German companies announce mass redundancies and social cuts

Christopher Lehmann
10 November 2022

A series of announcements by German companies, administrations, commerce and the social sector is having dramatic consequences for many thousands of workers. Hardly a day passes without the announcement of new company insolvencies, redundancies and rationalisation measures, involving huge cuts to wages and working conditions.

The ruling elite in Germany and throughout Europe are using the economic crisis and galloping inflation to implement a massive assault on social gains. German banks have been able to profit from huge state handouts and the country's major energy and car companies are reporting record profits, while at the same time small and medium-sized enterprises are being driven en masse into insolvency and tens of thousands of workers laid off.

In the process, corporate bosses are relying on plans drawn up long ago, aimed at maximising their profits. According to a survey of 1,060 companies by the Ifo Institute, 25 percent plan to cut jobs in Germany. In the last Ifo survey in April, this figure stood at 14 percent. About 90 percent expect price increases. A complete production stop is currently considered likely by 13 percent of companies and the relocation of operations abroad by 9 percent.

In their onslaught against the working class, employers and their business associations are working closely together with the trade unions and the government. To this end, this spring the so-called Concerted Action was revived—a corporatist mechanism, which already served to suppress class struggles in the 1970s.

The federal government in Berlin is using the Ukraine war to press ahead with a comprehensive military build-up, which has also been planned and prepared for a long time. At the same time, corporate Germany is using the sanctions and its economic war against Russia to strengthen its dominance in Europe and worldwide with the costs of this great power policy imposed on the working class. This is the background to the massive social attacks that are currently taking place.

The following is an overview of the latest news, but it does not claim to be complete and must be updated daily. The WSWS editorial board calls on its readers to inform us about further dismissals and their own experiences in order to organise and coordinate resistance against these attacks.

Retail: The Galeria department stores group is cancelling its “Reorganisation Contract Agreement' agreed to by the Verdi trade union in 2019. The company wants to reorganise but, as Verdi admits, at the expense of its workers. They will lose their contractual security of pay, employment and location. Numerous branches of the group will have to close. In addition, no new temporary workers are likely to be hired. Only last January, the company received a €220 million bailout from the federal government.

Foodstuffs: At the pasta producer Riesa Nudeln in Saxony, negotiations between the NGG (food workers) trade union and the Freidler family of entrepreneurs broke down after four weeks of strike action. The NGG union wanted to raise the minimum wage of €12.51 for many of the 140 workers (in addition to the 30-40 temporary workers not affected) by one euro immediately and another euro sometime next year. Even this measly offer was rejected by management.

Dr. Oetker food products has announced plans to save €250 million a year and cut jobs in all areas of the company and in all of its affiliated branches in 40 different countries.

Electronics: The new head of the Dutch global corporation Philips plans to cut 4,000 of the company's total of 78,000 jobs.

Bosch is closing its plant in Arnstad, Thuringia, and sacking 100 workers. Alternator regulators have been produced there since 2014. At the company's Eisenach plant, also in Thuringia, 600 Bosch colleagues recently took part in a short-term warning strike. In Bühl, Baden-Württemberg, the works council cancelled a long-planned meeting for all three shifts at short notice because, it claimed, the company had problems with its financing. The company intends to lay off 300 of its 3,500 strong workforce and relocate production to Eastern Europe where, according to the works council chair, there is no protection against dismissal and workers work a 12-hour day.

Siemens Gamesa is cutting 2,900 jobs worldwide, or about 10 percent of its workforce. The wind turbine manufacturer, a subsidiary of the power engineering group Siemens Energy, plans to cut 800 jobs in Denmark, 475 in Spain and 300 in Germany.

Chemical Industry: With a new savings programme, BASF plans to save €500 million annually from 2025 and cut jobs in a yet unspecified number. Last year, BASF had already laid off 6,000 workers. The job cuts will mainly affect the company's main site in Ludwigshafen, where 39,000 of its 110,700 employees are currently working; €250 million are to be saved there.

At the chemical company Grace in Worms, Rhineland-Palatinate, 100 of 840 jobs are to be terminated. A total of 4,300 employees in over 60 countries currently work for the company.

Metal and mining industries: In Eisenhüttenstadt, Brandenburg, 900 steelworkers are on short-time work. At a protest last month they demanded an end to the war in Ukraine and affordable energy.

In Nordenham, Lower Saxony, 400 workers have also been forced to work short-time with the zinc smelter plant to suspend production for a full year.

Mechanical engineering: The special machinery manufacturer Zippel in Neutraubling, Bavaria, is insolvent and 94 workers are due to lose their jobs.

Contrary to earlier claims, FLSmidth, a conveyor technology supplier, now wants to cut almost all 140 jobs at its site in St. Ingbert-Rohrbach. The company had only bought the plant from steel giant ThyssenKrupp last September.

Auto industry: According to an S&P report, Europe's car production could fall by more than one million vehicles per quarter in 2023. Rising energy costs are putting a strain on supply chains. Parts shortages and bottlenecks could even lead companies to stop production altogether. In this case, S&P expects a production shortfall of 4.8 million to 6.8 million units on an annual basis.

In Ingolstadt, Bavaria, Audi is experiencing shift cancellations on two out of three production lines due to supply problems with semiconductors, among other things. The entire auto industry was already struggling due to supply problems linked to wiring harnesses at the very beginning of the NATO proxy war in Ukraine.

Opel partner Segula plans to shed 250 of 750 workers in Rüsselsheim, Hesse.

The Ford plant in Saarlouis will be gradually shut down and around 4,000 of the factory's 4,600 employees are to be laid off. This will lead to the elimination of many thousands more jobs in supplier factories in an already structurally weak region.

Mercedes is forcing up to 2,500 employees in Bremen to work short-time.

After protests against the dismissal of 690 workers at ZF (Zahnradfabrik Friedrichshafen) in Eitorf, the IG Metall trade union intervened, requesting the company organise the job cuts in a "socially acceptable" way.

The auto supplier Schaeffler is cutting an additional 1,300 jobs in Ingolstadt and Morbach and stresses: "The measure should be as socially acceptable as possible on the basis of the agreement struck with IG Metall in 2018." In the coming months, "location concepts are to be developed together with the employees' representatives."

At Volkswagen, the no-strike period laid down by the current contract ends on November 30, 2022. The new negotiations will affect VW's core workforce in Braunschweig, Wolfsburg, Kassel, Salzgitter, Hanover, Emden and other plants. For the approximately 125,000 employees, the first round of negotiations ended without a result. Despite a historic record dividend for shareholders, similar to that awarded by Mercedes-Benz and BMW, the union is demanding only a little more than 8 percent, i.e., far less than the rate of inflation.

Based on the contract bargaining rounds in the public sector and the engineering sector, the WSWS wrote: "The current round of collective bargaining and the great willingness of workers to resist sliding into poverty and subsistence must be made the starting point for an offensive against the war and its social consequences. To compensate for the current rate of inflation and earlier real wage cuts, high double-digit wage increases must be fought for, not just 8 percent."

In this struggle, workers face concerted opposition from the unions, which support the federal government's war policy against Russia and operate as company police, an extended arm of management with the task of thwarting all the demands of workers in the factories.

It is necessary to break this dominance of the trade unions and build independent rank-and-file action committees in the factories to organise the struggle against job cuts, wage cuts and war, and to network internationally.

The International Committee of the Fourth International has set up the International Workers Alliance of Rank-and-File Committees (IWA-RFC) to give direction to these committees and allow them to coordinate internationally.

This is the only way to avert the threat of war and its consequences in the form of job cuts and huge wage reductions. We call on all workers to contact us by WhatsApp message at the following number: +491633378340 or to register for the rank-and-file committees below.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact