

Deutsche Bank and Commerzbank announce new round of job cuts

Elisabeth Zimmerman
6 December 2020

Major German corporations are using the coronavirus crisis to implement long-planned mass redundancies and rationalisation plans. This applies not only to the auto, steel and other industries, but also to the banks. At a time when the German DAX index approaches a historic high, tens of thousands of white-collar and blue-collar workers are forced to pay the price for this orgy of enrichment with their jobs and livelihoods.

In early December, Commerzbank and Deutsche Bank announced new austerity measures involving massive reductions of staff and the closure of many local banks.

Deutsche Bank is planning drastic cost-cutting measures in its retail banking business and the closure of a further 200 branches over the next two years—100 at Deutsche Bank and 100 at Postbank. This was announced by Karl von Rohr, deputy chairman of the management board of Deutsche Bank. Deutsche Bank still has about 500 branches nationwide and Postbank about 800. An agreement signed when Deutsche Bank took over Postbank stipulated that a maximum of 50 Postbank branches could be closed per year.

Three hundred fifty jobs are to be cut in the bank's central departments for private customer business in Frankfurt and Bonn. This affects over a third of the current 1,000 staff employed in these centres and inevitably increases fears of even more job losses. Staff in customer and product management and business organisation will all be affected by the measures. In a letter to employees, cited by the *Frankfurter Allgemeine Zeitung*, von Rohr justifies the far-reaching cost-cutting measures by arguing that the private customer business in Germany can only be made "profitable and sustainable" by further significant cost cutting.

The trade unions, first and foremost Verdi, are

involved in the massive attacks and are energetically pushing ahead with the restructuring process. According to von Rohr, it had been possible to reach an agreement with the unions that job cuts be carried out "as socially acceptable as possible." This is the phrase which has been used for years to wipe out tens of thousands of jobs.

At Deutsche Bank, a program has been underway for some time now involving the elimination of 18,000 full-time jobs worldwide by the end of 2022, from the current total of 92,000. This should result in total savings of €3.3 billion. The savings achieved to date at the expense of employees have contributed to Deutsche Bank's net profit of €309 million in the third quarter of this year.

Until recently, Manfred Knof was responsible for Deutsche Bank's private client business and was a key figure in implementing the executive's cost-cutting measures. He is now to take over as CEO of Commerzbank at the beginning of next year. The current Commerzbank executive has already begun to wipe out 10,000 jobs, a quarter of the entire workforce. Knof, together with Supervisory Board Chairman Hans-Jörg Vetter, now have the job of revising and intensifying this austerity course. This was confirmed in a report by the *Handelsblatt* business daily in its November 30 issue.

Both Vetter and Knof have experience in the drastic restructuring of banks. Vetter, for example, was chairman of the board of the Berlin Bankgesellschaft and later the State Bank of Baden-Württemberg, where thousands of jobs were destroyed under his leadership, while billions in taxpayers' money protected the assets of investors and shareholders.

As the person responsible for the private client business of Deutsche Bank, Knof cut 50 percent of

clerical staff. At Commerzbank, the plans of the current executive envisage the elimination of 20 percent of all jobs at its Frankfurt headquarters. This total could now increase when the new chairman of the board takes over.

While thousands of employees of Deutsche Bank and Commerzbank fear for their jobs, other players are concerned that the assault on jobs is insufficient and being too slowly implemented. These include the financial investor Cerberus, which helped to draw up the radical restructuring plan for Commerzbank last summer, and also the Verdi trade union.

An interview with Verdi department head Stefan Wittmann published in the German *Manager Magazin* at the end of July provoked jubilation in financial circles. In the interview, Wittmann accused CEO Martin Zielke and supervisory board chairman Stefan Schmittmann, who resigned at the beginning of July, of being too timid in their approach.

He described the two managers as overburdened, too keen to avoid conflict and as men who had thrown in the towel in a time of crisis. The union, on the other hand, had always worked closely with management and had proposed rationalisation and structural measures at an early stage.

“We have never per se refused to cut jobs,” Wittmann said. “We have also never blocked the closure of branches. But we have always said: digitize the processes first, organise the process properly. Then you can ditch the staff you regard as expendable.”

The Verdi functionary agreed in principle with Commerzbank’s “restructuring plan,” which envisages the elimination of 10,000 jobs, the closure of 800 of the bank’s 1,000 branches and a 7 percent increase in profits. “To cut a high four-digit number of jobs—we can accept that under the right conditions,” he said.

Verdi will invariably support the attacks of the future executive, which likely will be announced at a supervisory board meeting in early February 2021.

In order to defend their jobs, workers at Commerzbank and Deutsche Bank must organise themselves independently of the unions. They must set up action committees that fight for the defence of all jobs and unite across local and national boundaries to counter the increasingly brutal offensive launched by management and the unions. A socialist perspective against capitalism is the prerequisite for a successful

struggle.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact