received a "Dear Employees" letter from Bayer CEO Werner Baumann, which said, "We will reduce the annual costs of our platform functions (corporate functions, business services and regional platforms) by 1.4 billion euros." These moves, the millionaire Bauman wrote, were necessary "to ensure our competitiveness."

Last year, it was announced that 750 out of 3,400 jobs would be cut at the Wuppertal plant, just east of Düsseldorf, due to the closure of the brand-new factory for blood clotting medicine, costing 350 jobs and another 400 in pharmaceutical research. In Berlin, 650

of the 5,000 jobs in research are being wiped out by 2022, and several hundred jobs will be cut in the agricultural chemicals division in Monheim.

Under Germany's "co-determination" scheme, half of the seats on Bayer's supervisory board are filled with members of the works council and the trade union IGBCE (Mining, Chemicals, Energy). While management and the works council are still negotiating the details of the job losses, the works council is already preparing the workforce for deep cuts. The *Rheinische Post* quoted from an internal letter from the Central Works Council to the workforce, which states, "The company's plans go to the foundations. The concern is great everywhere in the company with the headquarters in Leverkusen expected to be hit hardest."

Far from opposing this attack, Heinz Georg Webers of the IGBCE and Deputy Chairman of the Central Works Council announced that the bodies he oversees would help the company shape the reductions. "We insist on keeping the promises in the 'Joint Statement' for all colleagues affected by the drastic cuts project," Webers said.

In November 2018, in the "Joint Declaration" of the Works Council and the Executive Board, titled "Securing Bayer's Future 2025," the works councils had unanimously approved the company's job-cutting plan. As usual, the jobs are to be destroyed in a "socially acceptable way"—i.e., without compulsory redundancies. Instead, with the blessing of the unions, management will get rid of workers by the end of 2025 through offering severance pay and early retirement packages.

The conditions under which workers can leave the company have been fixed since January. Older workers may receive so-called flexi-termination contracts that run for six years and allow them to retire early at age 57, with a maximum 7.2 percent reduction of their statutory pension. For younger Bayer workers, the

company will provide severance payments.

As a result of the restructuring, Bayer aims to save €2.6 billion per year from 2022 onwards. The one-time costs—for example, for severance payments—amount to €4.4 billion. Bayer CEO Baumann had already announced to stockholders last year that all of Bayer's businesses should contribute to "improving the company's performance" by 2022 and beyond. The profit margin, the corporate executive said, should rise from approximately 26 percent last year to about 27 percent this year and to more than 30 percent in 2022.

Many workers will accept the offer to "voluntarily" give up their jobs because they know the union will do nothing and fear that the Monsanto takeover can only make things worse.

The shareholder's constant demands for higher yields prompted Bayer to acquire Monsanto in June last year for US\$63 billion (€56 billion). While Baumann denies that the Monsanto acquisition has anything to do with the current cuts, in reality the financial markets are demanding the jobs massacre to cover the huge legal costs, stemming from Monsanto's Roundup weed killer.

There are now at least 11,200 US plaintiffs who blame the glyphosate-based weed killer for their cancer. In two judgements, the courts awarded plaintiffs damages running into millions. Bayer has appealed against the lower court's judgements.

A US judge, who has already tried Bayer once before, and has brought together hundreds of complaints from farmers, gardeners and consumers, has called on Bayer to engage a mediator and negotiate with the plaintiffs on a settlement.

Business daily *Handelsblatt* quoted the analyst Richard Vossler of the US bank JPMorgan, who assumes that the number of plaintiffs will rise to at least 15,000. "He expects Bayer to face costs of 5 billion euros."

These billions, too, will be squeezed out of the workforce through a rigorous austerity programme.

Jobs and working conditions can only be defended by waging a fight in opposition to the works councils and the IGBCE. This means organising rank-and-file factory and workplace committees independent of the union and its local representatives.

In a statement on the redundancies at Bayer last year, the Sozialistische Gleichheitspartei (Socialist Equality

Party, SGP) explained that these committees would be "responsible for bringing together all Bayer employees who reject job losses at all locations and planning and preparing joint resistance." This applied to all Bayer employees worldwide and to all workers—far beyond Bayer.

"This is necessarily a political struggle that is not only directed against individual employers, but against the entire capitalist system and the grand coalition government in Germany," the SGP writes. "The Socialist Equality Party and the *World Socialist Web Site* are fighting to develop the growing opposition to redundancies and welfare cuts 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, not private profit. Multinational corporations such as Bayer must be expropriated and transformed into public enterprises under the democratic control of workers."

The SGP is also participating in the European elections with these goals. Contact us today to discuss this strategy.



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Socialist Equality Party visit:

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