Massive job cuts loom at Alstom factories in eastern Germany

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Barely a year after the so-called “Future Contract” was agreed between Germany’s biggest trade union, IG Metall, and the rail vehicle manufacturer Alstom, it is already clear that massive relocations of production and redundancies are on the cards.

Alstom, which employs a total of 9,600 people at 13 sites in Germany, announced at the end of last week that its rail car construction division is to be relocated to Poland.

The announcement confirms the statements of an Alstom regional director, who was recently quoted in the *Handelsblatt* newspaper as saying that the utilisation of its German sites was no longer part of the company’s strategy. Instead, orders were to be redirected to Wroclaw and Katowice in Poland. The company’s German plants in Bautzen and Görlitz would then be given the work that could not be carried out in Poland or had to be improved. This is exactly what is now being realised.

The plant in Görlitz, which still has 700 employees, will be hit particularly hard and will no longer receive new orders for the construction of rail cars. Görlitz is currently still building double-decker carriages for Israel and Deutsche Bahn (German Rail) and tram car bodies for Leipzig. These orders are still being processed and are scheduled to end in mid-2026.

Production will also be greatly reduced at the Hennigsdorf, Bautzen and Salzgitter sites. Hennigsdorf, the largest plant, with around 2,000 jobs, could be reduced to a development and service site. At a plant meeting in Hennigsdorf on 28 May, the workforce was informed that what happens after 2026 will depend on the order books.

The current announcements continue a long series of job losses that have been imposed at every level by IG Metall and the works councils it controls.

The plant in Görlitz, which has a 150-year history, currently employs only 700 workers. There were already mass redundancies in 2017, when the plant still belonged to the Bombardier group. At that time, 2,500 people were employed at the site, but 1,250 jobs were lost.

IG Metall agreed to the destruction of a total of 2,200 jobs, even though the Bombardier workers in Hennigsdorf were prepared to defend their jobs and took to the streets in their thousands to do so. The works council and IG-Metall promised the workforce that management would invest 8 million euros in the plant. In the end, only 1 million euros was pulled out of the hat.

Bombardier was taken over by Alstom at the beginning of 2021. This was part of the global concentration process in railway construction and linked to a programme of fierce rationalisation.

In connection with the mobility transition, the rail industry is experiencing strong growth in Europe and around the world, promising huge profits. The German Railway Industry Association reported record sales of 7.8 billion euros for the first half of 2023, following 13.9 billion in sales for 2022 as a whole. A handful of large corporations are fighting for supremacy on the global market. This is taking place at the expense of workers in every country.

Alstom, which is expecting sales growth of 5 percent for 2023/2024, is positioning itself for this fight. This means a continuation of the process that impacted former Bombardier employees after the takeover in 2021: i.e., continuous job losses and wage cuts in return for worthless promises to maintain plants. None of these agreements are worth the paper they were written on.

The most recent manoeuvre, the “Future Contract” that IG Metall agreed with Alstom in April 2023, was bound up with significant wage cuts for workers. The waiver of holiday pay saved the company a total of 34 million euros per year. In return, the management promised to invest in the future.

René Straube, chairman of the General Works Council at Alstom, was jubilant at the time, declaring, “In addition to job security for three years, the agreement also guarantees to safeguard factories.”

In reality, the Future Contract served to increase productivity, i.e., exploitation. If this did not succeed as planned, then workers would be asked to pay the difference.

In IG Metall’s management-speak, this reads as follows:

> In the event that productivity targets are not achieved, the resulting gap should be compensated for with contributions from employees that are objectively measured and jointly monitored.

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To conceal the content of this arrangement, it was also stated that if the "performance-related key figures" developed positively, holiday pay would be paid back to employees the following year. In reality, it was clear from the outset that this would never happen.

Nevertheless, Uwe Garbe, first rep for IG Metall Ostsachsen, announced enthusiastically:

> For the Bautzen and Görlitz sites in eastern Saxony, the Future Contract offers a great opportunity to strengthen both plants in the long term and make them more competitive in order to offer our colleagues sustainable prospects for the future once again.

And IG Metall board member Jürgen Kerner commented: "It was a long and at times very arduous journey. But it was worth it: the jobs have been saved and the sites secured."

None of this was true.

When the company sought to continue withholding holiday pay in 2024, IG Metall was forced to terminate the Future Contract under pressure from the workforce. In March, 88.1 percent of union members voted in favour of this in a ballot.

The union is now accusing Alstom of having not adhered to the agreements and is demanding the return of the money withheld from employees. Alstom, for its part, does not accept the cancellation of the contract and insists on its enforcement until the end of 2026. The company is having the cancellation legally reviewed, Alstom announced.

Even after the unilateral termination of the Future Contract, it is clear that IG Metall will not lead a fight in defence of jobs. Instead, it sounds like a threat to the workforce when IG Metall's chief negotiator, Jochen Homburg, repeats the familiar formulas:

> IG Metall is still prepared to work together with the company on competitiveness - and thus for the preservation of all plants. Unfortunately, we do not recognise this willingness on the part of the employer. We are therefore not so naïve and are working on a Plan B.

In other words, the union is ready to accept any new deal with which its officials can once again deceive workers and ultimately make them pay.

Instead of leading the fight in defence of jobs and against cuts in real wages, the union leadership prefers to hire expensive management consultants to come up with alternative concepts for greater profitability—all financed by union members' contributions.

The trade unions do not represent their members, but act rather as co-managers. They invariably see their task as defending "Germany as a business location," and ensuring that it is "economically attractive," i.e., as favourable as possible for companies such as Alstom, even if they use the motto "better not cheaper" to cover their tracks.

At the beginning of the year, the trade union newspaper *metall* was still promoting "value creation in Germany" under the headline "Setting the course for the future," and quoted the vice-chairman of IG Metall, Jürgen Kerner, demanding that a certain proportion of public contracts be awarded to German factories. René Straube, chairman of the General Works Council at Alstom, emphasised, "We have to make our sites competitive."

In the same report, he stressed, "And by increasing productivity, we will continue to produce in Germany in the medium and long term."

This policy does not serve to defend jobs, but rather facilitates their destruction. One plant is played off against the other at the expense of the workforce. A fight for the interests of the workers is only possible if workforces unite across borders.

Workers are experiencing this in every industry and in every country. Alstom operates in 100 countries worldwide, with around 80,000 employees who face similar problems everywhere. One has to ask what price the Polish trade unions paid for Alstom's relocation of rail car production to Katowice.

In order to restore their wages and defend their jobs, workers at Alstom must take stock of and break with the trade union apparatuses. There must be an end to endless concessions in the form of job losses, wage cuts and deteriorating working conditions in the name of "competitiveness."

A combined struggle for the principled defence of jobs and against wage theft is only possible in opposition to the trade union apparatuses and must be waged internationally.

The defence of jobs therefore requires the establishment of action committees, independent of the union apparatuses, which enable workers willing to fight to network internationally and jointly organise the defence of their jobs—as the basis of their livelihood.

The WSWS supports the establishment of action committees and helps to establish links with workers at other sites and in other countries.

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