

Commerzbank cuts 10,000 jobs in Germany, with union support

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Commerzbank's share price jumped 6 percent when CEO Manfred Knof announced last week that 10,000 full-time jobs would be cut and 340 of the bank's 790 branches would be closed. The jobs massacre is the price Commerzbank staff are expected to pay for the bank to achieve a return on equity of about 7 percent by the end of 2023 through cost savings of €1.4 billion.

Anyone who thought this would provoke an outcry from the trade union Verdi has been taught better. "We can largely support this strategy because it is correct in terms of the target picture," Verdi representative Stefan Wittmann told the *Deutsche Presse-Agentur*. His only objection was that "the timeline for staff reductions until the end of 2023 provided for in the new strategy is far too short."

The supervisory board is to vote on the new plans this week. It is already becoming apparent that the job cuts will be approved there—perhaps in a somewhat longer time frame. The trade union and its representatives on the supervisory board have already proven to be reliable co-managers of the financial institution in the past, to the delight of the shareholders.

Last year, Wittmann told the financial magazine *Der Aktionär* that the then head of Commerzbank, Martin Zielke, and the chairman of the supervisory board, Stefan Schmittmann, were "overworked conflict avoiders" who were running away from the crisis. Verdi had always worked closely with management and had proposed rationalisation and structural measures at an early stage. "The figure of 10,000 by the end of 2023 is too high. But to cut a high four-digit number of jobs—we can accept that under the right conditions," he continued.

The chairman of the General and Group Works Council, Uwe Tschäge, who is also deputy chairman of the Supervisory Board, told finance daily *Handelsblatt*

at the time that he was not opposed to the job cuts if they were "socially accommodated."

"There must be no compulsory redundancies, we will fight for that," Tschäge said. He added that Commerzbank must choose a "reasonable period of time" and provide enough money for partial retirement models and similar devices. He wanted to be able to understand why and where management was cutting jobs. He expected support from the federal government as a major shareholder to ensure that employees were "dealt with decently." What was important to him, Tschäge said, was "that the bank is in a stable position even after restructuring and that it can continue to develop." In other words, that it makes more profit again!

No wonder business magazine *Capital* then proposed Tschäge as interim head of the supervisory board. It reassured shareholders, "That a works council representative—in this case, by the way, a trained banker—heads the supervisory board may frighten arch-capitalists, but there are examples of this working smoothly."

After the resignation of Commerzbank managers Zielke and Schmittmann, the search began for a new board with enough toughness to enforce the cost-cutting measures that shareholders—above all the financial shark Cerberus—were already demanding at the time. Commerzbank boss Knof, who was appointed at the beginning of January, had already proved in his past positions that he had this quality.

As head of Deutsche Bank's private and corporate client division, Knof had cut 50 percent of administrative positions last year. Before that, he was head of financial services company Allianz AG Germany.

Hans-Jörg Vetter, who has been chairman of the

supervisory board since August, also has experience in restructuring banks. After the banking scandal that led to the collapse of the Bankgesellschaft Berlin in 2001, he realised a “restructuring plan” under the newly elected Social Democrat-led Berlin Senate (state executive), to which up to 10,000 jobs fell victim, while the assets of investors and shareholders were saved using billions of taxpayers’ money.

These are the qualities required of bank managers today to secure such institutions in the fierce cut-throat competition on the international financial markets and to preserve the huge fortunes of the wealthy. This competition also determines the policy of the federal government, which does everything to defend its “national champions” in the financial sector, and which are important for financing foreign trade and investments abroad. The federal government—with a 15.6 percent stake and the largest shareholder—fully supports Commerzbank’s strategic plan.

The coalition of federal government, corporations and trade unions is directed against the working class, which they seek to prevent from rebelling against the continuing destruction of jobs and lowering of living standards.

The unions completely subordinate workers’ interests to the profit drive of the corporations, in the banks as well as in industry. Wittmann is not an isolated case but represents a clique of functionaries who call the shots in all trade unions. They deliberately try to hoodwink and betray workers using every trick in the book.

For example, in an interview with news weekly *Der Spiegel*, Verdi deputy chairperson Christine Behle supported the job cuts at Lufthansa. “The fact that capacity has to be cut is an economic decision that is not wrong from the outset,” she explained.

A Hamburg Airbus works council member remarked that one only had to “look at the sky empty of planes” to understand that there was “staff overcapacity” and that the IG Metall union had to “make it possible for people to leave [the company] voluntarily.” Countless similar statements could be quoted.

The Left Party is playing an equally rotten role. In a statement on the massive job cuts at Commerzbank, its leader Bernd Riexinger, a former Verdi official, said the federal government must finally conclude from experiences like this, “It’s not the owners of the companies who have to be saved, but the jobs and the

benefits of the company for the general public.”

Riexinger is trying to make the workforce believe that the government can be pulled onto their side. This is absurd. The grand coalition of Christian Democrats and Social Democrats is unreservedly on the side of the banks and corporations. For years, it has cut social spending and driven whole countries (like Greece) into abject poverty through austerity dictates. In the coronavirus crisis, it supports big business with gigantic sums (according to Deutsche Bank calculations, a total of €1.9 trillion), while schools and hospitals lack the most basic necessities. Now it is already drawing up plans to claw back these funds at the expense of working people.

As the largest shareholder, the federal government is one of the driving forces behind the job cuts. It became involved in Commerzbank during the financial crisis in 2008. Last summer, Economics Minister Peter Altmaier announced he intended to sell off the government’s stake at a profit in 2021.

The jobs at Commerzbank—just as in the auto industry, the retail trade and in many other sectors where mass redundancies are imminent—can only be defended in a fight against the government, the corporations and their henchmen in the trade unions.

The Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) calls on Commerzbank workers to form independent action committees to take charge of defending their jobs and to join forces with workforces at other banks and industries. Above all, it is necessary to build a new party that represents the interests of the working class and fights for an international socialist programme—the SGP and its sister organisations in the International Committee of the Fourth International.



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