

Germany sees massive job cuts in all sectors

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The coronavirus pandemic is being ruthlessly exploited by German companies to increase profits at the expense of their workforces. Workers are being blackmailed into accepting severe wage cuts and job losses with the threat of the closure of most, or even the entire company. The trade unions and their works councils stand fully behind the corporations and enforce company policy.

At the beginning of the year, for example, the management of the Meyer Werft shipyard in Papenburg announced it would lay off almost half of the yard's 3,900 workers. Then, this summer, the company gave workers the alternative of agreeing to 660 job cuts and 200 hours of unpaid overtime per year, or lose 1,000 jobs. More than half of the workforce refused to vote on this choice between two evils. The works council then negotiated the dismissal of 350 workers at Meyer Werft and another 100 workers at its subsidiary, EMS Maritime Services. "We managed to reduce the numbers," declared works council leader Nico Bloem at a works meeting in the summer, speaking of an "acceptable compromise."

It has now emerged that Meyer Werft will be paid out millions in coronavirus aid funding, and shipyard workers are outraged. The main union, IG Metall and the company works council are trying to cover up their own role in maintaining control over the workforce by organising toothless protests, such as the one held in front of the Lower Saxony parliament in the state capital Hanover over a fortnight ago.

Another example of the ruthless stance adopted by big concerns is the recent action by Baur Versand, an Otto Group company. In April, the mail order company Otto announced it had increased its turnover by 30 percent in 2020. Otto is one of the country's big coronavirus winners. At the same time, the Otto management announced it planned to cut 400 full-time jobs in order to save 50 million euros annually. Part of these cuts now rest with Baur Versand, which is giving 96 long-time employees at various call centres, who still retain older and better-paid pay scales, the choice of accepting the termination of their contracts with little compensation; otherwise call centres with a total of 500 employees would be closed down completely.

Employing these methods of open blackmail, many tens of thousands of jobs have been cut this year - usually with the support of the unions and their works councils. Part of this blackmail extends to contract bargaining undertaken since the outbreak of the coronavirus pandemic. The unions have ensured that workers earn less in real terms than they did last year. The Verdi public service union recently agreed to a 14-month wage freeze in the public sector for workers in university clinics and state hospitals, teachers and nursery school staff—i.e., all those who have been on the front lines during the past year!

Yesterday, the Federal Statistical Office announced that all collectively agreed wages, including special payments, grew by an average of just 1.3 percent this year. "This would be the smallest increase in collective wage earnings since the beginning of measurements in 2010," the statisticians said, based on preliminary calculations. With inflation already at 5.2 percent in November, purchasing power is falling rapidly in Germany, hitting millions of workers in precarious jobs particularly hard.

The WSWs has already reported on massive job cuts in the auto industry, which are still continuing. For example, the automotive supplier Schaeffler is closing its plant with 330 workers in Luckenwalde, Brandenburg, and at the supplier Musashi, 1,200 jobs are threatened at the Bockenau, Bad Sobernheim and Grolsheim factories in the Bad Kreuznach district.

The destruction of jobs, however, is taking place in all sectors:

-Atos Information Technology GmbH: The French IT service provider is cutting 1,300 jobs out of a total of about 5,000 in its numerous German branches. An agreement was reached with the trade union and works councils as part of the reorganisation of the company's digital and cloud business.

-Linde plc, a producer of industrial gases that merged with Germany's Linde AG in 2018, plans to cut a further 270 jobs in Germany. Already this summer, the group announced the elimination of 500 jobs. The business weekly *Wirtschaftswoche* rejoiced: "Linde has turned into a profit machine since its merger with Praxair."

-Commerzbank AG: In November, the bank's board of directors reached an agreement with the general works council to cut thousands of jobs as part of its "Strategy 2024". By the end of 2024, 10,000 full-time posts are to be cut worldwide—as is usually the case, via partial or early retirement.

-Deutsche Bank, Postbank: by the end of 2023, another 200 of the Postbank's 750 branches are due to close—a doubling of the branch closures previously planned. The remaining 550 branches have a guarantee of survival only until the end of 2024. Deutsche Bank also intends to reduce the number of its branches from 500 to 400 by the end of the year. No information has yet been released about the number of jobs in danger.

-Covestro AG (until 2015 Bayer AG): the plastics manufacturer based in Leverkusen, plans to cut 1,700 jobs worldwide, including 950 in Germany, by the end of 2023. The group had already cut 900 jobs in 2018. The job cuts are intended to make the company, which forecasts an adjusted profit of up to 3.1 billion euros this year, "fit for the future."

-Otto Group: The product returns operation of the Otto subsidiary Hermes Fulfillment in Hamburg-Bramfeld was closed in mid-2021 and the work transferred to two low-wage locations in Poland and the Czech Republic. 840 employees lost their jobs at the Hamburg site, which has existed since the 1960s. "The camaraderie we had is lost forever," one employee regretfully told the press. The collegial climate between the workers, who came from Ghana, Vietnam and Venezuela, and elsewhere, was exemplary for the integration of workers from very different countries, he continued. The closure of the factory exemplifies that the working class in every country face a common enemy, the global capitalist system.

-Alstom: The French train and rail engineering manufacturer plans to cut 1,300 jobs at its facilities in Berlin, Brandenburg and Saxony. Only a year ago, these production sites were taken over by the Canadian Bombardier company and then integrated under the roof of Alstom. According to the plan, up to 450 jobs are to be cut at the Hennigsdorf plant, about 100 at the company's Berlin headquarters, 400 in Görlitz and 150 in Bautzen. For years, fierce competition in the railway industry has been fought out—always at the expense of the workers.

-MV Shipyards: The three MV shipyards in Rostock, Stralsund and Wismar with a total of 2,800 jobs are in danger. In the middle of this year hundreds of workers were shifted into a so-called transfer company: 300 in Stralsund, 220 in Rostock and about 100 in Wismar. Now the entire sites are up for grabs.

-Blohm+Voss: According to IG Metall, 133 jobs are to be cut at the traditional Hamburg shipyard, Blohm+Voss.

-Vallourec Deutschland GmbH: The French steel tube company Vallourec is planning to sell its tube plants in Düsseldorf and Mülheim an der Ruhr. If no suitable buyer can be found, both plants will be closed, according to management. Around 2,500 workers are affected. A year ago, the company already closed a tube plant in Düsseldorf-Reisholz with about 1,400 employees. As usual, IG Metall accompanied the plant closure with toothless demonstrations and protests.

-Haworth, Inc.: 170 jobs are to be cut at the office furniture manufacturer in Bad Münders.

This list could be continued. What all of these cases have in common is that the trade unions and their works councils are implementing the cuts and closures. Working closely with the company management, they subordinate working conditions and jobs to profit maximisation in order to strengthen the standing of companies on the global market.

Workers' protests are nipped in the bud by dividing workers against one another, either factory against factory or along national lines. The company attacks on jobs are invariably enforced when the unions agree to so-called "socially acceptable job cuts": partial retirement, early retirement, part-time work, or a switch to transfer companies, which only lead to unemployment or precarious employment. The social hardship of workers and their families increases from week to week.

The time is ripe for workers to take the initiative and organise themselves, independently of trade union officials, in action committees whose leaderships are democratically and directly elected by the workforce. Transnational corporations can only be fought through the networking of these action committees on an international level. We call upon all workers to join the Network of Action Committees for Safe Workplaces and take up the struggle for a socialist programme to organise the economy in the interests of the working class.



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