

German automaker Daimler plans fresh assault on jobs and conditions

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In an interview published in the weekend edition of the *Stuttgarter Zeitung*, Daimler personnel manager Wilfried Porth threatened to increase the number of jobs to be shed at the auto company. Previously, the company had indicated it would shed up to 15,000 employees. Porth claimed that Daimler had never given a concrete number, but that the figure of 15,000 was now not enough. Compulsory redundancies could not be ruled out, he added.

Daimler's head of personnel agrees with the head of Daimler works council, Michael Brecht, that the jobs massacre should take place in stages. The real plans for reducing the company's workforce will only be announced piecemeal. The works council and Germany's main auto union, IG Metall, fear they could lose control of the workforce if the real extent of the jobs massacre were to be announced all at once.

The IG Metall works councils have been working behind the backs of the workforce for some time preparing the onslaught against the company's 300,000 employees worldwide—including almost 175,000 in Germany. As early as June 4, general works council chairman Michael Brecht told the *Stuttgarter Nachrichten*: "We will lose jobs permanently. Now we have to keep this number as low as possible."

What number is as "low as possible" for Brecht? Has he already agreed to a concrete figure in secret negotiations? The workforce has a right to know. The *World Socialist Web Site* calls on Daimler workers to confront the works councils in the factories and demand to know the truth about the unprecedented attacks being cooked up behind closed doors.

A few days before Porth's interview last weekend, Daimler CEO Ola Källenius set out the course the company would take at the Daimler shareholders' meeting. He declared that current financial results did "not do justice to this proud company." Therefore, the planned austerity programme would be "sharpened up." He promised shareholders: "Daimler can do more. And we are determined to deliver."

Porth has now indicated the extent of the "sharpening up"

of the austerity programme. He explained that management was conducting intensive talks with the works council to implement a series of measures aimed at deepening the programme of cuts. Porth said that the plan to save €1.4 billion announced at the end of last year had been calculated under two aspects: investment in electric mobility and cost reductions to increase competitiveness.

The corona pandemic was now an "additional challenge" and a reason to step up the cuts, he said. The amount to be saved would be "considerably greater" than €1.4 billion (US\$1.6 billion). Porth made it clear that the coronavirus pandemic would be used as an opportunity not only to lay off thousands of workers but, with the help of IG Metall, also to dismantle hard-won social achievements such as contract agreements on shift allowances and holiday pay.

Porth said that the personnel reductions planned so far could not be limited to administration. The company had excess workers in some production plants, and it might therefore be necessary to reduce workforces. He specifically mentioned the factories in Stuttgart-Untertürkheim, Berlin and the "locations of some subsidiaries." Porth refused to give figures or details about these sites and other production plants. There are 19,000 Daimler workers employed in Untertürkheim and 2,500 in Berlin.

Porth insisted that compulsory layoffs were necessary to implement the austerity programme, which could not be achieved solely by voluntary redundancies. He said that the "Company agreement on safeguarding the future," which allegedly included job security until 2030, was a guide agreed by the company and IG Metall. At the same time, the union and the company had also agreed to reconsider the agreement in the event of changes to fundamental economic conditions. Porth refuted the promise of "Job security until 2030," saying, "Compulsory dismissals cannot be ruled out in the process of safeguarding the future."

The employment and plant security arrangements praised by IG Metall are not worth the paper they are written on. They are only valid as long as the company has no interest in job cuts and plant closures. The issue for the company and

the union is not to protect jobs but rather to undermine working conditions and wages. In reality, “Job security until 2030” is a deal struck between management and IG Metall aimed at blackmailing workers. Using the phony and deceitful promise of a secure job, workers are being forced to accept intensified attacks on their wages and social standards.

In his interview with the Stuttgart newspaper, Porth provocatively explained that what was at stake for Daimler was not only a constantly growing number of workers threatened by loss of their jobs. The company human resources director, who takes home millions in salary, is also calling for the abolition of contract agreements, thereby throwing into doubt all those social gains generations of workers fought for since the Second World War.

For example, he claimed that break regulations and late-shift bonuses from 2 p.m. onwards were “historic achievements.” It may have been true at the time of their introduction, but they did not fit into the present day and the current cost structure. He spoke cynically of a large “bouquet of possibilities” and that plans to abolish Christmas and holiday bonuses were on the cards.

Porth made clear that despite this extensive list of cuts to conditions and wages, thousands of workers would still lose their jobs. Wage cuts could not prevent redundancies, and he cited the necessity of restructuring the auto industry. Electric vehicles could be produced with fewer workers than autos with combustion engines. Anything other than the layoffs he announced and the destruction of workers’ existing gains would endanger “competitiveness.”

In response to the Porth interview, Brecht also spoke to the *Stuttgarter Zeitung* and once again made clear on which side the union stood. In contrast to Daimler workers who reacted with shock to Porth’s revelations, Brecht reacted calmly. For Brecht, Porth’s comments apparently contained nothing new. The chairman of the works council merely said that IG Metall was prepared to talk about a temporary reduction in working hours.

In the style of a co-manager, Brecht explained he expected the demand for autos to fall for many years to come. “Last year we built 2.4 million autos,” Brecht said. “By June 2020, we had produced just 890,000. And we will hardly fill the gap of 1.5 million cars by the end of the year.” He then suggested reducing working hours, as he did during the financial crisis of 2008–2009: “Reducing working hours is a suitable instrument for the current situation.”

Brecht does not fundamentally oppose the abolition of Christmas and holiday bonuses. Instead, he criticises the proposal as half-baked and inconsistent. “If you want to change structures because you have too many people in the system, it doesn’t help if you cut the Christmas bonus. You

may have saved money, but you’re still dealing with the same outdated structures.”

This is nothing other than a thinly veiled call for layoffs dressed up as “changing structures.” Once again, Brecht is on the same page as Porth. The austerity programme had to include the dismantling of past gains, but that alone was not enough to achieve the necessary level of competitiveness.

Workers should regard Porth’s and Brecht’s interviews as a warning. All the gains bitterly fought for by workers since World War Two are under fire in order to satiate the shameless greed of shareholders. If the works council, IG Metall and directors at Daimler, one of the world’s largest automobile companies, prevail, the way will be open for unprecedented attacks on millions of workers.

It is high time that Daimler workers counter the rotten and conspiratorial alliance of the executive and works council. Cuts to wages and social conditions will not save any jobs, but rather pave the way for further layoffs. All jobs, wages and social benefits must be defended. When Brecht & Co. declare this is not possible because it contravenes the drive for profits by the millionaire company executives and owners, it means that the defence of jobs and wages requires a fight against capitalism.

The right to work and wages must be prioritised above the obscene enrichment of major shareholders and their henchmen. The company works councils must be forced to disclose all the details of their secret negotiations with management.

Auto workers face the task of breaking with the unions and their cronies on the works councils. Workers must form independent action committees, join forces internationally and fight for a socialist programme. It is necessary to transfer the entire auto industry—including both manufacturers and suppliers—into democratically controlled forms of social ownership and redirect the billions appropriated by shareholders into securing jobs.



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