

Germany: IG Metall union announces further attacks on Daimler workers

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On Monday, December 2, the IG Metall trade union organised a works meeting at the Hans-Martin-Schleyer-Halle, barely more than 300 metres from the Mercedes-Benz Untertürkheim plant. According to the union, about 8,500 people attended the meeting. More than 19,000 people are employed at Mercedes-Benz in Untertürkheim and the nearby cities of Mettingen and Hedelfingen.

The purpose of the meeting was to seek to pacify the angry workers. Last week, they had heard via the media that Daimler, the parent company of Mercedes-Benz, wanted to cut 10,000 jobs by the end of 2022. The IG Metall fears that the emerging unrest could intensify the growing resistance against the union and lead to workers taking uncontrolled actions. It sees its main task as being to function as industrial police to ensure order and that production is not interrupted.

Michael Brecht, head of the Central Works Council, has confirmed that all plants are in ferment. On broadcaster Südwestrundfunk (SWR), he criticized management for informing the public about the agreement reached with IG Metall.

SWR quoted him as saying that the company had caused unrest among its employees by publishing the planned figures on job cuts. "People are totally unsettled by the way in which the Executive Board has proceeded here," said Brecht. He effectively confirmed that the union was in the process of agreeing a more far-reaching restructuring with management, saying, "People need to know what will be demanded of us in the factories and offices in a few years' time."

Workers emerged from the gathering with their heads bowed, deep in thought. WSWs reporters distributed the perspective article "A socialist response to the global jobs massacre in the auto industry," which explains that workers are confronting "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."

Many workers took the leaflet with them, and some stopped to report that they had heard nothing new about their future at the meeting.

A young worker at the Mettingen plant, where axle fabrication and the foundry are located, said, "I didn't learn anything new. Everything is played down and portrayed as harmless. But the fact remains that 10,000 are losing their jobs. I work in the foundry. Several thousand people work there, and nobody is sure whether they can continue to work there. In the production of electric

vehicles, axles are no longer needed in their present form. I am a member of IG Metall for reasons of solidarity. But I don't think they are in a position to push something through for us. Just a hype like today—that won't do any good."

An employee from the commercial department said about Daimler CEO Källenius, "He's a numbers man, he only thinks in numbers. The only things that are important to him are constantly increasing sales and the calculation of cost-cutting measures. I am not so naive as to believe that he takes the interests of the workforce into account in his calculations."

The union was neither able nor willing to do anything about it, he said: "After all, they agreed to everything." The claim that jobs are secure until 2030 was more than questionable. "None of this applies in an alleged exceptional situation," he added. "One thing is certain for me, in 10 years, Daimler will no longer be the same as it is now."

Another employee who works in development said, "Don't expect anything exciting from me. Actually, I didn't want to come here at all." She had come here with little hope of finding out something new. "Now I think I should have stayed in the office. Neither Källenius nor Häberle had anything new to tell me. My husband, who only reads the newspaper, tells me more details than I heard at today's works meeting."

Daimler CEO Ola Källenius and Michael Häberle, Chairman of the Works Council at the Untertürkheim plant, had actually promised the workers that they would explain the planned job cuts to them at the works meeting. In fact, they only made it clear that they were determined to ask the workers to pay for the restructuring.

Häberle was the first speaker. He spoke with a serious voice in the tone of a self-critical top manager explaining the company's poor financial results to shareholders. He said there were two main reasons for this. First, the company was unable to increase sales despite positive market conditions. The problems were "not in customer demand, but the company failed to bring enough vehicles to market on time."

The second reason was the diesel emissions fraud. He said that this had "cost Daimler a lot of money," money that could have been used for investments. Due to these two factors, the company felt compelled "to lower its profit forecast twice in a short period of time."

He went on to explain how he thought profits and returns could be increased. "Saving alone is not a clear strategy," he said, but a

“clear forward strategy” is needed that focuses exclusively on new technologies and investments. “Otherwise, the future plan will go completely down the drain.”

When Häberle spoke about the agreement with the Executive Board to cut 10,000 jobs, he clearly confirmed that IG Metall, too, considers job cuts necessary in order to achieve better financial results. The union official said that the works council, which he heads, was still negotiating with management about details of how the job cuts should be “made as socially acceptable as possible.” That is the same old story told by IG Metall. When it comes to job cuts, it is not a question of “whether” but only of “how.”

Häberle refused to give details, except that there should be a “social plan, early retirement and severance pay”—the agreed tactic with which the union tries to appease workers. It is no coincidence that Labour Director Wilfried Porth had said exactly the same thing when he announced the job cuts on Friday.

Ola Källenius then spoke second, thanking the union for its services. “We have worked well together since the financial crisis of 2009.” The highly paid manager cynically told the workers the situation could be explained by “very simple logic: If a household earns less money, the family has to save.” For him, the corporation’s sole purpose was to distribute dividends to shareholders on time.

“We must achieve CO2 neutrality by the end of 2029,” he said. This was a huge task. “We have already made enormous investments, significantly more than our competitors. We plan to save €3 billion in material costs.”

This would mean a major change, and Daimler would have to become more efficient and flexible. Källenius indicated that Daimler would cut even more jobs, talking about the “tens of thousands of people” who “will lose their jobs in the next 10 years.” But whatever the difficulties, “we will not give up our competitiveness and profitability,” the Daimler CEO said.

Financial analysts have welcomed the planned job cuts at Daimler. Frank Biller, an analyst at Landesbank Baden-Württemberg (LBBW), said that electric motors could be built with a seventh of the parts contained in a combustion engine. Daimler thus needs fewer production employees. “The problems are on the table, and they are being tackled now, Daimler is on the right track,” he wrote.

Biller warned that “the programs that have now been initiated will not suffice” if car sales in China continue to decline. VW, Daimler and BMW are heavily dependent on the Chinese market. In October, car sales fell by 6 percent, and in the last 17 months car sales in China have remained stagnant.

However, this has so far had little impact on corporate profits, as the job cuts and the cost-cutting programmes compensate for the decline in sales and contribute to the increase in profits. Financial daily *Handelsblatt* reported on this in an article on December 2.

The newspaper wrote that since the end of 2018, the 30 DAX companies had launched “efficiency programs” and cost-cutting measures to cut 100,000 jobs. The aim of the companies was “to improve their profits year after year by a total of €20 billion.” These companies are expected to earn €130 billion before taxes and interest in 2019 as a whole.

BMW, Daimler and VW together are expecting to make €35

billion. As the *Handelsblatt* article emphasises, the companies have long been implementing one cuts programme after another—“according to the motto of CEO Bernd Scheifele [Heidelberg Cement], ‘always get rid of 10 percent’—regardless of whether there is a crisis or not.”

The sole purpose of capitalist production is to continuously maximize profit, which requires the brutal exploitation of the workers. This systematically drives the majority of the world’s population into poverty. When it comes to enforcing this exploitation, the trade unions are the closest partners of companies around the world. Their main role is to undermine any resistance of the workers.

While workers around the world face job cuts and austerity measures, trade union officials pocket exorbitant sums. IG Metall has abandoned any claim to defend workers’ interests. Häberle hid behind the company when he said at the works meeting, “The company has a responsibility.”

Workers must break with IG Metall and intervene independently. Only in this way can they prevent the mass destruction of their jobs in the name of the switch to electric vehicles.

The statement by the *World Socialist Web Site* says, “Developments in the auto industry show the absurdity of the capitalist system, under which technological development is used to intensify the exploitation of the workers, fill the pockets of a tiny super-rich elite, and throw hundreds of thousands into poverty. It provides a powerful argument for the transformation of the global auto industry into socially owned property, its placement under workers’ control, and its organisation on a world scale according to a rational plan to meet human need, not private profit.”

The WSWs and the Socialist Equality Party call on all workers to build independent action committees in the factories, organized and run by ordinary workers, without full-time functionaries or bureaucrats. Only by taking production into their own hands can they preserve jobs and at the same time act in the interest of the general population.



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