

# Mercedes-Benz to cut more than 10,000 jobs

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30 November 2019

Mercedes-Benz, the best-selling premium automotive brand in the world, announced Friday that it will slash more than 10,000 jobs over the next two years.

Daimler Director of Labor Relations and member of the Board of Management Wilfried Porth announced that “the total number worldwide will be in the five-digits.” In a teleconference with the media, Porth stressed that the process of staff reductions had to be completed by the end of 2022.

The announcement of mass layoff comes two weeks after CEO Ola Källenius announced, to the applause of investors in London, that the company would implement an austerity program to reduce personnel costs by 1.4 billion euros. After two profit warnings in recent months, Källenius promised shareholders and investors that he would do everything necessary to increase their returns.

Mercedes-Benz, founded in 1928 in Stuttgart, employs 300,000 people worldwide and 180,000 in Germany. Baden-Württemberg, a state in southwest Germany, the centre of the German car industry, will be hit particularly hard by the measures. A significant number of car parts producers such as Bosch are dependent on auto manufacture. Overall, some 460,000 workers are employed in car-related industries in Baden-Württemberg alone.

The announcement is part of an onslaught on jobs in the German and international auto industry. This year alone, 570,000 jobs have been eliminated in India and China. On Tuesday, the German carmaker Audi, a subsidiary of Volkswagen, announced the elimination of 9,500 jobs over the next five years. On Wednesday, BMW announced cuts of more than 12 billion euros (\$13.23 billion) by 2022, and on Thursday Bosch announced it will slash another 500 jobs in the city of Reutlingen.

Volkswagen has eliminated 30,000 jobs over the past three years. Ford is currently eliminating 12,000 jobs in

Europe and 7,000 in North America. Nissan is cutting 12,500 jobs worldwide. General Motors is closing four plants in the US and Canada and slashing 8,000 jobs.

Growing numbers of workers all over the world are resisting these attacks. In Matamoros, Mexico, tens of thousands of highly exploited workers in the auto parts industry struck for several weeks against both the companies and the unions earlier this year. In the US, 48,000 GM autoworkers participated in the longest auto strike in 50 years. Strikes by autoworkers have also taken place in India, China, Romania, Hungary, the Czech Republic, Germany, France, Britain and other countries.

But wherever these militant struggles break out, they immediately come into conflict with the trade union bureaucracy, which isolates them and sells them out. Germany’s IG Metall, the United Auto Workers in the United States and the other unions long ago ceased to be workers’ organisations that struggle for social improvements and reforms. Instead, they function as a labor police force in the plants, tasked with imposing management’s demands.

The automakers and trade unions justify the attack on jobs and wages by pointing to the global decline in sales and the restructuring of the global auto industry with the introduction of electric and autonomous vehicles. In a statement, Daimler declared, “The automotive industry is in the middle of the biggest transformation in its history. The development towards CO2-neutral mobility requires large investments.”

These drastic measures, which will devastate the lives of hundreds of thousands of workers and their families, have the full backing of the IG Metall union and works council, which collaborated with management in working out the details of the layoffs behind the backs of the workers. When Porth announced the Daimler job cuts, he boasted, “With the key points for streamlining the company now agreed with the works council, we

can achieve this goal by the end of 2022.”

Porth refused to give further details on the agreement with IG Metall and the works council. How exactly the key points will be implemented will be worked out in the coming weeks, he said.

According to media reports, however, in addition to the streamlining measures, Daimler and the works council agreed to further personnel cost reductions. Among other things, there will be offers to employees to reduce their weekly work hours. Workers with 40 hours a week will be forced to work fewer hours with less compensation. The company will extend expiring employment contracts for temporary employees in administration only on a very restricted basis. Equally restrictive will be the 40-hour fixed-term contracts for permanent staff.

Two Daimler workers who spoke to the *World Socialist Web Site* said they learned of the cuts only through the media. Both reported that intense negotiations between management and IG Metall have been taking place since Källenius became CEO six months ago. The workers were convinced that the company chose Friday to announce the cuts in order to avoid worker unrest in the factories. IG Metall has called a works assembly for Monday in the Hans-Martin-Schleyer-Halle, one of the biggest facilities in Stuttgart.

Daimler is relying on the services of IG Metall to push through its plans. Last Friday, IG Metall organized a so-called day of action on the Schlossplatz in the centre of Stuttgart to dissipate the anger of workers, who are increasingly denouncing the union and its works councils. But even there the union bureaucrats were not able to hide the fact that they are functioning as co-conspirators with the company in planning and implementing the attacks.

IG Metall Regional Director Roman Zitzelsberger offered the collaboration of the union, declaring, “All employers must know: shaping the future is only possible together.” He continued, “Change is coming, and we must not bury our heads in the sand.”

Zitzelsberger, a member of the Daimler Advisory Board with an income of 213,700 euros last year, is currently the chief negotiator for IG Metall in talks with the employers’ organisation Industrieverband Südwestmetal on cost-cutting plans and staff reductions at 160 metal companies in Baden-Württemberg.

The vice-chairman of the General Works Council, Ergun Lümalı, made clear that the union fully supports the mass layoffs and is concerned merely that the restructuring be implemented as effectively as possible: “We don’t just want to have a debate about people. The focus of personnel cost reduction must be on improving processes and work flows,” he said.

The mass layoffs at Daimler and the role of the trade unions in imposing these attacks once again underscores the need for workers to develop their own independent response to the jobs massacre in the international auto industry.

In a recent Perspective posted on the *World Socialist Web Site*, we wrote: “These developments make clear that workers need an internationalist perspective and a socialist programme to oppose the attacks on their jobs, working conditions, and wages. They confront not only globally operating automakers and their billionaire shareholders, but also the trade unions and works councils, which collaborate with management to draw up the cuts and help implement them. Without breaking from these corrupt, pro-company apparatuses and establishing independent rank-and-file committees to unite their struggles internationally, workers cannot defend a single job.”

The developments at Mercedes-Benz underscore in the sharpest way the correctness of this perspective. Everything now depends on the independent initiative and organization of the workers.



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