Alstom plants in eastern Germany threatened with closure

Dietmar Gaisenkersting
9 May 2024

At its annual press conference on May 8, French train manufacturer Alstom left the fate of its plants in Hennigsdorf, Bautzen and Görlitz in eastern Germany hanging in the air.

The IG Metall union has been agreeing to job cuts and wage reductions for years. It has organised rationalisation programmes itself, arguing that this was the only way to make these—and other—plants "competitive" in the face of domestic and international competition. Now, 3,700 workers in these plants confront the immediate loss of their livelihoods.

Alstom Group CEO Henri Poupart-Lafarge refused to provide clear information at the press conference, only providing hints about what lies in store. The situation was "objectively complex," he said in a press interview. "There is overcapacity at our sites, which is related to Bombardier's earlier market losses in Germany," he said.

A total of 9,600 people work at 13 locations in Germany. Finance daily *Handelsblatt* quoted the Alstom regional director saying that the capacity utilisation of the German sites was not part of the company's strategy. Orders went to Wroclaw and Katowice in Poland; Bautzen or Görlitz would then receive what could not be completed there or had to be reworked.

The Alstom plants in eastern Germany had belonged to Bombardier until the end of 2020. After the merger between Siemens and Bombardier failed in 2017, due to objections from the European antitrust authorities, Alstom took over Bombardier's railway division at the beginning of 2021. At the time, the two companies were considered the world's No. 2 and No. 3 global railway construction companies. Only the Chinese train manufacturer CRRC generated more revenue from the construction of rail vehicles.

The takeover of Bombardier by Alstom at the beginning of 2021 was the culmination of the concentration process in the railway construction industry for dominance on the global market and was linked to a brutal rationalisation programme to increase profits. Today, the group operates in 100 countries worldwide with around 80,000 employees.

Three years ago, Alstom CEO Henri Poupart-Lafarge offered shareholders the prospect of a "double-digit increase in earnings per share" as a result of "increased efficiency and a stronger operating profile." From the fourth year after the takeover, "cost synergies totalling €400 million per year" were expected.

These "cost synergies," i.e., merging and/or closing parts of the business, will take place on the backs of the employees and will be co-organised by IG Metall.

Even before 2021, the largest Bombardier plants in Hennigsdorf near Berlin, Görlitz and Bautzen, had repeatedly cut jobs, replaced permanent workers with temporary labour, and relocated work processes to low-wage countries such as Poland or the Czech Republic. In 2017, thousands of Bombardier workers demonstrated in Hennigsdorf in defence of their jobs. But IG Metall nevertheless agreed to the loss of 2,200 jobs at the German sites.

In Görlitz, IG Metall went so far as to agree to the piecemeal destruction of more than half of the jobs, which now total just under 700. It used the announcement by the German Bombardier Group management to invest a sum of €8 million in the company to justify the job cuts. However, this announcement was never meant seriously and, in the end, only €1 million was realised.

At Alstom, IG Metall continued in 2021 where they had previously left off at Bombardier—with continuous job cuts and wage cuts in return for worthless promises about maintaining the sites. None of these agreements were worth the paper they were written on.

In December 2021, Alstom announced a programme of cuts in Germany that included the elimination of up to 1,300 jobs. According to IG Metall, the Hennigsdorf site with Hennigsdorf Drives, Görlitz, Bautzen, Siegen and Kassel had "structural and long-term underutilisation." The union and the General Works Council it heads then engaged management consultants in order to draw up their own plan for the cutbacks that had been "announced by the Group, and realised through productivity increases," and to prevent

© World Socialist Web Site

the relocation of work to foreign Alstom plants. Under the motto “better instead of cheaper,” the union presented a plan to make the sites competitive for the future instead of unimaginatively letting them face death by a thousand cuts,” writes IG Metall on the background to the current situation.

The union’s willingness to make concessions to the Group management is boundless. The IG Metall statement reads: “In the event that the productivity targets are not met, the resulting gap should be compensated for with contributions from employees that are objectively measured and jointly monitored.”

It was under this plan that the so-called “Future Contract” was concluded at the beginning of April 2023, and which runs for a term of three years. It was cynically named, “Setting the course for greater competitiveness in Germany.”

Specifically, the “contributions of the workforce” in the affected plants amounted to many million euros per year. For the most part, these affect special payments under the collective agreements, primarily holiday pay. If performance-related key figures are achieved, the wage losses will be repaid in the following year, it was said. Alstom stated that it would invest 2 percent of turnover in Germany each year in the German sites, allegedly to increase their competitiveness.

With the end of the zero-interest-rate policy, it was no longer possible to simply finance the debt with cheap loans. In autumn 2023, Alstom announced that it would again cut 1,500 jobs worldwide and sell off assets. This week, the Alstom board also announced an increase in share capital totalling €1.75 billion.

IG Metall complains that it has complied in every respect with the provisions of the “Future Contract” and had provided the company with givebacks covering the approximately 10,000 employees. However, the company had not honoured the agreements, it said, at least not those propagated by the union and the works council. For example, the investment requirement in Hennigsdorf has been reduced from €11 million to around €3.5 million, of which, according to IG Metall, only €600,000 have been released to date. Alstom’s actions are also said to make it impossible to achieve the production targets so that the special payments saved can be repaid.

IG Metall and the works council are also complaining that the employment figures for the individual sites set out in the Future Contract are not being adhered to; in Görlitz 64, in Bautzen 42 and in Siegen 26 fewer employees are to work than agreed. It was also six months overdue for the sites in the Group that are not covered by collective labour agreements to be bound by them.

Until the very end, IG Metall officials and the General Works Council begged for the agreement to be honoured. They appealed to the conciliation committee, but the Alstom management refused to make any concessions.

On the contrary, in February this year it announced a further programme of up to 290 job cuts in Germany. In March, even before the second payment of their holiday pay, 88.1 percent of union members in the affected plants voted in a ballot in favour of terminating the “Future Contract.”

IG Metall and the General Works Council pleaded with Alstom’s management until the very end to give in and implement the agreed measures. However, the company did not even think about it, so the agreement was cancelled last week, according to IG Metall Oranienburg and Potsdam.

IG Metall and its works council representatives were never prepared to put up a serious fight in defence of the jobs, nor are they now. Their only concern has always been to push through the savings with “imaginative” proposals for cuts and nebulous promises, to bolster their role as irreplaceable co-managers. “Without a Future Contract, Görlitz has no prospects,” René Straube, head of the works council at the Görlitz plant and chairman of the general works council, told *Tagesspiegel*.

Workers at Alstom—and not only in the affected plants—must take stock and consciously break with the trade unions. There must be an end to the limitless concessions in the form of job losses, wage cuts and worsening working conditions in the name of “competitiveness” that the corporations use to play national and international sites off against each other.

A joint struggle with fellow workers in France, the US, Poland, the Czech Republic and many other countries for the fundamental defence of all jobs is only possible against IG Metall and union apparatuses, not with them. The defence of jobs therefore requires the establishment of independent rank-and-file action committees in which workers who are ready to fight can network internationally and jointly organise the defence of their jobs—as the basis of their livelihood.

The WSWS supports the establishment of action committees independent of the trade unions and will help to establish links with workers at other sites and in other countries.

Get in touch with us by sending a WhatsApp message to the following number: +49 163 33 78 340 and register using the form below.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site